



# WMS Partners, LLC FORM ADV, PART 2A

# **WMS Partners, LLC**

SEC File Number: 801 – 46692

## **Brochure**

**Dated: April 11, 2023**

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This brochure provides information about the qualifications and business practices of WMS Partners, LLC ("WMS"). If you have any questions about the contents of this brochure, please contact us at (410) 337-7575 or [twickwire@wms-partners.com](mailto:twickwire@wms-partners.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about WMS Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to WMS Partners, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## Item 2. Material Changes

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The following changes were made to WMS's Part 2A Brochure since the annual filing dated March 31, 2022:

- Updates to Item 1 were made to reflect the firm's address change;
- Updates to Item 4.A and the relevant brochure supplements were made to reflect the fact that Joshua Rowe and Paul Speargas serve as Co-Chief Investment Officers for WMS Partners;
- Updates to Item 4.D were made to reflect changes in the firm's assets under management;
- Updates to Item 4.B and Item 5.I were made to reflect WMS's intentions to transition some affiliated private fund administrative obligations to a third-party service provider;
- Updates to Item 4.B were made to reflect WMS's intentions to recommend and make available private investment opportunities with unaffiliated private investment funds primarily through affiliated private fund vehicles managed by WMS Partners, rather than generally recommending private investment opportunities on an individual basis;
- Updates to Items 5.C, 12, and 14 were made to reflect the fact that Fidelity Investments is no longer a recommended custodian/broker of WMS Partners;
- Updates to Items 12 and 14 were made to clarify benefits provided and/or offered by WMS's custodians, including primarily Charles Schwab and TD Ameritrade, how those benefits can constitute conflicts of interest for WMS, and how those conflicts of interest are mitigated by WMS Partners;
- References throughout the document were added to the WMS Private Equity Fund I, LLC, which will be launched in Spring of 2023; and
- Employee information was updated in the accompanying Brochure Supplement to reflect employee roster changes and WMS's address was updated to 1 W. Pennsylvania Avenue, Suite 800, Towson, Maryland 21043.

Since the annual filing of WMS's Part 2A Brochure dated March 30, 2023, the firm is filing an other-than-annual amendment for the following changes:

- Updates to Item 4.A and the relevant brochure supplements were made to reflect Todd Wickwire as WMS's new Chief Compliance Officer;
- Updates to Item 5.A was made to reflect changes to the standard fee schedule. The legacy fee schedule will no longer be open to new clients and from which we are transitioning away;
- Updates to Items 5.D and 7 were made to reflect a lower minimum asset level of \$2.5 million;
- The WMS Private Equity Fund I, LLC, was launched in the Spring of 2023 and references throughout the document have been updated.

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#### **Item 4. Advisory Business**

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- A. WMS Partners, LLC (“WMS”) is a Delaware limited liability company which was founded in 1993. WMS was originally formed under the laws of the State of Maryland and became a Delaware limited liability company in 2021. WMS continues to maintain its principal place of business in Maryland. A substantial majority of WMS is owned by WMS Partners Holdings, LLC and TRIA Asset Holdings B, LLC. WMS Partners Holdings, LLC is owned by current employees of WMS.

Mr. Todd Wickwire is the Chief Executive Officer and Chief Compliance Officer of WMS Partners, LLC. Mr. Paul Speargas and Mr. Joshua Rowe are both co-Chief Investment Officers of WMS Partners, LLC. Mr. Timothy Chase is WMS’s Chairman. Ms. Laura Carr is WMS’s Chief Operating Officer. Mr. Bryan Lopez is the firm’s Chief Financial Officer. WMS’s principal office is in Towson, Maryland, at the address listed on the cover page above. As of January 1, 2018, WMS also operates a satellite office located at 10980 Grantchester Way, Columbia, Maryland 21044.

- B. As discussed below, WMS offers investment advisory services to its clients. In addition, WMS offers clients financial planning and related consulting services to the extent specifically requested by the client. WMS’s clients include without limitation: individuals, business entities, pension and profit-sharing plans, trusts, estates and charitable organizations.

#### **INVESTMENT ADVISORY SERVICES**

WMS offers its clients the option to engage WMS’s investment advisory services on either a discretionary (WMS makes buy and sell decisions) or non-discretionary (the client makes buy and sell decisions) basis. WMS’s clients pay for these services on a fee-only basis.

WMS’s annual investment advisory fee is calculated on a sliding scale, based on the market value of the client’s assets under management. For a detailed explanation of WMS’s fee schedule, please see Item 5. Notwithstanding the foregoing, WMS’s annual investment advisory fee is subject to negotiation, and a different method of determining the advisory fee payable by the client is possible.

WMS’s annual investment advisory fee shall be in exchange for investment advisory services, along with any financial planning and consulting services that have been specifically requested by the client. In the event that the client requires extraordinary planning and/or consultation services (as determined by WMS, in its sole discretion), WMS may charge for such additional services. The dollar value of any such additional services shall be set forth in a separate written notice to the client. At WMS’s discretion, it may allow accounts of members of the same household to be aggregated for purposes of determining the advisory fee for the household. WMS may allow such aggregation, for example, where WMS services accounts on behalf of related accounts. This consolidation practice is designed to

allow a client the benefit of an increased asset total, which could potentially cause the accounts to be assessed a reduced advisory fee based on the breakpoints available in our fee schedule. WMS may also charge different or lesser fees for non-management oversight and/or mere reporting services. The fees charged with respect to the services referenced in the preceding sentence are subject to negotiation between the client and WMS.

**Affiliated Private Investment Funds.** WMS also serves as the investment advisor and/or manager to several Affiliated Private Funds, including specifically: the WMS Private Income Fund I; WMS Private Income Fund II; WMS Private Income Fund III; the WMS Income Opportunity Funds; the WMS Real Estate Opportunity Fund; the WMS Washington Fund; and the WMS Private Equity Fund I, LLC, which was launched in the Spring of 2023 (collectively, the “*Affiliated Private Funds*”). With the exception of the WMS Private Equity Fund I, LLC, all current *Affiliated Private Funds* are closed to new investors.

WMS may, on a non-discretionary basis, recommend that qualified clients consider allocating a portion of their investment assets to the *Affiliated Private Funds*, when available. The terms and conditions for participation in the *Affiliated Private Funds*, including management and the potential for incentive fees (if any), conflicts of interest, and risk factors, are set forth in the fund’s offering documents. WMS’s clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Advisory clients who invest in any of **WMS Private Income Fund I, LLC, WMS Private Income Fund II, LLC, WMS Private Income Fund III, LLC, or the WMS Private Equity Fund I, LLC** do not pay an additional management fee through the Fund. The assets of advisory clients invested in any of **WMS Private Income Fund I, LLC, WMS Private Income Fund II, LLC, WMS Private Income Fund III, LLC, or WMS Private Equity Fund I, LLC** are included in the client advisory fee as part of the total assets under management, and no separate management fee is charged for investment in the respective fund.

Non-advisory clients who invest in any of **WMS Private Income Fund I, LLC, WMS Private Income Fund II, LLC, WMS Private Income Fund III, LLC, or WMS Private Equity Fund I, LLC**, are subject to an annual management fee, as set forth more fully in Item 5.

Investors are not charged performance fees for their investment in any of the following funds: **WMS Private Income Fund I, LLC, WMS Private Income Fund II, LLC, WMS Private Income Fund III, LLC, and the WMS Private Equity Fund I, LLC.** While the WMS Real Estate Opportunity Fund, LLC has the potential to charge a performance fee, it has never done so.

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, the potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which

is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment. **WMS's Chief Compliance Officer, remains available to address any questions regarding the risks of investment in private investment funds, or any actual or perceived conflict of interest.**

**Please Also Note:** WMS utilizes an in-house team of professionals to organize, establish, and administer our Affiliated Private Funds and prepare relevant financial reporting, including but not limited to administrative, accounting, and legal professionals. WMS is reimbursed for the time of its employees spent working on Affiliated Private Fund matters—including but not limited to matters related to the formation of Affiliated Private Funds and their respective operating documents, at a rate of 150% of the hourly cost to WMS for retaining the employee(s). This situation presents a **conflict of interest**, as WMS is being compensated for the time of its employees, in addition to any advisory and/or management fees paid to it by its advisory clients and/or fund investors. WMS believes that these in-house services are vital, as its employees have developed institutional and industry knowledge which is critical to the ongoing success of WMS's Affiliated Private Funds. WMS shall seek an estimate for comparable services on a biennial basis, and/or whenever the nature of its fund administrative services changes drastically, to ensure that in-house fund administrative services are being provided to its Affiliated Private Funds at rates similar to those charged in the market.

Notwithstanding the foregoing discussion of WMS's in-house administration, WMS intends at some point in the future to engage a private third-party fund administrator to take over the fund administration for some or all of its Affiliated Private Funds. Whether WMS engages such a third-party fund administrator for a particular Affiliated Private Fund depends on a number of factors, including cost and the availability of service offerings by the fund administrator. WMS will make the determination of whether to engage a third-party fund administrator to administer a particular Affiliated Private Fund on an individual basis, based on the particular needs and requirements of that specific Affiliated Private Fund. Even where an Affiliated Private Fund is administered by a third-party administrator, WMS will charge the fund for employee time associated with fund related tasks not executed by the third-party administrator at a rate of 150% of the hourly cost to WMS for retaining the employee.

**Unaffiliated Private Investment Funds.** WMS may provide investment advice regarding investment funds to which it has no affiliation. In these circumstances, WMS's role shall be limited to its initial and ongoing due diligence and investment

monitoring services. Should one of WMS's clients decide to become an investor in one of these Unaffiliated Private Funds, WMS will include those invested assets in determining the client's "assets under management," for purposes of WMS calculating its investment advisory fee. WMS's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

**Please Note:** Private investment funds, whether Affiliated Private Investment Funds or Unaffiliated Private Investment Funds, generally involve various risk factors, including, but not limited to, the potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing.

In addition, there are generally several minimum qualifications that the client must meet prior to being permitted to invest in the fund. Each prospective client investor will be required to complete a Subscription Agreement establishing that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Valuation.** In the event that WMS references private investment funds owned by the client on any supplemental account reports prepared by WMS, the value(s) for all such private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be **significantly more or less** than the original purchase price. The client's advisory fee shall be based upon reflected fund value(s).

**Pooling of Private Investment Opportunities.** Starting with the launch of the WMS Private Equity Fund I, LLC, WMS intends to begin introducing its clients to private investment opportunities on a non-discretionary basis, primarily through affiliated fund vehicles created by WMS. While WMS clients will still have the opportunity to invest in private investments on an individual basis in some circumstances (for example, where WMS determines that a particular private investment opportunity is not a suitable investment for its available Affiliated Private Funds), it believes that introducing clients to such opportunities primarily via an affiliated multi manager fund vehicle offers benefits not readily available to investors committing to private investments on an individual basis. These benefits include providing WMS clients access to the underlying private investment opportunities on a diversified basis without having to commit the substantial capital associated with investing on an individual basis to one opportunity. The pooling of client assets in an affiliated WMS multi manager fund vehicle also provides suitable clients with the opportunity to participate in private investment opportunities that they might otherwise be excluded from on an individual basis as a result of limited fund capacity. WMS will allocate suitable private investment opportunities to its Affiliated Private Funds



as it deems appropriate. To the extent that there is remaining available capacity for an unaffiliated private investment opportunity, WMS may make such additional capacity available for suitable clients to invest on an individual basis. This decision will be made on a client-by-client basis, taking into account the client's total portfolio, risk parameters, and liquidity needs. WMS's current intention is that this process will be phased in over time, as additional WMS multi manager fund vehicles are created. These intentions are subject to modification at any time. Notwithstanding the foregoing, WMS may still recommend, on a non-discretionary basis, that some clients commit to private investment opportunities on an individual basis where it deems doing so in the best interest of the client.

Prior to the client investing in any private fund—whether affiliated or unaffiliated with WMS—the client shall receive both the Confidential Private Offering Memorandum and corresponding Subscription Agreement, which must be executed by the client and submitted to the fund sponsor for review/acceptance.

**Unaffiliated Sub-Advisers.** WMS may allocate, on a discretionary or non-discretionary basis, all or any portion of its clients' assets to an unaffiliated third-party manager ("Sub-Adviser"). WMS has the right to hire and fire Sub-Advisers in its absolute discretion. In these circumstances, WMS's role shall be limited to its initial and ongoing due diligence and investment monitoring services. Should a client's investment assets be managed by one of these Sub-Advisers, WMS will include those sub-advised assets in determining the client's "assets under management," for purposes of WMS calculating its own investment advisory fee. WMS's clients shall be responsible for paying any fees payable to the Sub-Adviser, and such fees shall be in addition to any fees due to WMS. Fees due to a Sub-Adviser shall, at WMS's election, either be passed through to the client by WMS or invoiced directly by the Sub-Adviser. If such fees are invoiced directly by the Sub-Adviser to WMS's clients, the fee shall be deducted directly from the client's custodial account(s). For the purpose of clarity, the above discussion of allocation to Unaffiliated Sub-Advisers does not apply to the commitment and/or investment by WMS's clients to private investment funds. As discussed in Item 8, **WMS does not commit its clients to investment in private investment funds on a discretionary basis.**

**Please Note:** There are generally several minimum qualifications that the client must meet prior to being accepted by Sub-Adviser. Each client allocated to a Sub-Adviser may be required to: complete a Subscription Agreement establishing that he/she is qualified for investment with the Sub-Adviser, acknowledging and accepting the various risk factors that are associated with such an investment, and may be required to provide additional documents related to the client's identity and suitability for various investments. WMS shall be permitted to facilitate any such requirements set by Sub-Advisers. Fees assessed by Sub-Advisers could be anywhere up to and including an annual fee of 1% of the investment assets managed by the Sub-Adviser.

WMS's annual investment advisory fee shall be payable to WMS by clients in exchange for investment advisory services provided by WMS. In addition, WMS offers clients financial planning and related consulting services **to the extent specifically requested by the client**. WMS's clients include without limitation: individuals, business entities, pension and profit-sharing plans, trusts, estates and charitable organizations.

## **MISCELLANEOUS**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** To the extent requested by the client, WMS will generally provide financial planning and related consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. WMS will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, special projects, stand-alone planning engagements, etc. for which WMS may charge a separate or additional fee). **Please Note:** WMS believes that it is important for the client to address financial planning issues on an ongoing basis. WMS's advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with WMS. **Please Also Note:** WMS **does not** serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, WMS **does not** prepare legal documents or tax filings, and does not sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from WMS and/or its representatives. If the client engages any professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** WMS, shall be responsible for the quality and competency of the services provided.

**Non-Discretionary Service Limitations.** Any client who decides to engage WMS on a non-discretionary investment advisory basis **must be willing to accept** that WMS cannot execute any account transactions without obtaining prior verbal consent to do so from the client. This requirement would preclude WMS from acting autonomously in response to any major market event. Thus, in the event of a market correction during which the client is unavailable, **WMS will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.**

**Client Obligations.** In performing our services, WMS shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, it remains each client's

responsibility to promptly notify WMS if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

**Portfolio Activity.** WMS has a fiduciary duty to provide services consistent with the client's best interest. WMS will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when WMS determines that changes to a client's portfolio are neither necessary, nor prudent. Clients remain subject to the fees described in Item 5 below during periods of account inactivity.

**Disclosure Statement.** A copy of WMS's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of an Engagement Agreement between WMS and its client.

**Please Note-Use of Mutual Funds:** Some mutual funds utilized by WMS are available directly to the public. Thus, a prospective client can obtain some of the mutual funds that may be recommended and/or utilized by WMS independent of engaging WMS as an investment advisor. However, if a prospective client determines to do so, he/she will not receive WMS's initial and ongoing investment advisory services with respect to those mutual fund holdings.

**Please Also Note-Use of DFA Mutual Funds:** As indicated above, most mutual funds are available directly to the public, without need to engage an investment professional. Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through registered investment advisers. WMS utilizes DFA mutual funds. Thus, if the client was to terminate WMS's services, restrictions regarding transferability and/or additional purchases of, or reallocation among, DFA funds will apply. **WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above.**

**Retirement Rollovers-No Obligation/Conflict of Interest:** A client leaving an employer typically has four options (and may engage in a combination of these options): (i) leave the money in his former employer's plan, if permitted; (ii) roll over the assets to his/her new employer's plan, if one is available and rollovers are permitted; (iii) rollover to an IRA; or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). WMS may recommend an investor roll over plan assets to an Individual Retirement Account (IRA) advised by WMS. As a result, WMS and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave his or her plan assets with his or her old employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to WMS (unless the client engages WMS to monitor and/or advise on the account while maintained with the client's employer). WMS has an economic incentive to encourage an investor to roll plan assets into an IRA that

WMS will advise on or to engage WMS to monitor and/or advise on the account while maintained with the client's employer. This presents a conflict of interest for WMS, as WMS has a financial incentive to recommend that the client roll over its retirement account into an account where WMS may receive an advisory fee. There are various factors that WMS may consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA; (ii) fees and expenses in the plan versus the fees and expenses in an IRA; (iii) the services and responsiveness of the plan's investment professionals versus those of WMS; (iv) protection of assets from creditors and legal judgments; (v) required minimum distributions and age considerations; and (vi) employer stock tax consequences, if any. **No client is under any obligation to roll over plan assets to an IRA advised by WMS or to engage WMS to monitor and/or advise on the account while maintained with the client's employer.**

**Fiduciary Status Regarding Retirement Accounts:** When WMS provides investment advice to its clients regarding their retirement plan accounts or individual retirement accounts, WMS and its representatives are acting as fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way WMS makes money creates some conflicts with the interests of its clients, so WMS operates under a special rule that requires WMS to act in the best interests of its clients, and not put its own interest ahead of its clients. Accordingly, relative to retirement accounts, WMS must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put its own financial interests ahead of those of its clients when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that WMS gives advice which is in the best interest of its clients;
- Charge no more than is reasonable for its services; and
- Give basic information about conflicts of interest to its clients.

**WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above and the corresponding conflict of interest presented by such engagement.**

**eMoney.** In conjunction with the services provided by eMoney, WMS Partners, LLC ("WMS") may also provide access to account aggregation services, which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets that WMS manages (the "Excluded Assets"). **The client and/or his/her/its other advisors that maintain trading authority, and not WMS, shall be exclusively responsible for the investment performance of the Excluded Assets.** In addition, eMoney will also provide access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice or recommendations

provided by WMS. WMS does not provide investment management, monitoring or implementation services for the Excluded Assets. The client may engage WMS to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the Engagement Agreement between WMS and the client.

**ByAllAccounts, Inc.** The client, in conjunction with the services provided by ByAllAccounts, Inc., may also engage WMS to provide periodic comprehensive reporting services which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets that WMS manages (the "Excluded Assets"). The client and its other advisor(s) that maintain trading authority, and not WMS, shall be exclusively responsible for the investment performance of the Excluded Assets. WMS's services relative to the Excluded Assets is limited to reporting and non-discretionary consulting services only, which does not include investment implementation. WMS does not have trading authority for the Excluded Assets. As such, to the extent applicable to the nature of the Excluded Assets (assets over which the client and/or its other advisors/investment professionals maintain trading authority), client (and/or the other investment professional), and not WMS, shall be exclusively responsible for directly implementing any recommendations relative to the Excluded Assets. WMS shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event that the client desires that WMS provide discretionary investment management services (whereby WMS would have trading authority) with respect to the Excluded Assets, the client may engage WMS to do so pursuant to the terms and conditions of a properly executed Engagement Agreement.

**Introductions to Other Professionals.** In the event that a client advises WMS that it requires the services of another professional (i.e., attorney, CPA, insurance agent, investment banker, etc.), and the client correspondingly requests an introduction from WMS, WMS may make an introduction to:

1. an unaffiliated professional who is also a WMS client. Unless otherwise expressly indicated, in writing, neither WMS, nor any WMS employee, shall receive any compensation from the professional for the introduction. Nevertheless, because the recommended professional is also a WMS client, a **conflict of interest** arises because by making the introduction, WMS is assisting an individual or entity from whom it derives (and anticipates in the future will derive) compensation as a WMS client. In the event that WMS introduces a client to an unaffiliated professional who is also a WMS client, WMS will disclose the conflict, in writing, to the client. No client is under any obligation to utilize the services of any such recommended professional. If the client determines to engage the referred professionals, the terms and conditions of the engagement shall be set forth in a written agreement between the client and the referred professional, to which WMS shall not be a party; and/or
2. a professional who is associated with a WMS affiliate (and/or a professional who is affiliated with the same service provider as an WMS affiliate).

Specifically, a WMS employee is a retired member of a law firm, to which law firm a referral may be made in the event that a WMS client requests an introduction to a law firm. With respect to WMS's clients, the professional may receive a portion of the fee earned by the law firm **for those persons who were also clients of the professional at or before the time of his retirement from the law firm**. If such a client should engage the referred law firm, a **conflict of interest** arises because by making the introduction, WMS is assisting an individual or entity from whom the employee derives (and anticipates in the future will derive) compensation in gaining clients and generating fees. Where WMS introduces a client to a professional who has a financial relationship with a WMS employee, WMS will disclose the conflict, in writing, to the client.

No client is under any obligation to utilize the services of any such recommended professional. If the client determines to engage the referred professionals, the terms and conditions of the engagement shall be set forth in a written agreement between the client and the referred professional, to which WMS shall not be a party.

**Please Also Note:** If the professional to whom WMS has referred the client also introduces clients to WMS, an additional **conflict of interest** arises because by making the referral, WMS is referring to an individual or entity from whom it anticipates it will receive additional future referrals.

**Asset Based Pricing Limitations:** WMS may recommend that its clients enter into an asset-based pricing agreement with the account custodian if it deems it appropriate to make such a recommendation. Under an asset-based pricing arrangement, the amount that the client will pay the custodian for account commission/transaction fees is based upon a percentage (%) of the market value of the client's account (generally, the greater the market value, the lower the %). This differs from transaction-based pricing, which assesses a separate commission/transaction fee against the client's account for each account transaction. Account investment decisions are driven by security selection and anticipated market conditions and not the amount of transaction fees payable by the client to the account custodian. WMS does not receive any portion of asset-based transaction fees payable by the client to the account custodian. While the great majority of WMS's clients are better suited by transaction-based pricing arrangements as of the date of this brochure, WMS believes that some clients may benefit from an asset-based pricing arrangement. The client can request at any time to switch from asset-based pricing to transaction-based pricing or vice versa. However, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Thus, given the variances in trading volume, any decision by the client to switch to or from transaction-based pricing could prove to be economically disadvantageous.



WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding actual or perceived conflict of interest such arrangement may create.

**Borrowing Against Assets/Risks.** A client who has a need to borrow money could determine to do so by using:

- **Margin**-The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral; and,
- **Pledged Assets Loan**- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral;

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e. custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, WMS does not recommend such borrowing unless it is for specific short-term purposes (i.e. a bridge loan to purchase a new residence). WMS does not recommend such borrowing for investment purposes (i.e. to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to WMS:

- by taking the loan rather than liquidating assets in the client's account, WMS continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by WMS, WMS will receive an advisory fee on the invested amount; and,
- if WMS's advisory fee is based upon the higher margined account value, WMS will earn a correspondingly higher advisory fee. This could provide WMS with a disincentive to encourage the client to discontinue the use of margin.

**Please Note:** The Client must accept the above risks and potential corresponding consequences associated with the use of margin or pledged assets loans.

**Please Note: Cash Positions.** WMS treats cash as an asset class. As such, all cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating WMS's advisory fee, unless agreed otherwise in writing between client and WMS. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), WMS may maintain cash positions

for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, WMS's advisory fee could exceed the interest paid by the client's money market fund. **ANY QUESTIONS: WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.**

- C. In light of the fact that each client is different, WMS provides investment advice specific to the needs of each individual client. As such, WMS's first step in forming its investment advisory relationship is to ascertain each client's unique investment objective(s). Thereafter, WMS shall allocate and/or recommend that the client allocate its investment assets consistent with those investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on WMS's services.
- D. WMS does not participate in a wrap fee program.
- E. As of December 31, 2022, WMS had \$3,458,213,261 in regulatory assets under management on a discretionary basis and \$1,704,306,129 in regulatory assets under management on a non-discretionary basis, for a total of \$5,162,519,390 in regulatory assets under management.

## **Item 5 Fees and Compensation**

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### **A. Fees for Investment Advisory Services**

WMS offers its clients the option to engage WMS's investment advisory services on either a discretionary (WMS directs buy and sell decisions) or non-discretionary (the client directs buy and sell decisions) basis. WMS's clients pay for these services on a fee-only basis.

WMS's annual investment advisory fee is calculated on a sliding scale, based on the market value of the client's assets under management, as follows:

<b><u>Market Value of Client's Portfolio</u></b>	<b><u>% of Assets</u></b>
\$1 to \$5,000,000	1.00%
\$5,000,001 to \$10,000,000	0.75%
\$10,000,001 to \$30,000,000	0.625%
\$30,000,001 to \$100,000,000	0.50%
\$100,000,001 to \$500,000,000	0.25%
\$500,000,001 and Over	0.125%

As an example, assume that WMS manages a client's portfolio with a value of 12 million dollars. The first five million dollars of the portfolio would be billed at a



rate of one percent (\$50,000). The following five million would be billed at a rate of 0.75% (\$37,500). The final two million dollars would be billed at a rate of 0.625% (\$12,500) for a total annual asset management fee of \$100,000.

Notwithstanding the fee breakdown above, the rates charged to a client for investment advisory services are subject to negotiation between WMS and the client, up to the percentages set forth above. WMS reserves the right to charge a different fee for the monitoring and reporting of assets which it reasonably determines will require a greater or lesser level of supervision.

WMS's annual investment advisory fee shall include investment advisory services, along with any financial planning and consulting services that have been specifically requested by the client. In the event that the client requires extraordinary planning and/or consultation services (as determined by WMS, in its sole discretion), WMS may charge for such additional services. The dollar value of any such additional services shall be set forth in a separate written notice to the client.

At WMS's discretion, WMS may allow accounts of members of the same household to be aggregated for purposes of determining the advisory fee. WMS may allow such aggregation, for example, where WMS services accounts on behalf of related accounts. This consolidation practice is designed to allow a client the benefit of an increased asset total, which could potentially cause the accounts to be assessed a reduced advisory fee based on the breakpoints available in our fee schedule.

#### **B. Billing, Payment & Deduction of Fees from Client Custodial Accounts**

Clients may elect to have WMS's advisory fees and/or any third-party fees, including not by way of limitation fees of a Sub-Adviser, deducted from their custodial account. Both WMS's Engagement Agreement and the custodial/clearing agreement with the custodian may authorize the custodian to debit the client's account in an amount equal to WMS's investment advisory fee, along with third party fees, and to directly remit that management fee to the proper recipient. This deduction would be made in compliance with all relevant agreements, and in compliance with regulatory procedures. In the limited event that WMS and/or any third party bills the client directly, payment is due upon receipt of the invoice.

WMS shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter without regard to any withdrawals or deposits made into a client's account during a billing period.

### **C. Recommendation of Custodians**

Unless the client directs otherwise or an individual client's circumstances require, WMS shall generally recommend that Charles Schwab and Co., Inc., a FINRA registered broker dealer, member SIPC ("Schwab") and/or TD Ameritrade, a FINRA registered broker dealer, member SIPC ("TD Ameritrade") serve as the broker-dealer/custodian for client investment management assets. While we do recommend that you use Schwab or TD Ameritrade as your custodian/broker, you will decide whether to do so and will open your account with the custodian/broker by entering into an account agreement with them directly. Conflicts of interest associated with this arrangement are described in Item 12 as well as in Item 14. You should consider these conflicts of interest when selecting your custodian.

**Custodian Charges-Additional Fees.** As discussed below in Item 12, when requested to recommend a broker-dealer/custodian for client accounts, WMS generally recommends that *Schwab or TD Ameritrade* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab and TD Ameritrade* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including *Schwab* and *TD Ameritrade* do not currently charge fees on individual equity transactions, others do). When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom WMS and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "trade-away" fee charged by *Schwab, and/or TD Ameritrade*). These fees/charges are in addition to WMS's investment advisory fee at Item 5 below. WMS does not receive any portion of these fees/charges. **ANY QUESTIONS: WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above.**

Notwithstanding the immediately preceding paragraph, WMS does work with other custodians, including primarily Bank of America, Fidelity Investments, First National Bank, M&T Bank, Millennium Trust Company, Pacific Premier Trust Company, Maple Mark Bank, and Wesco Bank.

### **D. Minimum Client Assets & Engagement Agreements**

**Fee Dispersion.** WMS, in its discretion, may waive its \$2.5 million minimum asset level, charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge its fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered,

grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS: WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding advisory fees.**

The Engagement Agreement between WMS and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Engagement Agreement. Upon termination, WMS shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

**E. Billing for the WMS Private Income Fund I, LLC, Private Income Fund II, LLC, WMS Private Income Fund III, LLC, and the WMS Private Equity Fund I, LLC.**

Advisory clients who invest in any of **WMS Private Income Fund I, LLC, WMS Private Income Fund II, LLC, WMS Private Income Fund III, LLC, or WMS Private Equity Fund I, LLC**, will not pay an additional management fee through the fund(s). The assets invested in the fund are included in WMS's calculation of the advisory fee payable by the advisory client.

Non-advisory clients who invest in any of **WMS Private Income Fund I, LLC, WMS Private Income Fund II, LLC, WMS Private Income Fund III, LLC, or WMS Private Equity Fund I, LLC** are subject to a management fee equal to 1.00% of the client's capital account with the respective fund. Notwithstanding the immediately preceding sentence, WMS reserves the right to reduce or waive the management fee for non-advisory clients and other persons, including not by way of limitation current WMS employees.

There are no performance fees for **WMS Private Income Fund I, LLC, WMS Private Income Fund II, LLC, WMS Private Income Fund III, LLC, or WMS Private Equity Fund I, LLC.**

**F. Administrative & Operating Fees for Affiliated Private Funds**

WMS utilizes an in-house team of professionals to organize, establish, and administer our Affiliated Private Funds and prepare relevant financial reporting, including but not limited to administrative, accounting, and legal professionals. WMS is reimbursed for the time of its employees spent working on affiliated private fund matters—including but not limited to matters related to the formation of Affiliated Private Funds and their respective operating documents, at a rate of 150% of the hourly cost to WMS for retaining the employee. This situation presents a conflict of interest, as WMS is being compensated for the time of its employees, in addition to any management fees paid to it by its advisory

clients and/or fund investors. WMS believes that these in-house services are vital, as its employees have developed institutional and industry knowledge which is critical to the ongoing success of WMS's Affiliated Private Funds. WMS shall seek an estimate for comparable services on a biennial basis, and/or whenever the nature of its fund administrative services changes drastically, to ensure that in-house fund administrative services are being provided to its Affiliated Private Funds at rates similar to those charged in the market.

Notwithstanding the foregoing discussion of WMS's in-house administration, WMS intends at some point in the future to engage a private third-party fund administrator to take over the fund administration for some or all of its Affiliated Private Funds. Whether WMS engages such a third-party fund administrator for a particular Affiliated Private Fund depends on a number of factors, including cost and the availability of service offerings by the fund administrator. WMS will make the determination of whether engaging a third-party fund administrator to administer a particular Affiliated Private Fund on a fund-by-fund basis, taking into account the particular needs and requirements of that specific Affiliated Private Fund. Even where a fund is administered by a third-party administrator, WMS will charge the fund for employee time associated with fund related tasks not executed by the third-party administrator at a rate of 150% of the hourly cost to WMS for retaining the employee(s).

**WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding actual or perceived conflict of interest such arrangement may create.**

**G. No Third-Party Commissions**

Neither WMS, nor its representatives accept compensation from the sale of securities or other investment products.

- H. **Margin Accounts: Risks/Conflict of Interest.** WMS **does not** recommend the use of margin for investment purposes. A *margin account* is a brokerage *account* that allows investors to borrow money to buy securities. The broker/custodian charges the investor interest for the right to borrow money and uses the securities as collateral. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. If a client determines to use margin, and WMS includes the entire market value of the margined assets when computing its advisory fee, then WMS's fee shall be based upon a higher margined account value, resulting in WMS earning a correspondingly higher advisory fee. As a result, a potential of conflict of interest arises since WMS may have an economic disincentive to recommend that the client terminate the use of margin. **Please Note:** The use of margin can cause significant adverse financial consequences in the event of a market correction. **ANY QUESTIONS: WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the use of margin.**

## Item 6 Performance-Based Fees and Side-by-Side Management

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Rule 205-3 of the Investment Advisers Act of 1940 permits a registered investment adviser to enter into a performance fee agreement with certain sophisticated clients who have the capacity to bear the potential additional risks of such a fee arrangement. An adviser can rely on Rule 205-3 only if the performance fee agreement is with “Qualified Clients.” Qualified Clients are defined in the Rule as natural persons and companies that have either at least \$1,100,000.00 under management with WMS immediately after entering into a performance fee agreement or a net worth at the time the agreement is entered into in excess of \$2,200,000 Million excluding their primary residence (i.e. a natural person’s net worth may include assets held jointly with a spouse).

Consistent with the parameters of Rule 205-3 of the Investment Advisers Act of 1940 (to the extent Rule 205-3 is applicable), WMS may also receive, for managed accounts, incentive or performance fee compensation on a fully disclosed written basis. The terms and conditions of the performance fee arrangement shall be set forth in an Addendum to the Engagement Agreement. In the Addendum, the client will be required to represent and/or warrant that he/she/it: (1) is a “Qualified Client” as defined above; (2) understands that WMS is relying upon such representation for compliance with Rule 205-3; and (3) that the Performance Fee may be an incentive for WMS to make investments that are riskier or more speculative than would be the case absent a Performance Fee. **WMS’s Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

## Item 7 Types of Clients

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WMS’s clients shall generally include individuals, business entities, pension and profit-sharing plans, trusts, estates and charitable organizations. WMS generally requires an aggregate annual minimum asset level of \$2,500,000 for investment advisory services. Notwithstanding these policies, WMS reserves the right, in its sole discretion, to waive or reduce its minimum asset requirement for all or any clients.

## Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

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- A. WMS may utilize the following methods of security analysis:
- **Fundamental** - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - **Technical** – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

- **Cyclical** – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

WMS may utilize the following investment strategies when implementing investment advice given to clients:

- **Long Term Purchases** (securities held at least a year)
- **Short Term Purchases** (securities sold within a year)

**Please Note: Investment Risk:** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by WMS) will be profitable or equal any specific performance level(s).

### **Options Strategies.**

As discussed above, WMS may engage in options transactions for the purpose of hedging risk and/or generating portfolio income. The use of options transactions as an investment strategy can involve a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security, depending upon the nature of the option contract. Generally, the purchase or sale of an option contract shall be with the intent of “hedging” a potential market risk in a client’s portfolio and/or generating income for a client’s portfolio. **Please Note:** Certain options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct WMS, in writing, not to employ any or all such strategies for his/her/their/its accounts.

### **Covered Call Writing.**

Covered call writing is the sale of in-, at-, or out-of-the-money call options against a long security position held in a client portfolio. This type of transaction is intended to generate income. It also serves to create a partial downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced or lost to the extent it is determined to buy back the option position before its expiration. There can be no assurance that the security will not be called away by the option buyer, which will result in the client (option writer) to lose ownership in the security and incur potential unintended tax consequences. Covered call strategies are generally better suited for positions with lower price volatility.



### **Long Put Option Purchases.**

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option can increase in value depending upon the strike price and expiration. Long puts are often used to hedge a long stock position to protect against downside risk. The security/portfolio could still experience losses depending on the quantity of the puts bought, strike price and expiration. In the event that the security is put to the option holder, it will result in the client (option seller) to lose ownership in the security and to incur potential unintended tax consequences. Options are wasting assets and expire (usually within months of issuance).

**Please Note:** There can be no guarantee that an options strategy will achieve its objective or prove successful. No client is under any obligation to enter into any option transactions. However, if the client does so, he/she must be prepared to accept the potential for unintended or undesired consequences (i.e., losing ownership of the security, incurring capital gains taxes).

**ANY QUESTIONS: WMS’s Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding options.**

- B. WMS’s methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis WMS must have access to current/new market information. WMS has no control over the dissemination rate of market information; therefore, unbeknownst to WMS, certain analyses may be compiled with outdated market information, severely limiting the value of WMS’s analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

WMS’s primary investment strategies - Long Term Purchases and Short-Term Purchases are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy. Trading--an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period--involves a very short investment time period but will incur higher transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer-term investment strategy.

- C. Currently, WMS primarily allocates client investment assets among various individual equity (stocks), fixed income securities, mutual funds and/or exchange traded funds on a discretionary basis and, as described herein, private investment funds, including *Affiliated Private Funds*, on a non-discretionary basis in accordance with the client's designated investment objective(s).

Please see Item 4 discussing the firm's risks and conflicts in investing in affiliated and unaffiliated investment vehicles.

## Item 9 Disciplinary Information

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WMS has not been the subject of any disciplinary actions.

## Item 10 Other Financial Industry Activities and Affiliations

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- A. Neither WMS, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither WMS, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Sponsor or Syndicator of Limited Partnerships.** As described above in Item 4.B, WMS is also the investment advisor to several Affiliated Private Funds. WMS's clients may elect to purchase ownership interests in an Affiliated Private Fund directly from WMS.

Please see Item 4 discussing the firm's conflicts of interest related to WMS's recommendation of a client's purchase of an Affiliated Private Fund. No client is under any obligation to purchase any limited ownership interests from WMS. **WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

- D. WMS does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

## Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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- A. WMS maintains an investment policy relative to personal securities transactions. This investment policy is part of WMS's overall Code of Ethics, which serves to establish a standard of business conduct for all of WMS's representatives. This Code of Ethics is based upon fundamental principles of openness, integrity,



honesty and trust. A copy of this Code of Ethics is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, WMS also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by WMS or any person associated with WMS.

- B. As disclosed above, WMS has a financial interest in the *Affiliated Private Funds*. WMS, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to the *Affiliated Private Funds*. The terms and conditions for participation in the *Affiliated Private Funds*, including management and incentive fees, conflicts of interest, and risk factors, are set forth in each individual fund's offering documents. **WMS's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).**

**WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

- C. WMS's Code of Ethics is designed to ensure that the personal securities transactions, activities, and interests of WMS's employees will not interfere with: (i) making decisions in the best interest of WMS's clients; and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under WMS's Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that the purchase or sale of these securities by WMS's employees would not materially interfere with the best interest of WMS's clients. In addition, the Code of Ethics requires pre-clearance of certain transactions and discusses the maintenance of a Restricted List of securities employees are prohibited from investing in. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics and is reasonably designed to prevent conflicts of interest between WMS and its clients. WMS and/or representatives of WMS may buy or sell securities that are also recommended to clients. This practice may create a situation where WMS and/or representatives of WMS are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends a security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if WMS did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of WMS's clients) and other potentially abusive practices.

WMS has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of WMS's "Access Persons." WMS's securities transaction policy requires that an Access Person of WMS must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date WMS selects; provided, however that at any time that WMS has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. WMS and/or representatives of WMS may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where WMS and/or representatives of WMS are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, WMS has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of WMS's Access Persons.

## **Item 12 Brokerage Practices**

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- A. In the event that the client requests that WMS recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct WMS to use a specific broker-dealer/custodian), WMS generally recommends that investment management accounts be maintained at Schwab and/or TD Ameritrade. Prior to engaging WMS to provide investment management services, the client will be required to enter into a formal Engagement Agreement with WMS setting forth the terms and conditions under which WMS shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. WMS is independently owned and operated and not affiliated with third party custodians, including Schwab and/or TD Ameritrade. Custodians such as Schwab and/or TD Ameritrade will hold the assets of WMS's clients in a brokerage account and buy and sell securities when either WMS or its clients, as specified by a client's engagement agreement, direct them to.

Factors that WMS considers in recommending Schwab and/or TD Ameritrade (or any other broker-dealer/custodian to clients) include, among others, historical relationship with WMS, the combination of transaction execution services along with asset custody services, capability to execute, clear and settle trades, capability to facilitate transfer and payments to and from accounts, breadth of investment products made available, financial strength, reputation, execution capabilities, competitiveness of pricing, research and investment tools available to use in making investment decisions, quality of service, competitiveness of the

price of those services, security, and stability, prior service to our clients, services delivered or paid for by the custodian, and the availability of other products and services that benefit WMS. Although the commissions and/or transaction fees paid by WMS's clients shall comply with WMS's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where WMS determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although WMS will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, WMS's investment management fee, and add to the price of the total transaction. WMS's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

**1. Non Soft-Dollar Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, WMS can receive from Schwab and/or TD Ameritrade (or another broker-dealer/custodian, vendor, manager, etc.) without cost (and/or at a discount) and on an unsolicited basis, support services and/or products, certain of which assist WMS to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by WMS may be investment-related research, pricing information and market data, access to WMS client account data, facilitation of trade execution and allocation of aggregated trade orders for multiple client accounts, facilitation of our fees from WMS's client accounts, assistance with back-office functions, including consulting on recordkeeping and client reporting, software and other technology that provides access to client account data, compliance, business succession, and/or practice management-related publications, consulting on legal and compliance related needs, monetary and subject matter assistance regarding transition of clients to the recommended custodian (including, by way of example the reimbursement to WMS clients of "Exit Fees" assessed against clients by their former custodians), discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, access to employee benefits providers, recruiting/human capital and custodial search consulting, and insurance providers, marketing consulting and support, computer hardware and/or software and/or other products used by WMS in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist WMS in managing and administering client accounts. Others do not directly provide such assistance with respect to your account(s), but rather assist WMS to manage and further develop its business enterprise.

Custodians including Schwab and/or TD Ameritrade may provide some of these services themselves. In other cases, Custodians will arrange for third-party vendors to provide the services to WMS. Custodians may also discount or waive their fees for some of these services or pay all or a party of a third-party fees. Custodians may also provide WMS with other benefits, such as occasional business entertainment to WMS's personnel. If you did not maintain your account with these custodians, we would be required to pay for these services from our own resources.

The fact that we receive or could receive the above benefits from custodians such as Schwab or TD Ameritrade is an incentive for us to recommend the use of Schwab or TD Ameritrade rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our recommendation of Schwab and TD Ameritrade as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of their respective service offerings and not the services that benefit only us.

WMS's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/ or TD Ameritrade as a result of the arrangements discussed above. There is no corresponding commitment made by WMS to Schwab and/or TD Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above arrangements and corresponding conflicts of interest presented by such arrangement.**

2. WMS does not receive referrals from broker-dealers.
3. WMS recommends that its clients utilize the brokerage and custodial services provided by Schwab or TD Ameritrade. WMS does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and WMS will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by WMS. As a result, the client may pay higher

commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs WMS to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through WMS. Higher transaction costs adversely impact account performance.

**Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. Order Aggregation:** Transactions for each client account generally will be effected independently unless WMS decides to purchase or sell the same securities for several clients at approximately the same time. WMS may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among WMS's clients the differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. WMS shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13 Review of Accounts**

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- A.** For those clients to whom WMS provides investment advisory services, account reviews are conducted on an ongoing basis by WMS's Principals and/or representatives. All investment advisory clients are advised that it remains their responsibility to advise WMS of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with WMS on an annual basis.
- B.** WMS *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. WMS may also provide a written periodic report summarizing account activity and performance.

#### **Item 14 Client Referrals and Other Compensation**

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- A. As referenced in Item 12.A.1 above, WMS can receive an indirect economic benefit from Schwab and/or TD Ameritrade. WMS, without cost (and/or at a discount), may receive support services and/or products from Schwab and/or TD Ameritrade.

WMS's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or TD Ameritrade as a result of this arrangement. There is no corresponding commitment made by WMS to Schwab and/or TD Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement, or to provide particular investment advice, such as buying particular securities for WMS's clients.

Please also note the section on Introduction to Other Professionals and their corresponding conflicts of interest, as discussed in item 4 above.

**WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. If a client is introduced to WMS by either an unaffiliated or an affiliated solicitor, WMS may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from WMS's investment management fee and shall not result in any additional charge to the client. If the client is introduced to WMS by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of WMS's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between WMS and the solicitor, including the compensation to be received by the solicitor from WMS.



## Item 15 Custody

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WMS is deemed to have custody of the Affiliated Private Funds it manages, and accounts for which there are standing instructions on file with the custodian for WMS to facilitate transactions to a third party. The Affiliated Private Funds are audited annually, and the accounts with the custodians are subject to a surprise custody examination annually. Both functions are performed by a Public Company Accounting Oversight Board (“PCAOB”) firm. At no time will WMS have physical custody of client funds or securities.

WMS shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis, which may also be deemed custody. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. WMS may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that WMS provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by WMS with the account statements received from the account custodian.

**Please Also Note:** The account custodian does not verify the accuracy of WMS’s advisory fee calculation.

WMS engages in other practices and/or services on behalf of its clients that require disclosure at the Custody section of Part 1 of Form ADV, which practices and/or services are subject to an annual surprise custody examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. **WMS’s Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

## Item 16 Investment Discretion

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The client can determine to engage WMS to provide investment advisory services on a discretionary basis. Prior to WMS assuming discretionary authority over a client’s account, the client shall be required to execute an Engagement Agreement, naming WMS as the client’s attorney and agent in fact, granting WMS full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client’s name found in the discretionary account.

Clients who engage WMS on a discretionary basis may, at any time, impose restrictions, **in writing**, on WMS’s discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the

ability to purchase securities with an inverse relationship to the market, limit or proscribe WMS's use of margin, etc.).

#### **Item 17 Voting Client Securities**

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- A. WMS does not vote for client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted; and (2) making all elections, decisions, and filings relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, class actions, or other type actions or events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact WMS to discuss any questions they may have with a particular solicitation.

#### **Item 18 Financial Information**

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- A. WMS does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. WMS is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. WMS has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: WMS's Chief Compliance Officer, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**