

# Private Wealth Strategies, L.L.C. Wrap Fee Program Brochure

*This wrap fee program brochure provides information about the qualifications and business practices of Private Wealth Strategies, L.L.C. If you have any questions about the contents of this brochure, please contact us at (614) 888-2117 or by email at: [aosterling@shoremorganyoung.com](mailto:aosterling@shoremorganyoung.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 Private Wealth Strategies, L.L.C. is also available on the SEC's website at <https://shoremorganyoung.com>. Private Wealth Strategies, L.L.C.'s CRD number is: 298682.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment to this Wrap Fee Program Brochure on 02/14/2023, are described below. Material changes relate to Private Wealth Strategies, L.L.C.'s policies, practices or conflicts of interests only.

- Private Wealth Strategies, L.L.C. has added, Charles Schwab & Co., Inc. Advisor Services as a custodian and updated the Economic Benefits Provided by Charles Schwab. (Item 9)

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Private Wealth Strategies, L.L.C. (hereinafter "PWSL") provides portfolio management to clients under this wrap fee program as sponsor and portfolio manager. Please see item 6.C Advisory Business describing the advisory services offered under this wrap fee program.

Total Assets Under Management	Annual Fee
\$0 - \$1,249,999	1.40%
\$1,250,000 - \$1,999,999	1.00%
\$2,000,000 - \$4,999,999	0.90%
\$5,000,000 - \$9,999,999	0.80%
\$10,000,000 - \$24,999,999	0.65%
\$25,000,000 - AND UP	0.50%

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement.

Portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance. Refunds are given on a prorated basis, based on the number of days remaining in the billing period on the effective date of termination. The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the billing period up to and including the effective date of termination. (\*The daily rate is calculated by dividing the annual asset-based fee by 365. In the event that this occurs during a leap year the calculation will be (\*The daily rate is calculated by dividing the annual asset-based fee by 366.))

PWSL uses the value of the account as of the last business day of the billing period for purposes of determining the market value of the assets upon which the advisory fee is based.

Clients may terminate the Investment Advisory Contract immediately upon written notice.

## **B. Contribution Cost Factors**

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client's account, the adviser's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

Fees paid under the wrap fee program are not based directly upon the actual transaction or execution costs for the transactions within a client's account. Depending on the underlying investments in a client's wrap fee program account and how much trading the client expects to do within the wrap fee program account, the client may pay more for a wrap fee program account than if the client chose another PWSL advisory program that is not part of a wrap fee program, or if the client chooses to pay separately for all of the transaction costs (e.g., pay the advisory fee plus all commissions).

## **C. Additional Fees**

PWSL will wrap third party fees (i.e., custodian fees, brokerage fees, transaction fees, etc.) for wrap fee portfolio management accounts. PWSL will charge clients one fee, and pay all transaction fees using the fee collected from the client. PWSL does not have an arrangement with any other adviser to act as a sub-adviser for any wrap fee client account. Should PWSL have an arrangement in place to sub-advise client accounts, PWSL will cover outside portfolio management fees. PWSL will not cover mutual fund expenses in addition to the list below which describes additional fees that are not typically covered under a Wrap fee:

- >Annual and/or maintenance fees, which are disclosed in the appropriate disclosure documents by the Custodian;

- >Charges by the Custodian to deliver statements, confirms and/or reports in paper format;

- >Electronic fund, wire, account transfer fees and/or overnight shipping fees;

- >Charges imposed directly by a mutual fund purchased for the client's account, which shall be disclosed in the mutual fund's prospectus (e.g. fund management fees and other fund expenses), fund redemption fees;

- >Transfer taxes;

- >Exchange or similar fees (such as for ADRs) charged by third parties, including issuers, and fees required by the SEC; and

PWSL does not receive, directly or indirectly any of these fees charged to you. They are paid to your Broker, Custodian or the mutual fund or other investments you hold.

Clients participating in the wrap fee program are charged a higher fee than clients not

managed in the wrap fee program. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that PWSL has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs.

#### **D. Compensation of Client Participation**

Neither PWSL, nor any IARs of PWSL receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, PWSL may have a financial incentive to recommend the wrap fee program to clients.

### **Item 5: Types of Clients**

PWSL generally offers advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit-Sharing Plans
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities

There is no account minimum.

### **Item 6: Portfolio Manager Selection and Evaluation**

#### **A. Selecting/Reviewing Portfolio Managers**

PWSL will not select third-party investment advisers for management of this wrap fee program, as it will be the sole portfolio manager for this wrap fee program. PWSL may engage with third-party investment advisers in the future.

PWSL will use industry standards to calculate portfolio manager performance. PWSL reviews the performance information annually to determine and verify its accuracy and compliance with presentation standards.

#### **B. Related Persons**

PWSL and its IARs will serve in a portfolio oversight function for all wrap fee program accounts. PWSL will review current holdings and market conditions, make changes as appropriate, and ensure that the investment philosophy is consistently applied to each model portfolio.

Should a conflict of interest arise with the management of the wrap fee program, PWSL will address the conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor of the wrap fee program.

### **C. Advisory Business**

PWSL offers ongoing wrap fee portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. PWSL creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Determine investment strategy
- Asset allocation
- Assessment of risk tolerance
- Regular portfolio monitoring
- Asset selection

PWSL evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. PWSL will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Portfolio management accounts participating in the wrap fee program will not have to pay for transaction or trading fees. PWSL will charge clients one fee, and pay transaction fees using the advisory fee collected from the client. PWSL will wrap third party fees (i.e., custodian fees, brokerage fees, transaction fees, etc.) for wrap fee portfolio management accounts. PWSL will charge clients one fee, and pay all transaction fees using the fee collected from the client. PWSL will not cover outside portfolio management fees or mutual fund expenses in addition to the list below which describes additional fees that are not typically covered under a Wrap fee:

>Annual and/or maintenance fees, which are disclosed in the appropriate disclosure documents by the Custodian;

>Charges by the Custodian to deliver statements, confirms and/or reports in paper format;

>Electronic fund, wire, account transfer fees and/or overnight shipping fees;

>Charges imposed directly by a mutual fund purchased for the client's account, which shall be disclosed in the mutual fund's prospectus (e.g. fund management fees and other fund expenses), fund redemption fees;

>Transfer taxes;

>Exchange or similar fees (such as for ADRs) charged by third parties, including issuers, and fees required by the SEC; and

PWSL does not receive, directly or indirectly any of these fees charged to you. They are paid to your Broker, Custodian or the mutual fund or other investments you hold.

Clients participating in the wrap fee program are charged a higher fee than clients not managed in the wrap fee program. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that PWSL has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs. To address this conflict, PWSL will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

### ***Services Limited to Specific Types of Investments***

PWSL generally provides its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds and non-U.S. securities. PWSL, however, will recommend a strategy of securities including but not limited to those previously mentioned based on the Investment Policy Statement.

### ***Client Tailored Services and Client Imposed Restrictions***

PWSL will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by PWSL on behalf of the client. PWSL may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Advice is tailored to clients based not only on risk tolerance, but assets held, liabilities, current and expected income, insurance needs, personal preferences, family needs, financial investing knowledge and experience, objectives and goals.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent PWSL from properly servicing the client account, or if the restrictions would require PWSL to deviate from its standard suite of services, PWSL reserves the right to end the relationship.

### ***Wrap Fee Programs***

As discussed herein, PWSL sponsors and acts as portfolio manager for this wrap fee program. A Wrap Fee Program is an investment advisory program in which you pay one bundled fee to compensate PWSL and your Advisor for their services *and* to pay the transaction and clearing costs associated with transactions in the your advisory account. The PWSL Wrap Fee Programs are detailed in the PWSL Wrap Fee Program Brochure (Form ADV Part 2A Appendix I). You should only choose a Wrap Fee Program if you or your Advisor expect to trade regularly in the account.

PWSL may recommend and select for Non-wrap fee accounts the use of third party money managers, separate account managers, ETF programs or other specialty



investment programs. These programs will be selected based on the suitability for each client's portfolio. The fees paid to the wrap account program will be given to PWSL as a management fee. This brochure describes PWSL's wrap fee advisory services; clients utilizing PWSL's non-wrap fee portfolio management should see the separate Part 2A Brochure.

### ***Amounts Under Management***

PWSL has the following assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$ 507,851,411.00	\$ 18,505,239.00	December 2022

### ***Performance-Based Fees and Side-By-Side Management***

PWSL does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client. A performance-based fee is an advisory fee that compensates the advisor for the advisor's success in managing his client's money or "a fee based on the share of the capital gains and appreciation of a client's funds." A performance-based fee may induce an advisor to take greater and undue risks with client's funds in an attempt to generate higher compensation to the advisor.

### ***Methods of Analysis and Investment Strategies***

#### **Methods of Analysis**

PWSL's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Quantitative analysis and Technical analysis.

**Charting analysis** involves the use of patterns in performance charts. PWSL uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

## Investment Strategies

PWSL uses long term investing, short term trading, margin transactions and options trading (including covered options, uncovered options, or spreading strategies) Material risks involved in using these strategies are described below. In order to invest in a hedge fund, clients are required to be qualified as an accredited investor. The firm may recommend unusually risky investments to clients. For example, if it is in accordance with the client's objectives, tolerance, investment experience and knowledge, PWSL may recommend hedge funds which are typically riskier than other investments.

*Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

## ***Material Risks Involved***

### Methods of Analysis

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance; however, past performance is not indicative of future performance.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

## Investment Strategies

PWSL's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term investing** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a "naked" or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long term investing risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

*Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

### ***Risks of Specific Securities Utilized***

PWSL's use of margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss. Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Because ETFs use "authorized participants" (APs) as agents to facilitate creations or redemptions (primary market), there is a risk that an AP decides to no longer participate for a particular ETF; however, that risk is mitigated by the fact that other APs can step in to fill the vacancy of the withdrawing AP [an ETF typically has multiple APs] and ETF transactions predominantly take place in the secondary market without need for an AP. Like other liquid securities, ETF pricing changes throughout the trading day and there can be no guarantee that an ETF is purchased at the optimal time in terms of market movements. Moreover, due to market fluctuations, ETF brokerage costs, differing demand and characteristics of underlying securities, and other factors, the price of an ETF can be lower than the aggregate market price of its cash and component individual securities (net asset value – NAV). An ETF is subject to the same market risks as those of its underlying individual securities, and also has internal expenses that can lower investment returns.

**Inverse ETFs** are designed to produce the inverse returns on a daily basis of whatever index they are tracking. For example if the S&P 500 were to fall 10% in a given day, an S&P 500 inverse ETF would be up 10% that same day. Because inverse ETFs “reset” daily, their performance over longer periods of time -- over weeks or months or years -- can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. This effect can be magnified in volatile markets.

**Leveraged Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Leverage provides additional risk, as any losses sustained will constitute a greater percentage of principal than if leverage had not been employed. Additionally, if losses occur, the value of the account may fall below the lender’s threshold thereby forcing the account holder to devote more assets to the account or sell assets on a shorter time frame than desired. Areas of concern for ETFs include the lack of transparency in products and increasing complexity, conflicts

of interest, and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Precious Metal ETFs** (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real Estate** exposure (including REITs) entails several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Specifically, revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are retirement products for those who may have the ability to pay a premium now and want to guarantee they receive certain payments or a return on investment in the future. Annuities are contracts issued by a life insurance company designed to meet retirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw money early. Variable annuities also involve investment risks, just as mutual funds do.

**Options** are contracts to purchase or sell a security at a given price, risking that an option may expire out of the money resulting in minimal or no value or it could expire in the money and cause the holder to deliver the security. An uncovered call option is a type of options contract that is not backed by an offsetting position. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps

hedge the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Hedge Funds** often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; may involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

*Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

### ***Voting Client Securities (Proxy Voting)***

PWSL will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 7: Client Information Provided to Portfolio Managers**

All client information material to managing the portfolio (including basic information, risk tolerance, sophistication level, and income level) is provided to the portfolio manager. The portfolio manager will also have access to that information as it changes and is updated. PWSL relies on the accuracy of the information you provide to manage your account(s). You are responsible to notify PWSL of any changes in your financial situation or investment objectives.

## **Item 8: Client Contact with Portfolio Managers**

PWSL does not restrict clients from contacting portfolio managers. PWSL's IARs can be contacted during regular business hours using the information on the Form ADV Part 2B cover page.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

#### ***Criminal or Civil Actions***

There are no criminal or civil actions to report.

### ***Administrative Proceedings***

There are no administrative proceedings to report.

### ***Self-Regulatory Organization (SRO) Proceedings***

There are no self-regulatory organization proceedings to report.

### ***Registration as a Broker/Dealer or Broker/Dealer Representative***

Some or all of the Investment Adviser Representatives (IAR) of PWSL are also licensed as registered representatives of Lincoln Investment Planning, LLC (Lincoln Investment), a dually registered broker-dealer and registered investment adviser, and thus may accept compensation for the sale of securities to PWSL clients.

### ***Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor***

Neither PWSL nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### ***Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests***

As noted above, some or all of the IARs of PWSL are also licensed as registered representatives of Lincoln Investment. As such, an IAR may also act as agent and offer to you securities (such as mutual funds, annuities, stocks, or bonds) or insurance. If you choose to engage with IAR of PWSL in their outside role and acquire these other services or products, the IAR will receive additional compensation. Lincoln Investment and PWSL are not affiliated and each is separately responsible for complying with the rules and regulations of the Investment Advisers Act of 1940 and/or any applicable states' rules and regulations relating to investment advisory activities. Lincoln Investment neither conducts due diligence of the PWSL's advisory services nor endorses any advisory services offered by PWSL. PWSL and its IARs must disclose or make available to Lincoln, confidential information about its customers. Lincoln shall only use this information for its broker dealer supervisory purposes. Moreover, PWSL and its IARs have entered into a confidentiality agreement with Lincoln Investment to ensure client information is protected.

Some or all of the IARs of PWSL are also licensed as insurance agents with Shore Morgan Young Wealth Strategies, an insurance agency affiliated with PWSL, and from time to time, will offer clients advice or products from those activities. Clients should be aware

that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. PWSL always acts in the best interest of the client; including the sale of commissionable products to advisory clients in the outside role as an insurance agent. Clients are in no way required to use the services of any representative of PWSL in connection with such individual's activities outside of PWSL.

Additionally, some or all of the IARs of PWSL are also investment adviser representatives with Lincoln Investment and/or Capital Analysts, LLC (Capital Analysts)/ Capital Analysts is an affiliated registered investment adviser of Lincoln Investment. Capital Analyst and PWSL are not affiliated and each is separately responsible for complying with the rules and regulations of the Investment Advisers Act of 1940 and/or any applicable states' rules and regulations relating to investment advisory activities. Capital Analysts neither conducts due diligence of the PWSL's advisory services nor endorses any advisory services offered by PWSL. From time to time, some or all of the IARs or PWSL offer clients advice or products from Lincoln Investment and/or Capital Analysts and clients should be aware that these services may involve a conflict of interest. PWSL always acts in the best interest of the client and clients are in no way required to use the services of PWSL in connection with such individual's activities outside of PWSL and clients are in no way required to use the services Lincoln Investment, or Capital Analysts.

Jon Ryan Morgan, Lewis Dorian Shore, and Marya Changizi Young are equity owners, members and passive owners in Switchback Global LLC, the General Partner of Switchback Dynamic Volatility Fund 1, LP ("the Fund"). Jon Ryan Morgan, Lewis Dorian Shore, and Marya Changizi Young can introduce prospective clients to the Fund and refer clients to the Fund. They may recommend clients of PWSL to invest in the Fund. This is a Hedge Fund whose objective is to achieve capital growth through a quantitative-driven investment model to buy and sell volatility instruments tied to the S&P 500. The Fund uses quantitative models to make daily judgements on volatility-related metrics to determine whether the fund should be long, short, or neutral (in cash). Compensation for introductions or referrals to the Fund by Jon Ryan Morgan, Lewis Dorian Shore, and Marya Changizi Young is paid via commissions to Lincoln Investment Planning, the Broker/Dealer, which is then paid to Jon Morgan and Lewis Shore as commissions. This presents a conflict of interest in that related persons of PWSL may share in the profits of the General Partner, earned as management fees and performance fees of the Fund. This is in addition to compensation from the Fund in the form of commissions for the client referral to the Fund. Client approval will be sought for client investment in such recommendations. The recommendation to Switchback to clients will be in the capacity as a broker-dealer representative and not as a representative of PWSL. PWSL seeks to act in the best interest of the client consistent with its fiduciary duties and clients are not required invest in such investments if they do not wish to do so.

### ***Selection of Other Advisers or Managers***

PWSL may engage with third-party investment advisers in the future.



## **B. Code of Ethics, Client Referrals, and Financial Information**

### ***Code of Ethics***

PWSL has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. PWSL's Code of Ethics is available free upon request to any client or prospective client.

### ***Recommendations Involving Material Financial Interests***

PWSL and its associated persons may have material financial interests in issuers of securities that PWSL may recommend for purchase or sale by clients. Specifically, as noted above, certain representatives of PWSL are also passive owners in Switchback Global LLC which owns and operates the Switchback Dynamic Volatility Fund 1, LP ("the Fund"). The Fund is used for portfolio diversification and hedging for PWSL clients when appropriate and they may recommend that clients of PWSL invest in the hedge fund.

Jon Ryan Morgan, Lewis Dorian Shore, and Marya Changizi Young are equity owners, members and passive owners in Switchback Global LLC, the General Partner of Switchback Dynamic Volatility Fund 1, LP ("the Fund"). Jon Ryan Morgan, Lewis Dorian Shore, and Marya Changizi Young can introduce prospective clients to the Fund and refer clients to the Fund. They may recommend clients of PWSL to invest in the Fund. This is a Hedge Fund whose objective is to achieve capital growth through a quantitative-driven investment model to buy and sell volatility instruments tied to the S&P 500. The Fund uses quantitative models to make daily judgements on volatility-related metrics to determine whether the fund should be long, short, or neutral (in cash). Compensation for introductions or referrals to the Fund by Jon Ryan Morgan, Lewis Dorian Shore, and Marya Changizi Young is paid via commissions to Lincoln Investment Planning, the Broker/Dealer, which is then paid to Jon Morgan and Lewis Shore as commissions. This presents a conflict of interest in that related persons of PWSL may share in the profits of the General Partner, earned as management fees and performance fees of the Fund. This is in addition to compensation from the Fund in the form of commissions for the client referral to the Fund. Client approval will be sought for client investment in such recommendations. The recommendation to Switchback to clients will be in the capacity as a broker-dealer representative and not as a representative of PWSL. PWSL seeks to act in the best interest of the client consistent with its fiduciary duties and clients are not required invest in such investments if they do not wish to do so.

### ***Investing Personal Money in the Same Securities as Clients***

From time to time, IARs of PWSL buys or sells securities for themselves that they also

recommend to clients. This may provide an opportunity for IARs of PWSL to buy or sell the same securities before or after recommending the same securities to clients resulting in IARs profiting off the recommendations they provide to clients. PWSL will give priority to clients when trading in the same securities. Such transactions may create a conflict of interest. The CCO will always document any transactions that could be construed as conflicts of interest and PWSL will always transact client business before its own when similar securities are being bought or sold. PWSL will always document any transactions that could be construed as conflicts of interest and PWSL does not engage in trading that operates to the client's disadvantage when similar securities are being bought or sold. Personal trading of IARs will be monitored by CCO to ensure compliance with policies and procedures and that no trading occurs to the client's disadvantage.

### ***Trading Securities At/Around the Same Time as Clients' Securities***

From time to time, IARs of PWSL buys or sells securities for themselves at or around the same time as clients. This may provide an opportunity for IARs of PWSL to buy or sell securities before or after recommending securities to clients resulting in IARs profiting off the recommendations they provide to clients. PWSL will give priority to clients when trading in the same securities. Such transactions may create a conflict of interest; however, PWSL does not engage in trading that operates to the client's disadvantage if representatives of PWSL buy or sell securities at or around the same time as clients. The CCO will always document any transactions that could be construed as conflicts of interest and PWSL will always transact client business before its own when similar securities are being bought or sold. Personal trading of IARs will be monitored by CCO to ensure compliance with policies and procedures and that no trading occurs to the client's disadvantage.

### ***Frequency and Nature of Periodic Reviews***

Accounts are reviewed at least annually by by an investment adviser representative of Private Wealth Strategies, L.L.C., with regard to clients' respective investment policies and risk tolerance levels.

### ***Factors That Will Trigger a Non-Periodic Review of Client Accounts***

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### ***Content and Frequency of Regular Reports Provided to Clients***

Each client will receive a quarterly account statement from the custodian.

### ***Economic Benefits Provided by Third Parties for Advice Rendered to Clients***

Currently PWSL may accept compensation for client referrals, but does not have any such arrangements in place at this time. PWSL will fully disclose to clients the details of any referral relationships.

PWSL participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. PWSL receives some benefits from TD Ameritrade through its participation in the Program.

As part of the Program, PWSL may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between PWSL's participation in the Program and the investment advice it gives to its clients, although PWSL receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving PWSL participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have PWSL's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to PWSL by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by PWSL's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit PWSL but may not benefit its client accounts. These products or services may assist PWSL in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help PWSL manage and further develop its business enterprise. The benefits received by PWSL or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, PWSL endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by PWSL or its related persons in and of itself creates a conflict of interest and may indirectly influence the PWSL's choice of TD Ameritrade for custody and brokerage services.

PWSL also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services include partial or full economic benefits paid directly to the following vendors: Constant Contact, a business communications service; TeamLogic IT, an IT service provider; AdvisorWebsites, a financial services industry website design company and Thinkpipes, a TD Ameritrade proprietary advanced trading/research tool helping better serve PWSL clients. TD Ameritrade provides the Additional Services to PWSL in its sole discretion and

at its own expense, and PWSL does not pay any fees to TD Ameritrade for the Additional Services. PWSL and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

PWSL's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to PWSL, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, PWSL's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with PWSL, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, PWSL may have an incentive to recommend to its clients that the assets under management by PWSL be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. PWSL's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including to seek best execution of trades for client accounts.

Charles Schwab & Co., Inc. Advisor Services provides PWSL with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For PWSL client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to PWSL other products and services that benefit PWSL but may not benefit its clients' accounts. These benefits may include national, regional or PWSL specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of PWSL by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist PWSL in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of AAA's fees from its clients' accounts (if applicable), and assist with back-office training and support

functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of AAA's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to PWSL other services intended to help PWSL manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to PWSL by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to AAA. PWSL is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

### ***Compensation to Non – Advisory Personnel for Client Referrals***

PWSL may, via written arrangement, retain third parties to act as solicitors for PWSL's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law.

### ***Balance Sheet***

Neither PWSL nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### ***Financial Conditions***

We chose to apply for a Paycheck Protection Program (PPP) Loan versus laying off or reducing the pay of our valuable and essential employees. We have since received a PPP loan in the amount of \$210,710. Due to the fact that PWSL advises over 400 families, we felt it imperative to ensure ongoing business liquidity so that we could continue to operate our advisory business at this crucial time and maintain full employment, despite significant and ongoing uncertainty surrounding future revenue.

### ***Bankruptcy Petitions in Previous Ten Years***

PWSL has not been the subject of a bankruptcy petition.