

## **The Renn Wealth Management Group, Inc.**

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### **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of The Renn Wealth Management Group, Inc.. If you have any questions about the contents of this brochure, contact us at 404-467-9882. 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 The Renn Wealth Management Group, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The Renn Wealth Management Group, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Summary of Material Changes**

Since our last annual updating amendment dated February 24, 2022, there have been no material changes to report.

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## **Item 4 Advisory Business**

The Renn Wealth Management Group, Inc. (RWMG) was established in 2001 and is solely owned by Patrick G. Renn. RWMG offers comprehensive investment management and fee based financial planning services to its clients.

Advisory services are tailored to meet the individual needs of each client. RWMG selects an investment program for a client based on the client's risk profile, personal wealth management goals, and long-term objectives. The type of investment program recommended for a client is based on what RWMG believes will be in the client's best interest depending on the client's investment net worth, investment needs, ultimate financial objectives, and level of sophistication. Clients may impose restrictions on investing in certain securities or types of securities.

Under various wrap fee programs, RWMG may provide portfolio management services. Accounts under these programs are actively managed and reviewed at least quarterly. Management of these accounts may differ from commission-based accounts in that RWMG is sensitive to commission costs eroding net performance and therefore may opt for different investment types in commission-based accounts that are traditionally held long-term. As detailed in each wrap fee contract as well as the Wrap Fee Brochure, RWMG receives a portion of the wrap fee under each program.

### **Portfolio Management Services**

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account by providing our firm with your restrictions and guidelines in writing.

We may also offer non-discretionary portfolio management services. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

As part of our portfolio management services, we may use one or more sub-advisers to manage a portion of your account on a non-discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s). We may pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationships.

### **Financial Planning Services**

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial

planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

### **Selection of Other Advisers**

We may recommend that you use the services of a third party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

### **Wrap Fee Program(s)**

RWMG offers to our clients a number of Raymond James & Associates("RJA"), member NYSE/SIPC, managed wrap programs, including Freedom and Raymond James Consulting Services ("RJCS") under a subadvisory agreement with RJA. Our advisors work with our clients to choose an appropriate program and help the client to select the managers, strategies, or disciplines within the programs, as applicable. Once the program, described in more detail in this brochure, is selected by the client, RJA is appointed as a discretionary investment adviser under the appropriate advisory agreement. In this way, RJA acts as a subadviser in directly (or indirectly through other subadvisers) managing client's assets through the selected program. Both RJA (and its affiliates and agents, and other subadvisers, as applicable) and RWMG advisors receive a portion of the advisory fee paid by the client.

We are a portfolio manager to a wrap fee program, which is a type of investment program that provides clients with access to several money managers or mutual fund asset allocation models for a single fee that includes administrative fees, management fees, and commissions. If you participate in our wrap fee program, you will pay our firm a single fee, which includes our money management fees, certain transaction costs, and custodial and administrative costs. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program.

### **IRA Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are 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 we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

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

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

As of January 26, 2023, we provide continuous management services for \$66,112,478 in client assets on a discretionary basis, and \$44,009,476 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

Investment advisory services can be provided on a fee basis. There are several fee based account options, each with its own fee schedule. Recommendations are made based on the client's objectives, desires and other preferences. Fee based accounts are held at Raymond James & Associates, as RJA is the sponsor, administrator, and custodian for all accounts under the below programs.

The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value as of the last business day of the previous calendar quarter, and becomes due the following business day. If cash or billable securities, or a combination thereof, amounting to at least \$100,000, are deposited to or withdrawn from your account on an individual business day in the first two months of the quarter, Raymond James will: (i) assess asset-based fees based on the value of the assets on the date of deposit for the pro rata number of days remaining in the quarter, or (ii) refund prepaid asset-based fees based on the value of the assets on the date of withdrawal for the pro rata number of days remaining in the quarter. No additional asset-based fees or adjustments to previously assessed asset-based fees will be made in connection with deposits or withdrawals that occur during the last month of the quarter unless requested by you. Notwithstanding the above \$100,000 adjustment threshold, Raymond James reserves the right, in its sole discretion, to process or not process fee adjustments when the source and destination of deposits and withdrawals involve a client's other fee-based advisory accounts.

The Client Agreement may be terminated by the client or RWMG at any time upon providing notice pursuant to the provisions of Client Agreement. In the event of termination of this Agreement, RWMG/Raymond James will refund to the client the prorated portion of the fee for the quarter of termination.

A) The AMBASSADOR Account is an investment advisory account which offers clients the ability to pay an all-inclusive advisory fee on the assets in their account in lieu of a commission for each transaction. There are no additional transaction charges or processing fees. Minimum account size is \$25,000.

### BLENDED RATE FEE SCHEDULE

Account Value	Advisor Fee	Total Fee
Up to \$500,000	2.25%	2.25%
\$500,000 up to \$1 Million	2.25%	2.25%
\$1 Million up to \$2 Million	2.00%	2.00%
\$2 Million up to \$2.5 Million	1.75%	1.75%
\$2.5 Million up to \$5 Million	1.75%	1.75%
\$5 Million up to \$10 Million	1.50%	1.50%
Over \$10 Million	1.25%	1.25%

B) Raymond James Consulting Services (RJCS) is a fee based platform which provides access to portfolio managers which otherwise might not be available to retail clients due to investment minimum requirements.

#### Equity and Balanced A (Minimum Account Size \$100,000):

Account Value	Advisor Fee	Mgmt. Fee/Clearing Fee	Total Fee
Up to \$500,000	2.25%	0.50%	2.75%
\$500,000 up to \$1 Million	2.25%	0.50%	2.75%
\$1 Million up to \$2 Million	2.00%	0.50%	2.50%
\$2 Million up to \$2.5 Million	1.75%	0.50%	2.25%
\$2.5 Million up to \$5 Million	1.75%	0.50%	2.25%
\$5 Million up to \$10 Million	1.50%	0.50%	2.00%
Over \$10 Million	1.25%	0.50%	1.75%

#### Equity and Balanced B (Minimum Account Size \$300,000):

Account Value	Advisor Fee	Mgmt. Fee/Clearing Fee	Total Fee
Up to \$500,000	2.25%	0.35%	2.60%
\$500,000 up to \$1 Million	2.25%	0.35%	2.60%
\$1 Million up to \$2 Million	2.00%	0.35%	2.35%
\$2 Million up to \$2.5 Million	1.75%	0.35%	2.10%
\$2.5 Million up to \$5 Million	1.75%	0.35%	2.10%
\$5 Million up to \$10 Million	1.50%	0.35%	1.85%
Over \$10 Million	1.25%	0.35%	1.60%

#### Fixed Income (Minimum Account Size \$200,000):

Account Value	Advisor Fee	Mgmt. Fee/Clearing Fee	Total Fee
Up to \$500,000	2.25%	0.30%	2.55%
\$500,000 up to \$1 Million	2.25%	0.30%	2.55%
\$1 Million up to \$2 Million	2.00%	0.30%	2.30%
\$2 Million up to \$2.5 Million	1.75%	0.30%	2.05%
\$2.5 Million up to \$5 Million	1.75%	0.30%	2.05%
\$5 Million up to \$10 Million	1.50%	0.30%	1.80%
Over \$10 Million	1.25%	0.30%	1.55%

C) FREEDOM is comprised of fee-based asset allocation platforms with mutual fund models constructed by the Raymond James Asset Management Services Institutional Research team, populated by the Asset Management Services Due Diligence team with oversight from the Asset Management Services Investment Committee.

Fee Schedule (Minimum Account Size \$50,000):

Account Value	Advisor Fee	Total Fee
Up to \$500,000	2.25%	2.25%
\$500,000 up to \$1 Million	2.25%	2.25%
\$1 Million up to \$2 Million	2.00%	2.00%
\$2 Million up to \$2.5 Million	1.75%	1.75%
\$2.5 Million up to \$5 Million	1.75%	1.75%
\$5 Million up to \$10 Million	1.50%	1.50%
Over \$10 Million	1.25%	1.25%

D) FREEDOM UMA accounts are comprised of fee-based asset allocation platforms combining separately managed accounts and mutual funds in models constructed by the Raymond James Asset Management Services Institutional Research team, populated by the Asset Management Services Due Diligence team with oversight from the Asset Management Services Investment Committee.

Fee Schedule (Minimum Account Size \$300,000):

Account Value	Advisor Fee	Mgmt. Fee/Clearing Fee	Total Fee
Up to \$500,000	2.25%	0.35%	2.60%
\$500,000 up to \$1 Million	2.25%	0.30%	2.60%
\$1 Million up to \$2 Million	2.00%	0.35%	2.35%
\$2 Million up to \$2.5 Million	1.75%	0.35%	2.10%
\$2.5 Million up to \$5 Million	1.75%	0.35%	2.10%
\$5 Million up to \$10 Million	1.50%	0.35%	1.85%
Over \$10 Million	1.25%	0.35%	1.60%

All fee-based investment programs are set up to have the clients' quarterly fee automatically deducted from funds within the account as a default billing option. Clients may elect to charge another of their Raymond James accounts directly for their quarterly fee or receive an invoice.

All above quoted fees may be negotiated within the stated fee schedule at the discretion of RWMG. Clients may also incur charges for other account services provided by RWMG not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, and fees for legal or courtesy transfers of securities. Additionally, mutual funds may charge internal expenses to operate the fund. Any such expenses are disclosed in the prospectus and are in addition to the advisory fee schedules shown previously.

Additionally, RWMG may participate in performance based fees that managers charge to clients. Such fees are typical in hedge funds and/or pooled investment funds, among others. These fees are charged against a share of capital gains or capital appreciation within the account. If a performance based fee will be charged in addition to a portfolio management fee, this will be fully disclosed prior to making the investment and during the ongoing management of the account.

While RWMG endeavors at all times to put the interest of the clients first as part of RWMG's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a potential conflict of interest.

Clients may utilize the broker dealer of their choice and have no obligation to purchase or sell securities through RWMG. Commissions and other compensation for the sale of investment products represent less than 25% of RWMG revenue.

Advisory fees are not charged in addition to commissions or markups. Should this situation arise, all fees, commissions, or markups will be fully disclosed prior to making the investment.

### **Selection of Other Advisers**

We do not charge you a separate fee for the selection of other advisers. We will share in the advisory fee you pay directly to the TPMM. The advisory fee you pay to the TPMM is established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each TPMM. As such, a conflict of interest exists where our firm or persons associated with our firm has an incentive to recommend one TPMM over another TPMM with whom we have more favorable compensation arrangements or other advisory programs offered by TPMMs with whom we have less or no compensation arrangements.

You may be required to sign an agreement directly with the recommended TPMM(s). You may terminate your advisory relationship with the TPMM according to the terms of your agreement with the TPMM. You should review each TPMM's brochure for specific information on how you may terminate your advisory relationship with the TPMM and how you may receive a refund, if applicable. You should contact the TPMM directly for questions regarding your advisory agreement with the TPMM.

### **Financial Planning Services**

We require that you pay 50% of the fee in advance and the remaining portion upon the completion of the services rendered.

We will not require prepayment of a fee more than six months in advance and in excess of \$1,200.

At our discretion, we may offset our financial planning fees to the extent you implement the financial plan through our Portfolio Management Service.

You may terminate the financial planning agreement upon 30 days written notice to our firm. If you have pre-paid financial planning fees that we have not yet earned, you will receive a prorated refund of those fees. If financial planning fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial planning agreement.

### **MUTUAL FUNDS ASSESSED OR SUBJECT TO 12B-1FEES OR SALES CHARGES**

Certain mutual funds, in addition to the management fees and operating expenses noted above, pay Raymond James Rule 12b-1 fees, also known as "trails." In certain circumstances, Raymond James will choose to make share classes that pay 12b-1 fees or trails available in investment advisory programs even if a less costly share class is available, due to the ability for Raymond James to earn marketing and education support payments from the fund adviser or its affiliates. These marketing and education support payments benefit Raymond James and do not increase costs to the client. Raymond James's receipt of 12b-1 fees from fund companies varies and is on either a monthly or a quarterly basis. Where 12b-1 share classes are used, 12b-1 fees are credited bi-monthly to the client's accounts, after they are received by Raymond James. However, 12b-1 fees received by

Raymond James on share classes that are not eligible for the advisory fee, such as class C shares designated as Administrative-Only Investments, will not be credited to the client's account as described above, but instead will be retained by Raymond James.

Many mutual funds also assess sales charges on mutual fund transactions (the mutual fund equivalent to a commission, also known as a "load"), a portion of which is paid by the fund company to compensate broker-dealers and their financial advisors for providing financial advice and client service. Sales charges may apply when you make your investment (known as a "front-end sales charge" or "front-end load"), or when you redeem your investment (known as a "back-end sales charge" or "back-end load"), or in the form of an on-going charge that is assessed against fund assets (these on-going charges are the 12b-1 fees).

Certain mutual fund shares transferred to Raymond James to fund a new account or supplement an existing account will be subject to Raymond James's billing procedures, including those related to 12b-1 fees or "trails", Administrative-Only Investments, or conversion processes (for example, C shares held for at least one year, and share classes designated for use by managed account programs), as applicable.

Raymond James has established conversion processes to exchange class C shares to a lower cost share class once the class C shares have been held for at least one year or are otherwise no longer subject to the fund company's contingent deferred sales charge (or CDSC, which is typically 1% of the amount invested). The one year holding period is the required minimum holding period typically established by fund companies before they become eligible for exchange to another share class without being subject to the CDSC. However, certain funds may require that investors hold the Class C shares greater than or less than one year before these shares are CDSC-free. CDSC-free class C shares held in advisory program accounts will automatically be exchanged, on a tax free basis, to the recommended share class by Raymond James on a monthly basis. For example, a client that holds \$50,000 in class C shares purchased 6 months ago that subsequently transfers these shares to their Ambassador account will not be assessed an advisory fee for 6 months, although the shares will be subsequently exchanged by Raymond James to the recommended share class the month after they are CDSC-free, at which point the newly exchanged shares will be subject to advisory fees.

Investments held in Ambassador Accounts may be comprised of mutual fund shares only (both load-waived and no-load funds may be utilized), individual equity and fixed income securities, or a combination of mutual fund shares and individual securities. With respect to load funds, only the wrap recommended share class of such funds for which the mutual fund sales charge has been waived, pursuant to SEC Rules, may be purchased and eligible for the advisory fee in these programs. Clients may hold fund shares in a fee-based Ambassador account that were originally purchased in a commission-based account and assessed a front-end load at Raymond James. However, Raymond James will designate these shares as Administrative-Only assets for two years from their original purchase date, and no advisory fee will be charged during this period. Likewise, structured investments such as market-linked notes and market-linked certificates of deposit, as well as unit investment trusts assessed an upfront commission will be designated as Administrative-Only assets, and no advisory fees will be assessed for two years from their original purchase date. This two year exclusion period (or "Two Year Rule") has been implemented by Raymond James to avoid clients being assessed both a load or commission, and an advisory fee on the same asset, but only applies to those above mentioned securities that were purchased through Raymond James.

In the event a client purchased a share class designated as Administrative-Only (or "ineligible") that is subsequently exchanged into a share class that is otherwise eligible for advisory fees (for example, class C shares held for a year and exchanged into a no-load or load-waived class A share as described above), the Two Year Rule will not apply, provided the client held the ineligible share class

at least one year before converting to an eligible share class and the original load was 1.05% or less. Clients should understand that this Two Year Rule may create a financial incentive for their financial advisor to recommend the client exchange to an advisory fee-eligible share class. However, per the above example of exchanging C shares to load-waived A shares, this incentive is mitigated by requiring that the C shares must be held for at least one year before they will be allowed to be exchanged for A shares, where the load associated with C shares is typically 1%. The Two Year Rule is expressly intended to avoid assessing advisory fees on share classes assessed a load in excess of 1%, where the maximum load is typically in excess of 4%.

## **BILLING ON CASH BALANCES**

Effective October 1, 2018, Raymond James will assess advisory fees on cash sweep balances ("cash") held in Ambassador, provided the cash balance does not exceed 20% of the total Account Value. If the cash balance is greater than 20% of the Account Value as of the last business day of the quarter (the "valuation date"), Raymond James will bill on the full cash balance provided cash did not comprise greater than 20% of the billable Account Value for three (3) consecutive quarterly valuation dates. If the cash balance exceeded 20% of the Account Value for three (3) consecutive quarterly valuation dates, the amount in excess of 20% is excluded from billing. For example, an Ambassador account that held 30% of the Account Value for three (3) consecutive billing valuation dates (March 31st, June 30th, and September 30th) would have the amount in excess of 20% excluded from the Account Value in which advisory fees are applied. For simplicity of illustration, assuming an account was valued at \$100,000 for all three (3) quarterly billing periods, with \$30,000 held in cash, the September 30th valuation date would exclude \$10,000 of the cash from the Account Value when assessing the advisory fee.

This fee billing provision (or "Cash Rule") is intended to equitably assess advisory fees to client assets for which an ongoing advisory service is being provided; the exclusion of excess cash from the advisory fee is intended to benefit clients holding substantial cash balances (as a percentage of the total individual Account Value) for an extended period of time. Clients should understand that the portion of the account held in cash will experience negative performance if the applicable advisory fee charged is higher than the return received on the cash sweep balance.

For Discretionary Ambassador, the Cash Rule may pose a financial disincentive to a financial advisor as the portion of cash sweep balances in excess of 20% will be excluded from the asset based fee charged to the account. This may cause a financial advisor to reallocate a client account from cash to advisory fee eligible investments, including money market funds, or to recommend against raising cash, in order to avoid the application of this provision and therefore receive a fee on the full account value. However, clients that have delegated investment discretion to their financial advisory may direct the financial advisor to raise cash by selling investments or hold a predetermined percentage of their account in cash at any time. The Cash Rule is applicable only to cash sweep balances and, therefore, non sweep money market funds would not result in excess "cash" balances being excluded from the asset based advisory fee calculation. Cash balances are generally expected to be a small percentage of the overall account value in the American Funds, EHNW, Freedom, Freedom UMA, MDA, RJCS, RJRP and Russell managed accounts and therefore these accounts are not subject to the Cash Rule.

Billing on cash balances, particularly when the cash balance is maintained for an extended period of time or comprises a significant portion of the Account Value, may create a financial incentive for a financial advisor to recommend maintenance of this cash versus investing in an otherwise advisory fee-eligible security. For example, it's generally expected that the advisory fee will be higher than the interest a client will earn on this cash balance through their sweep account or the return earned on money market funds, so the client should expect to achieve a negative return on this portion of their account, although such cash balances will not be subject to market risk (that is, risk of loss) typically

associated with securities investments. As a result, clients should periodically re-evaluate whether their maintenance of a cash balance is appropriate in light of their financial situation and investment goals, and should understand that this cash may be held outside of their advisory account and not be subject to advisory fees. For cash sweeps in IRAs and ERISA plans, Raymond James uses its bank affiliate exclusively as a depository. Please see "Investment of Cash Reserves" below for additional information on cash sweep options.

## **ADMINISTRATIVE-ONLY INVESTMENTS**

Certain securities may be held in the client's Ambassador Account and designated "Administrative-Only Investments." There are two primary categories of Administrative-Only Investments:

Client-designated and Raymond James-designated. Client-designated Administrative-Only Investments may be designated by financial advisors that do not wish to collect an advisory fee on certain assets, while Raymond James-designated Administrative - Only Investments are designated as such by Raymond James in conformance with internal policy. For example, a financial advisor may make an arrangement with a client that holds a security that the financial advisor did not recommend or the client wishes to hold for an extended period of time and does not want their financial advisor to sell for the foreseeable future. In such cases the financial advisor may elect to waive the advisory fee on this security, but allow it to be held in the client's advisory account – such designations fall into the Client-designated category. Alternatively, Raymond James may determine that certain securities may be held in an advisory account but are temporarily not eligible for the advisory fee (such as for mutual funds purchased with a front-end sales charge through Raymond James within the last two years, new issues and syndicate offerings). Assets designated by Raymond James as temporarily exempt from the advisory fee fall into the Raymond James-designated category.

The following chart illustrates which Ambassador account types permit the use of Client-Designated and Raymond James-Designated Administrative-Only Investments:

Account Type	Client-Designated	Raymond James-Designated
Non-discretionary (all)	Permitted	Permitted
Discretionary/Non-retirement	Permitted	Discretionary
Discretionary/Retirement	Not Permitted	Permitted

PLEASE NOTE: The designation of Client-designated Administrative-Only Investments and the maintenance of such positions in the client's account are not permissible in discretionary Ambassador retirement accounts (such as IRAs and employer sponsored retirement plans). The underlying premise of this prohibition is that the maintenance of assets in a discretionary Ambassador retirement account that is not being assessed an advisory fee introduces a potential conflict that the financial advisor's advice may be biased as a result of their not being compensated on this asset. As a result, the financial advisor may recommend a course of action in their own interest and not the client's best interest (such as selling the security to increase the financial advisor's compensation). Raymond James has elected to preserve the ability for clients and their financial advisors to designate assets as Client - designated Administrative-Only in their taxable and non- discretionary Ambassador retirement accounts in order to maintain client choice and avoid the need to maintain a separate account to hold these securities or cash.

Administrative-Only Investments will not be included in the Account Value when calculating applicable asset-based advisory fee rates. For example, a client whose account holds \$750,000 of cash and securities that includes \$150,000 of Administrative-Only Investments will only have the asset-based fee rate assessed based on the \$600,000 Account Value. For clients with multiple fee based accounts, the Relationship Value will be used to determine the applicable fee rate that will be assessed. However, clients should understand that any assets held as Administrative-Only Investments will not

be included in the Relationship Value. Please see the "Aggregation of Related Fee-Based Account" section for additional information on how Raymond James combines related accounts for fee billing purposes.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

RWMG may participate in performance based fees that third party managers charge to clients. Such fees are typical in hedge funds and/or pooled investment funds, among others. These fees are charged against a share of capital gains or capital appreciation within the account. If a performance based fee will be charged in addition to a portfolio management fee, this will be fully disclosed prior to making the investment and during the ongoing management of the account. Because a performance based fee may pay RWMG more than just a management fee, a potential conflict of interest could exist.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. RWMG and its IARs do not use a performance-based fee structure or participate in any side-by-side management.

## **Item 7 Types of Clients**

For new managed client accounts, RWMG maintains a \$1,000,000 minimum in funds and/or securities. RWMG may waive this requirement in its sole discretion, for example, if the client appears to have significant potential for increasing assets under management. RWMG clients typically consist of high net worth individuals, business owners, trusts, retirement plans and foundations.

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

RWMG applies an institutional approach to investing, which takes into account forward looking capital markets assumptions, asset allocation optimization, investment selection and continuous monitoring. Another method of analysis employed involves analyzing and responding to relative strength trends in various markets, asset classes and specific holdings.

RWMG does not represent, warrant or imply that the aforementioned services or methods of analysis used by the firm will predict future results, successfully identify market tops or bottoms, or prevent losses due to market corrections or crashes.

As with all investments, investment strategies employed by RWMG can involve various types of risk, including (but not limited to) market risk, inflation risk, and loss of principal. RWMG attempts to reduce risk to the extent possible through diversification and asset allocation.

RWMG does not have a particular type of security that it recommends most often. RWMG recommendations are tailored to each client's specific goals and risk objectives. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

**Money Market Funds:** A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDICinsured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at our returns.

**Certificates of Deposit:** Certificates of deposit are generally the safest type of investment since they are insured by the federal government up to a certain amount. However, because the returns are generally very low, it is possible for inflation to outpace the return. Likewise, U.S. government securities are backed by the full faith and credit of the U.S. government but it is also possible for the rate of inflation to exceed the returns.

**Municipal Securities:** Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

**Bonds:** Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

**Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on

mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

**Leveraged Exchange Traded Funds:** Leveraged ETFs use swaps and other financial derivatives to maintain their leveraged exposure and are typically created to "reset" every day, meaning they will be rebalanced daily and the instruments and contracts that make up the ETF are going to change every day. This causes them to be inherently volatile instruments and create overnight risk when held to the next day. Leveraged ETFs are short-term vehicles and are not designed for long term purchasing. Leveraged ETFs perform best in trending environments when the market is in a low volatile, trending market leveraged ETFs will perform better than they would in a sideways market. This is because leveraged or inverse ETFs will magnify the returns of whatever the trend is. While leveraged ETF may magnify investor returns, they may also magnify the potential for losses.

**Real Estate Investment Trust:** A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

**Limited Partnerships:** A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst-case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

**Structured Products:** A structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent,

swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity, and have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of principal if held to maturity. However, these products are not always Federal Deposit Insurance Corporation insured; they may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company. Investing in structured products involves a number of risks including but not limited to: fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and, other events that are difficult to predict.

## Item 9 Disciplinary Information

A. RWMG has not been found guilty of any criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which it

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
3. was found to have been involved in a violation of an investment-related statute or regulation; or
4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which RWMG or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
  - (a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;
  - (b) barring or suspending your firm's or a management person's association with an investment-related business;
  - (c) otherwise significantly limiting your firm's or a management person's investment-related activities; or
  - (d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

C. A self-regulatory organization (SRO) proceeding in which RWMG or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; or

2. was found to have been involved in a violation of the SRO's rules and was:
  - (i) barred or suspended from membership or from association with other members, or was expelled from membership;
  - (ii) otherwise significantly limited from investment-related activities; or
  - (iii) fined more than \$2,500.

## **Item 10 Other Financial Industry Activities and Affiliations**

Associated persons of RWMG are licensed as registered representatives to sell securities through Raymond James Financial Services, Inc. (RJFS), a securities broker/dealer, member FINRA/SIPC. In this capacity, the associated persons may be involved in the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds and receive commissions for those transactions. In addition, they are involved in the sale of various insurance products. The time spent in such capacities varies from individual to individual.

RWMG's clients are advised that they have total freedom to implement recommendations through any broker/dealer of their choosing. If the client implements recommendations made by RWMG by purchasing securities or other products through RJFS, the representative may receive additional compensation in the form of commissions, including 12b-1 fees for the sale of investment company products which will be used to offset the advisory fee.

Patrick G. Renn, President of RWMG has served as a general partner of certain real estate limited partnerships: Hartwell Village (a shopping center) and Indian Trail (a shopping center).

Principals and associated persons of RWMG are affiliated with general insurance agencies, including Raymond James Insurance Group, Crump Life Insurance, Peachtree Planning Corporation, and Advantage Insurance Network. They may be affiliated with other insurance companies as well. If insurance products are purchased through RWMG, RWMG will receive commission income from these transactions.

Other than those previously mentioned in this disclosure (third party portfolio managers through the Raymond James Consulting Services program, third party hedge fund managers, nonproprietary mutual fund managers), RWMG does not recommend or select other investment advisers for our clients for which we receive compensation.

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

RWMG strives to comply with all applicable laws and regulations governing its practice. RWMG believes that compliance with such regulations is a signal to its clients that RWMG exists to serve them, and that RWMG supports the efforts of those organizations dedicated to upholding the law.

All associated persons of RWMG are expected to conduct themselves in a professional manner and adhere to the highest standards of conduct. The goal of RWMG is to protect client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with clients. While not an issue to date, RWMG is committed to swift and appropriate disciplinary action should any associated person violate the RWMG's Code of Ethics.

At times, RWMG may recommend investments to appropriate clients in which an associated person has a material financial interest. Should this situation arise, the Chief Compliance Officer must approve the investment and full disclosure will be made to potential investors. RWMG also strictly enforces policies reasonably designed to prevent the misuse of material non-public information (insider trading) by RWMG or any person associated with the firm.

At times, RWMG and/or its associated persons may take positions in the same securities as clients, and in all such cases will seek to avoid conflicts with clients. In accordance with its fiduciary responsibilities to its clients, RWMG and/or its associated persons will generally be "last in" and "last out" for any trading that may occur in securities that are not exempt from federal reporting – e.g. mutual funds and direct obligations of the U.S. Government. If allowable, block trades are made to ensure no conflict of interest with respect to pricing on a trade.

## **Item 12 Brokerage Practices**

RWMG Investment Advisor Representatives are exclusive registered representatives of Raymond James Financial Services (RJFS), a registered broker dealer, member FINRA/SIPC. RWMG advisors will recommend RJFS to clients for all brokerage services. In fact, RWMG advisors are restricted from conducting any securities transactions outside of RJFS. It may be the case that RJFS charges a higher fee than another broker charges for a particular type of service, such as transaction fees. Clients reserve the right to use the broker dealer of their choice and have no obligation to purchase or sell securities through RJFS. However, if the client does not use RJFS as their broker dealer, RWMG reserves the right not to accept the account.

Through their agreement with Raymond James, RWMG does receive securities research, investment banking capabilities, third party financial planning software, and other back office support. However, these services are not received in direct connection to client securities transactions and/or in exchange for commissions.

When possible, RWMG will use block trades (i.e. aggregate the purchase or sale of a security for various client accounts) to receive better execution versus placing single trades.

## **Item 13 Review of Accounts**

Investment clients are segmented into four levels as defined by RWMG. Internal investment reviews are performed at least monthly for the top two tiers and at least quarterly or semiannually for the remaining two levels. Overall asset allocation, as well as specific investments, are reviewed to determine if changes are warranted. These reviews typically involve president, Patrick Renn, and vice president, Kathryn Edmunds.

Correspondence in the form of Raymond James (or other) research reports, phone calls and/or emails are sent to clients when reasonable, but no less than quarterly. Clients also receive investment statements at least quarterly from Raymond James.

For those clients who choose to become a member of the Client Retainer Service, financial plans are formally reviewed semiannually or annually, depending on the membership level as described in the published Client Retainer Service Matrix that is distributed to clients and prospects on an annual basis or as needed. Personal Financial Reviews are conducted by president, Patrick Renn, and vice president, Kathryn Edmunds.

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

RWMG currently receives no compensation or any other economic benefit from non-clients for providing investment advice and/or other advisory services to our clients. Should the situation arise in which an economic benefit is received, full disclosure will be provided to the applicable parties.

RWMG does not directly or indirectly compensate a person outside of RWMG employees for client referrals. In the event this is applicable, full disclosure will be provided to all applicable parties.

## **Item 15 Custody**

RWMG will never have custody of any client funds or securities. A third party qualified custodian will provide these services. The custodian will send account statements at least quarterly directly to clients. Statements should be carefully reviewed for accuracy and understanding.

## **Item 16 Investment Discretion**

RWMG advisors can accept discretionary authority to manage investment accounts on behalf of clients. A discretionary agreement must be signed by both the client and the RWMG advisor. Clients may place limitations on the discretionary authority per the discretionary agreement.

## **Item 17 Voting Client Securities**

RWMG does not have the authority to vote client securities, except in the instance where an optional dividend will be paid on a security in cash or additional stock. RWMG may elect which option to take on behalf of the client. Clients will receive all other proxies or other solicitations directly from Raymond James or a transfer agent. Clients can contact RWMG with questions regarding any particular solicitation.

## **Item 18 Financial Information**

Prepayment of fees six months or more in advance is not required. RWMG does not take custody or have discretionary authority of client funds.

RWMG has never been the subject of a bankruptcy petition at any time in its history.