

**Item 1 – Cover Page**



**1250 Broadcasting Rd. #102  
Wyomissing, PA 19610  
(610) 655-9700**

**Form ADV Part 2A Brochure**

**October 20, 2023**

**This Brochure provides information about the qualifications and business practices of Marrella Private Wealth, LLC. You should review this brochure to understand your relationship with our firm and help you determine to hire or retain us as your investment adviser. If you have any questions about the contents of this brochure, please contact us at (610) 655-9700. The information in this Brochure has not been approved or verified by the United States of America Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about Marrella Private Wealth, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by our firm name or by using a unique identifying number, known as a CRD number. The CRD number for Marrella Private Wealth, LLC is 327397.**

**Marrella Private Wealth, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.**

## **Item 2 – Material Changes**

This section of the brochure discusses specific material changes that have been made to the brochure since the firm's last annual update. As part of our 120-day filing, Marrella Private Wealth, LLC had the following changes:

- Item 5 was updated to reflect our regulatory assets under management.
- Reference to a wrap program was removed throughout the brochure.

We will provide you with a Summary of Material Changes made to this brochure annually at no cost. You may receive an updated copy of this brochure at any time by contacting us at (610) 655-9700.

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## **Item 4 – Advisory Business**

### **About Our Firm**

Marrella Private Wealth, LLC (“MPW”) is a registered investment adviser that provides investment wealth management, financial planning, and investing consulting services to individual and institutional investors to help them achieve their financial needs and goals. MPW is wholly owned by Paul L. Marrella and Samuel A. Marrella, Sr. and has been a registered investment adviser since 2023. As of October 9, 2023, MPW had \$352,215,676 in discretionary and \$78,159,765 in nondiscretionary assets for a total of \$430,375,441 in regulatory assets under management.

### **Advisory Services We Offer**

MPW offers its advisory services to a variety of clients, including individuals, high net worth individuals, foundations, businesses, and corporations. These services include:

- Investment and wealth management
- Financial planning and consulting
- Fiduciary and non-fiduciary services for plan sponsors
- Investment Consulting

We work with our clients to determine their investment objectives and risk profile, then develop a customized investment plan based on their individual needs and goals. MPW will utilize the financial information provided by the client to analyze and develop strategies and solutions to assist the client in meeting their financial goals.

Prior to MPW rendering any of the foregoing services, clients are required to enter into one or more written advisory agreements with MPW setting forth the relevant terms and conditions of the advisory relationship.

### **Investment and Wealth Management Services**

MPW manages our clients’ portfolios on a discretionary and, in limited circumstances, non-discretionary basis. Our investment and wealth management services are tailored to the needs of our clients and are based on a comprehensive understanding of each client’s current situation, past experiences, and future goals. With this acquired knowledge we create, analyze, strategize, and implement goal-oriented investment solutions. These solutions become our clients’ investment policy. This policy and our matched strategies are designed to be risk appropriate, cost effective and tax efficient.

Our wealth management services generally include a broad range of comprehensive financial planning and/or consulting services, as well as discretionary or, in limited circumstances, non-discretionary management of investment portfolios.

Client assets are primarily allocated among individual equity and debt securities, exchange-traded funds (“ETFs”) and mutual funds in accordance with the client’s stated investment objective and risk/volatility

parameters. Where appropriate, MPW may also provide advice about many types of legacy positions or other investments held in client portfolios. Clients may also engage MPW to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts (to the extent permissible without an insurance license) and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, MPW will direct or make recommendations on a non-discretionary basis for the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or custodian for the plan trustee or administrator and clients retain responsibility for effecting trades in these accounts.

MPW consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. You should promptly notify us if there are changes in your financial situation or if you wish to place any limitations on the management of your account. You may impose reasonable restrictions or mandates on the management of your account if MPW determines, in our sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the firm's management efforts.

### **Financial Planning and Consulting Services**

MPW offers varying levels of financial planning and consulting services to help our clients identify, prioritize and work towards their goals and objectives. Our consulting services give our clients the ability to receive a broad range of financial advice and services, including specific security recommendations, for the duration of the advisory agreement.

Our discovery process starts with a review of a client's family situation, which includes assets and liabilities as well as estate, tax, and insurance needs. We then employ a risk tolerance and risk capacity-focused simulation to get a detailed cash flow analysis and proposed asset allocation. Together, this information is analyzed to develop a proposed financial plan, which is designed to be dynamic in nature, ever-evolving due to life changes, along with changes in cash flow needs, risk tolerance, time horizon, or investment objectives. MPW's financial planning and consulting services may include any of the following topics:

- Cash Flow Analysis
- Financial Record Organizing
- Estate Planning
- Charitable Giving
- Education Planning
- Business and Tax Planning
- Concentrated Stock
- Federal Benefits & Health Care
- Death & Disability
- Divorce Planning
- Liability Management
- Investment Consulting
- Insurance Review
- Family Governance
- Retirement Plan Consulting and Employee Benefits Analysis
- Long Term Care Planning
- Social Security Planning

While each of these services is available on a stand-alone basis, certain services may also be rendered in conjunction with investment portfolio management services as part of a comprehensive wealth management engagement. In performing these services, MPW is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.), and is expressly authorized to rely on such information. MPW may recommend clients engage the firm for additional related services, or we may recommend other professionals to implement our recommendations. These additional services by MPW or another professional are provided at an additional cost to you, which is based on the nature, extent, complexity, and other characteristics of the services. This creates a conflict of interest because we will have an incentive to recommend additional services based on the compensation to be received, rather than solely based on your needs, and in some cases, based on the prospect of cross-referrals of advisory clients from the other professional or his or her firm.

Implementation of financial planning recommendations is entirely at your discretion. You have complete freedom in selecting a financial adviser to assist you with implementing the recommendations made in your financial plan and are under no obligation to act on the advice of MPW. Financial planning recommendations are of a generic nature and are not limited to any specific product or service offered by a broker dealer or insurance company. Should you choose to implement the recommendations contained in the plan, MPW suggests you work closely with your attorney, accountant and/or insurance agent.

MPW will act solely in our capacity as a registered investment adviser and does not provide any legal, accounting or tax advice. You should seek the counsel of a qualified accountant and/or attorney when necessary. As part of our advisory services, we may assist clients with tax loss harvesting and will work with the client's tax specialist to answer any questions related to the client's portfolio.

### **Employee Benefit Retirement Plan Services**

MPW also provides advisory services to retirement plans using the third-party administration services of certain retirement plan service providers. For such clients, MPW will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that will be imposed. MPW will recommend investment options to achieve the plan's objectives, provide participant education meetings and monitor the performance of the plan's investment vehicles. MPW will periodically review plans' investment vehicles and investment policy statements, and will recommend changes in the plan's investment vehicles, as appropriate, from time to time.

## **Item 5 – Fees and Compensation**

### **How We Are Compensated for Our Advisory Services**

Our fees for advisory services vary among the different types of advisory services we offer and may be negotiated at our sole discretion. The specific fees and manner in which fees are charged and calculated are described in your investment advisory agreement. You should carefully review the investment advisory agreement prior to signing it.

Fees for our advisory services may be higher than fees charged by other advisers who offer similar services. You may be charged different fees than similarly situated clients for the same services. You should carefully review this brochure to understand the fees and other sources of compensation that exist among our services prior to entering into an investment advisory contract with our firm.

### **Investment and Wealth Management Services**

MPW offers investment and wealth management services based on a percentage of the client's assets under management. The fee schedule applicable as of this Brochure is as follows:

<b>Client Assets</b>	<b>Annual Fee (%) for all assets</b>
Up to \$500,000	1.20%
\$500,000 to \$1,000,000	1.10%
\$1,000,000 to \$2,000,000	1.00%
\$2,000,000 to \$3,000,000	0.90%
\$3,000,000 to \$5,000,000	0.75%
\$5,000,000 to \$10,000,000	0.50%
\$10,000,000 and above	0.40%

Fees are generally billed in arrears each calendar quarter based on the average daily balance of the assets under management/advisement and are based on the above fee schedule. MPW, in our sole discretion, may negotiate or waive the annual fee based upon certain criteria, including, but not limited to, anticipated future earning capacity and/or additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationships, account retention, and pro bono activities. For investment and wealth management services MPW provides to certain clients or for specific client holdings (e.g., held-away assets, 529 plans, etc.), we may negotiate a fee rate that differs from our standard fee.

Fees can be based on cumulative household assets under management. However, certain ERISA rules prevent householding corporate plans with personal assets for fee reductions. You should refer to your advisory agreement for your specific fee rate(s).

MPW provides quarterly statements to clients via an online portal. Clients who request these quarterly reports be provided in paper format mailed via postal service, will be charged an annual administrative fee of \$50.00.

## **Financial Planning and Consulting Services**

Fees for financial planning and/or consulting services are generally billed on a project basis. Depending on the scope of the work to be performed, MPW will determine the fees for the project work, which will be disclosed within the agreement with the client and MPW will require a retainer for the services which is payable upon entering into the agreement. The balance of the fee is due and payable upon receipt of the final consulting or planning services.

Factors we consider when determining our financial planning and consulting fees include, but are not limited to:

- The amount of time we expect to spend completing the financial planning or consulting services and providing related advice;
- The complexity of your goals, issues and/or needs;
- The extensiveness and complexity of the data needed regarding your personal financial information;
- Your net worth or the value of your investment accounts and/or other assets that are the subject of the financial planning or consulting services; and/or
- Special circumstances related to life changes, marital status, health or special income needs, or growth or decline of a personal business.

MPW may request a retainer to initiate financial planning and consulting services; however, we will not request the prepayment of fees more than \$1,200 in advisory fees more than six months in advance.

You may engage MPW for additional investment management services to assist with implementing one or more financial planning recommendations. You will incur additional fees if you retain our firm for such services; however, MPW may waive financial planning fees for new clients that engage our firm for investment management services. You have complete freedom in selecting an investment adviser to assist you in implementing any recommendations by MPW and are under no obligation to act upon the advice we provide.

For consulting services, the investment advisory agreement between MPW and the client will continue in effect until terminated by either party. For stand-alone financial planning services, the agreement between MPW and the client will terminate upon delivery of the plan or completion of the service.

## **Employee Benefit Retirement Plan Services**

The annual fee for MPW's plan services is charged on a quarterly basis and is based on a percentage of assets within the plan and typically ranges from 0.20% to 1.00% per year. The annual fee will be based upon several factors including the size of the plan, the number of participants, the number of locations as well as the method of employee education and the services required.



## **Payment of Fees**

Clients authorize MPW to instruct the account custodian to directly debit fees from the client's account. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of your advisory agreement with our firm, we will promptly refund any prepaid, unearned fees.

For investment and wealth management services, refunds are calculated by taking the total advisory fee billed for the calendar quarter, dividing that amount by the number of days in the calendar quarter and multiplying that amount by the number of days services were not provided during the calendar quarter.

For financial planning and consulting services, refunds are calculated based on the value of the services that were completed prior to termination of the advisory agreement.

## **Other Types of Fees and Expenses You May Incur**

Clients may incur certain charges imposed by custodians, brokers, third-party investments and other third parties, such as fees charged by brokers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Decisions to reallocate your account assets may result in you incurring a redemption fee imposed by one or more mutual funds held in your account. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to MPW's fee. MPW shall not receive any portion of these commissions, fees, and costs, including any distribution or "12b-1" fees paid by the mutual funds in which your account assets are invested.

## **Other Types of Compensation We Receive**

Certain Supervised Persons of MPW are licensed insurance agents and receive commissions for the sale of fixed insurance products, and in some instances, ongoing compensation called trail commissions. This compensation gives these financial professionals an incentive to recommend insurance products in addition to advisory services. We address this conflict of interest by upholding our fiduciary duty to provide investment advice that is in your best interest and disclosing the conflict to you before or at the time you enter into an investment advisory contract with our firm.

Clients are advised that the fees paid to MPW for investment advisory services are separate and distinct from any fees and compensation earned, whether directly or indirectly, in connection with the sale of fixed insurance. You have the option to purchase insurance that your investment adviser representative recommends through other agents that are not affiliated with MPW. Please see Item 10 for further information on the insurance business and compensation, including any conflicts of interest.

MPW has contracted with Raymond James & Associates, Inc. ("Raymond James") and Fidelity Institutional Wealth Services ("FIWS") for brokerage services, including trade processing, collection of management fees, marketing assistance and research. Item 12 – Brokerage Practices further describes the factors that MPW considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

MPW does not charge any performance-based fees or participate in side-by-side management.

## Item 7 – Types of Clients

MPW provides portfolio management services to individuals, high net worth individuals and families, foundations, corporations, qualified retirement plans, and other business entities. We generally require a minimum initial investment of \$1,000,000 for investment management services. The firm, in its sole discretion, may accept clients with smaller portfolios based upon each client's particular circumstances.

## Item 8 – Methods of Analysis, Investment Strategies

### Methods of Analysis and Investment Strategies

After the discovery meeting with a client, MPW carefully constructs a risk-adjusted, tax-efficient, and cost-effective asset allocation strategy based on a client's unique cash flow needs, stated return and risk profile. Based on the client's investment policy statement, security selection is based on qualitative, quantitative, technical, and relative strength metrics. Portfolio holdings are constantly monitored and adjusted as market conditions and our clients' circumstances dictate. Clients may hold or retain other types of assets as well, and MPW may offer advice regarding those various assets as part of our services.

MPW predominantly utilizes a combination of active and passive strategies to allocate client assets primarily among publicly traded securities, such as stocks, bonds, ETFs, mutual funds, and/or separately managed portfolios. Nevertheless, individual client circumstances may dictate the use of other types of securities, actively managed portfolios, or alternative investments. Depending upon the client's financial needs, strategies implemented might include long-term purchases (securities held at least a year), and other securities transactions.

### Risk of Loss

***Investing in securities involves risk of loss that you should be prepared to bear.*** All investments present the risk of loss of principal – the risk that the value of securities (e.g., stocks, mutual funds, ETFs, bonds, etc.), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment. There is no guarantee that investment recommendations made by MPW will be successful. We cannot assure you that your account will increase, preserve capital, or generate income, nor can we assure you that your investment objectives will be realized. Although all investments involve risk, our investment advice seeks to limit risk through diversification among various asset classes.

We may recommend a variety of security types for your account in an effort to achieve your individual needs and goals. This may include, but is not limited to, stocks, bonds, open-end and closed-end mutual funds, ETFs, hedge funds, private equity funds, venture capital funds, advisory accounts, real estate

investment trusts, or other private alternative or other investment funds. An investment in such other funds or managers may present risks specific to the particular investment vehicle, such as long-term illiquidity, redemption notice periods or other restrictions on redemptions, capital calls, or periodic taxable income distribution.

Described below are the material risks associated with investing in the types of securities we generally use in client accounts:

### **Equity Securities**

In general, prices of equity securities (common, convertible preferred stocks and other securities whose values are tied to the price of stocks, such as rights, warrants and convertible debt securities) are more volatile than those of fixed-income securities. The prices of equity securities could decline in value if the issuer's financial condition declines or in response to overall market and economic conditions. Investments in smaller companies and mid-size companies may involve greater risk and price volatility than investments in larger, more mature companies.

### **Fixed-Income Securities**

The return and principal value of bonds fluctuate with changes in market conditions. Fixed-income securities are subject to interest rate risk and credit quality risk. The market value of fixed-income securities generally declines when interest rates rise, and an issuer of fixed-income securities could default on its payment obligations. Changes in interest rates generally have a greater effect on bonds with longer maturities than on those with shorter maturities. If bonds are not held to maturity, they may be worth more or less than their original value. Credit risk refers to the possibility that the issuer of a bond will not be able to make principal and/or interest payments. High yield bonds, also known as "junk bonds," carry a higher risk of loss of principal and income than higher rated investment grade bonds.

### **Mutual Funds**

Mutual funds may invest in different types of securities, such as value or growth stocks, real estate investment trusts, corporate bonds, or U.S. government bonds. There are risks associated with each asset class.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund. Redemption is at the current net asset value, which may be more or less than the original cost. Aggressive growth funds are most suitable for investors willing to accept price per share volatility since many companies that demonstrate high growth potential can also be high risk. Income from tax-free mutual funds may be subject to local, state and/or the alternative minimum tax.

Because each mutual fund owns different types of investments, performance will be affected by a variety of factors. The value of your investment in a mutual fund will vary from day to day as the values of the underlying investments in a fund vary. Such variations generally reflect changes in interest rates, market

conditions and other company and economic news. These risks may become magnified depending on how much a fund invests or uses certain strategies. A fund's principal market segment(s), such as large-cap, mid-cap or small-cap stocks, or growth or value stocks may underperform other market segments or the equity markets as a whole. You can find additional information regarding these risks in the fund's prospectus.

### **Exchange-Traded Funds (ETFs)**

ETFs are typically investment companies that are legally classified as open-end mutual funds or unit investment trusts. ETFs differ from traditional mutual funds in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity. It is generally lower if the ETF has high trading volume and market liquidity and higher if the ETF has low trading volume and market liquidity. Liquidity risks are higher for ETFs with a large spread. ETFs may be closed and liquidated at the discretion of the issuing company.

### **International Investing**

The risks of investing in foreign securities include loss of value as a result of political or economic instability; nationalization, expropriation or confiscatory taxation; changes in foreign exchange rates and foreign exchange restrictions; settlement delays; and limited government regulation (including less stringent reporting, accounting, and disclosure standards than are required of U.S. companies). These risks may be greater with investments in emerging markets. Certain investments utilized by MPW may also contain international securities.

### **Commodity Risk**

Negative changes in a commodity market could have an adverse impact on the value of commodity-linked investments including companies that are susceptible to fluctuations in commodity markets. The value of commodity-linked investments can be affected by changes in overall market movements, taxation, terrorism, nationalization or expropriation, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as, weather (e.g., drought, flooding), livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The prices of sector commodities (e.g., energy, metals, agriculture and livestock) can fluctuate widely due to factors such as changes in value, supply and demand and governmental regulatory policies.

### **Gold, Silver and Precious Metals**

Gold, silver and precious metals prices can be subject to significant fluctuation, influenced by various factors such as economic conditions, geopolitical events, and investor sentiment. These fluctuations can lead to potential losses if the timing of buying or selling is not favorable.

## **Cash and Cash Equivalents**

A portion of your assets may be invested in cash or cash equivalents to achieve your investment objective, provide ongoing distributions, and/or take a defensive position. Cash holdings may result in a loss of market exposure.

## **Alternative Investments**

Alternative investments are illiquid investments and do not trade on a national securities exchange. Alternative investments typically include investments in direct participation program securities (partnerships, limited liability companies, business development companies or real estate investment trusts), commodity pools, private equity, private debt, or hedge funds. Alternative investments are subject to various risks, such as illiquidity and property devaluation based on adverse economic and/or real estate market conditions.

Alternative investments are not suitable for all investors. Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments. Additional information regarding these risks can be found in the product's prospectus or offering documents.

## **Item 9 – Disciplinary Information**

As a registered investment adviser, MPW is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. MPW has no disciplinary information to report.

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

Based on common control and ownership, MPW is affiliated with Marrella Insurance Group, LLC. Certain Supervised Persons of MPW are licensed insurance agents of Marrella Insurance Group, LLC and receive commissions for the sale of fixed insurance products, and in some instances, ongoing compensation called trail commissions. This compensation gives these financial professionals an incentive to recommend insurance products in addition to advisory services. We address this conflict of interest by upholding our fiduciary duty to provide investment advice that is in your best interest and disclosing the conflict to you before or at the time you enter into an investment advisory contract with our firm.

Clients are advised that the fees paid to MPW for investment advisory services are separate and distinct from any fees and compensation earned, whether directly or indirectly, in connection with the sale of fixed insurance. You have the option to purchase insurance that your investment adviser representative recommends through other agents that are not affiliated with MPW.

MPW has retained a third-party marketing firm to seek attendees for seminars offered by MPW. MPW will pay a per attendee fee to the third party for these marketing services.

MPW also receives compensation for its sub-advisory services related to the management of insurance portfolios and other advisory services maintained with DPL Financial Partners, LLC (“DPL”). DPL is an unaffiliated third-party provider of a platform of insurance consultation services to investment advisers with clients who have current or future needs for insurance products. MPW receives a quarterly fee from DPL for the sub-advisory services it provides to clients related to their annuity holdings.

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

### **Our Code of Ethics**

As a fiduciary, MPW is committed to providing investment advice with the utmost professionalism and integrity. Our firm strives to identify, manage and/or mitigate conflicts of interest and has adopted policies, procedures, and oversight mechanisms to address conflicts of interest. We have adopted a Code of Ethics in compliance with Rule 204A-1 of the Investment Advisers Act of 1940 that emphasizes our fiduciary obligation to put client interests first and is designed to ensure personal securities transactions, activities, and interests of employees will not interfere with the responsibilities to make decisions in the best interest of clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons of our firm must acknowledge and comply with our Code of Ethics.

You may request a copy of our Code of Ethics by contacting us at (610) 655-9700.

### **Participation in Client Transactions**

MPW does not affect principal or agency cross securities transactions for client accounts. MPW also does not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells a security to an advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

### **Employee Personal Trading**

Supervised persons of MPW may purchase or sell the same security that we recommend for investment in client accounts. This creates a conflict of interest as there is a possibility that employees of our firm might benefit from market activity by a client in a security held by the employee. Our Code of Ethics is designed

to assure that the personal securities transactions, activities and interests of the employees of MPW will not interfere with making decisions in the best interest of advisory clients and implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of MPW's clients. Our Code of Ethics also places restrictions on our employees' personal trading activities. These restrictions include, but are not limited to, a prohibition on trading based on non-public information and pre-clearance requirements for certain types of transactions. Employee trading is continually monitored under the Code of Ethics in an effort to prevent conflicts of interest between MPW and our clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with MPW's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. MPW will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis and any exceptions will be documented.

## **Item 12 – Brokerage Practices**

### **Selection and Recommendation of Broker-Dealers**

Though MPW recommends brokers with which we have negotiated pricing on behalf of our clients, we do not have discretionary authority to select brokers. We endeavor to recommend broker-dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services that will help our firm provide investment management services to clients. MPW may recommend brokers who provide useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance.

We have negotiated competitive pricing and services with Raymond James & Associates, Inc. ("Raymond James") and Fidelity Institutional Wealth Services ("FIWS"), sponsored by Fidelity Brokerage Services, LLC ("Fidelity") for brokerage back-office, trade execution services and clearing and custodial services. Raymond James and Fidelity are members of New York Stock Exchange/SIPC and are unaffiliated registered broker-dealers and FINRA members. MPW regularly reviews the reasonableness of the compensation received by the broker-dealers used for executing client transactions in an effort to ensure that our clients receive favorable execution consistent with our fiduciary duty. Factors which MPW considers in recommending broker-dealers to clients include, but is not limited to, their respective financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by these brokers may be higher or lower than those charged by other broker-dealers.

In addition, Raymond James and Fidelity may provide MPW with access to its institutional trading and custody services, which are typically not available to retail investors. These brokerage services include the

execution of securities transactions, custody, research, 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. Other benefits we may receive include receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocates the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

The commissions paid by MPW's clients are intended to be consistent with our duty to obtain "best execution." However, a client may pay a commission that is higher than what another qualified broker-dealer might charge to affect the same transaction when MPW determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while MPW will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

### **Research and Other Soft Dollar Benefits**

MPW does not participate in soft-dollar relationships.

### **Brokerage for Client Referrals**

When selecting broker-dealers for the execution of client securities transactions, MPW does not consider whether we will receive any client referrals from the broker-dealer or any other third-party.

### **Directed Brokerage**

As MPW will not request the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct MPW as to the broker-dealer to be used. The commissions and transaction fees charged by these broker-dealers could be higher or lower than those charged by other custodians and broker-dealers. When directing the use of a particular broker-dealer, it should be understood that MPW will not have authority to negotiate commissions among various broker-dealers or obtain volume discounts. As such, best execution may not be achieved. Not all investment advisers require clients to direct the use of specific broker-dealers.

### **Aggregation of Orders**

MPW will generally block trades where possible and when advantageous to client, however certain trades will be effected independently. The blocking of transactions permits the trading of aggregate blocks of securities composed of assets from multiple client accounts where transaction costs are shared equally and on a pro-rated basis between all accounts included in the block. Block trading allows us to execute equity or fixed income trades in a timely, equitable manner and to reduce overall commission charges to clients. Clients who do not provide MPW with discretion will not participate in block trades, and their trades in similar securities will be placed with brokers after trades for discretionary accounts. Accounts owned by



supervised persons of our firm can participate in block trading with your accounts; however, these individuals will not be given preferential treatment of any kind.

## **Item 13 – Review of Accounts**

Accounts at MPW are reviewed on a periodic basis. This informal review includes assessing client goals and objectives, monitoring the account, and addressing the need to rebalance, as necessary. Individual securities held in client accounts are periodically monitored by the firm. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes to a client's individual circumstances, market conditions, or the political or economic environment.

MPW may also review tax-planning needs, cash-flow needs, as well as charitable giving, insurance, and estate planning as part of our ongoing client reviews. Reviews are tailored to the services we provide to the client, as well as the clients' individual needs and goals. We encourage you to discuss your needs, goals, and objectives with us and keep us informed of any changes. If you engage our firm for ongoing investment advisory services, we will contact you at least annually to determine whether there have been any changes to your financial situation or investment objectives and whether you wish to impose any reasonable restrictions on the management of your account or reasonably modify any existing restrictions. At that time, MPW will advise you of any account changes we feel are necessary to help you stay on track with meeting your financial goals and consider whether the current services provided by our firm continue to be suitable for your needs.

### **Regular Reports Provided to Clients**

You will receive monthly and/or quarterly account statements directly from the qualified custodian. MPW can also provide you with written quarterly performance reports for your account. We urge you to carefully review your account statements and compare the account balances with the balances reflected on any performance report you may receive from our firm for accuracy. Balances on our reports may vary slightly from custodial statements due to differences in accrual income, accounting procedures, reporting dates, valuation methodologies of certain securities or other operational factors. You should promptly notify us if you do not receive account statements from your custodian at least quarterly or if you believe the information on your account statements is inaccurate.

As a convenience to our clients, in addition to reporting on clients' financial assets, at a client's request we can prepare a global consolidated report that also includes certain non-financial assets (e.g., real assets). In such instances, MPW relies on the client to provide current and accurate price or other valuation information for those assets to be included in the client's consolidated account report. In no instance are non-financial assets included in performance reporting. MPW does not independently verify, and expressly disclaims responsibility for, the accuracy of any non-financial asset values clients provided to us to include in their reporting.

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

### **Other Compensation Arrangements**

MPW receives compensation from Raymond James and Fidelity, the broker-dealers used for your account, and your account custodian in the form of access to electronic systems that assist us in the management of client accounts, as well as research, software and other technology that provide access to client account data (such as trade confirmations and account statements), pricing information and other market data, facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), and client reporting capabilities. Your account custodian also offers us discounts for products and services offered by vendors and third-party service providers, such as software and technology solutions. These economic benefits create a conflict of interest in that it gives our firm an incentive to recommend one broker-dealer or custodian over another that does not provide similar electronic systems, support, or services. We address this conflict of interest by disclosing to our clients the types of compensation that our firm receives so clients can consider this when evaluating our firm. It is important that you consider the fees, level of service and investment strategies, among other factors, when selecting an investment manager.

### **Client Referrals**

MPW does not pay any referral fees to other individuals for referring clients to our firm.

## **Item 15 – Custody**

When you establish a relationship with our firm for investment management services, your assets will be maintained by a bank, broker -dealer, mutual fund transfer agent or other such institution deemed a ‘qualified custodian’ by the SEC. We rely on the custodian to price and value assets, execute and clear transactions, maintain custody of assets in your account and perform other custodial functions. MPW does not maintain physical possession of any client account assets. Clients’ assets must be held by a bank, broker dealer, mutual fund transfer agent or other such institution deemed a qualified custodian. We utilize Raymond James as the qualified custodian for client accounts.

## **Item 16 – Investment Discretion**

MPW typically has investment discretion over clients’ securities accounts. Investment discretion is the authority to determine the securities or other assets to purchase or sell on behalf of an account. Investment discretion may also include the authority to select or terminate a third-party asset manager. This authority is exercised in a manner consistent with your stated investment objective for the particular account. You must provide written authorization to our firm before we can assume discretionary authority over your account. Any investment guidelines or restrictions you would like to place on your account must be provided to MPW in writing.

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

As a matter of firm policy, MPW does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Upon request, MPW may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 – Financial Information**

As a registered investment adviser, MPW is required to provide you with certain financial information about our firm. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial commitment that is reasonably likely to impair our contractual commitments to our clients, nor has our firm ever been the subject of a bankruptcy proceeding.