

# Destiny Wealth Partners, LLC

## ADV Part 2A, Appendix 1 Wrap Fee Program Brochure Dated June 6, 2024

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This brochure provides information about the qualifications and business practices of Destiny Wealth Partners, LLC , LLC. If you have any questions about the contents of this brochure, please contact us at (352) 343-2700 or [truggie@ruggiewealth.com](mailto:truggie@ruggiewealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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

**Item 2            Material Changes**

Since the last Annual Amendment on March 14, 2024, this Disclosure Brochure has been materially revised. Item 4 has been revised to indicate that Registrant charges performance-based fees.

**ANY QUESTIONS: Registrant’s Chief Compliance Officer, Thomas H. Ruggie remains available to address any questions that an existing or prospective client may have regarding this Wrap Fee Brochure.**

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#### **Item 4. Services, Fees and Compensation**

- A. Destiny Wealth Partners, LLC (“Registrant”) is a limited liability company formed on November 6, 2012 in the State of Florida. The Registrant became registered as an Investment Adviser Firm with the SEC in May 2014. As of February 2, 2021 The Registrant has changed its legal name to Destiny Wealth Partners, LLC. As of January 1, 2021, the Registrant is now owned by Panormos Capital, Inc. Panormos Capital, Inc. is owned by Thomas H. Ruggie, as Trustee of the Thomas H. Ruggie Revocable Trust, Dated January 18, 2001, As Amended and Robert L. Clark, Trustee of the Robert L. Clark Revocable Trust, Dated September 29, 2014, As Amended. Registrant also conducts advisory business under the following DBA names: Ruggie Wealth Management, Destiny 401(K), Destiny 401K, Destiny Family Office, Destiny Wealth Management, and Destiny Wealth Partners. Our firm also offers services through our network of investment adviser representatives (“Advisor Representatives” or “IARs”). Certain of our IARs may have their own legal business entities whose trade names and logos are used for marketing purposes and may appear on marketing materials or client statements. Clients should understand that the businesses are legal entities of the respective IAR and not of Destiny Wealth Partners. The IARs are under the supervision of Destiny Wealth Partners and the advisory services of the IAR are provided through our firm. Destiny Wealth Partners currently maintains such an arrangement described above with Nichols Wealth Partners and their respective representatives.
- B. As discussed below, Registrant offers investment advisory services to its clients, which typically include individuals, pension and profit sharing plans, business entities and trusts, etc. Registrant’s investment advisory services typically include financial planning and related consulting services.

#### **DESTINY WEALTH PARTNERS WRAP FEE PROGRAM**

Registrant provides investment management services on a wrap fee basis in accordance with Registrant’s investment management wrap fee program (the “Program”). The services offered under, and the corresponding terms and conditions pertaining to, the Program are discussed in this Wrap Fee Program Brochure, a copy of which is presented to all prospective Program participants. Under the Program, Registrant is able to offer participants discretionary investment management services for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and Registrant’s investment management fees. However, clients may incur additional fees as set forth below.

The Program permits a client to authorize Registrant to purchase and sell on a discretionary basis: no load and load-waived mutual funds, exchange traded funds, equities, fixed income securities, options, hedge funds, managed futures, and structured products pursuant to the investment objectives chosen by the client, and to liquidate previously purchased no load, load waived mutual funds, equities, fixed income securities, options, hedge funds, managed futures, and structured products.

#### **Wealth Management and Financial Planning Services**

Registrant’s Wealth Management services consist of managing portfolios for our its clients in accordance with their investment objectives. The Registrant transacts business in mutual funds, ETF’s, stocks, bonds, options, private and public partnerships, variable annuities, real estate investment trusts, insurance and other investment products. The client can determine to engage Registrant to provide discretionary or non-discretionary investment advisory services on a wrap or non-wrap fee basis. (See discussion below). If a client determines to engage Registrant on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage,

custody). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage Registrant on a non-wrap fee basis, the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody)

To the extent specifically requested by the client, financial planning and consulting services will be included in our services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Registrant), Registrant may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

To commence the investment advisory process, Registrant will ascertain each client's investment objective(s) and then allocate the client's assets consistent with the client's designated investment objective(s). Once allocated, Registrant provides ongoing supervision of the account(s). Before engaging Registrant to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

**Please Note:** Registrant believes that it is important for the client to address financial planning issues on an ongoing basis. Registrant's advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Registrant.

### **Destiny Family Office – Wealth Management and Financial Planning Services**

Destiny Family Office ("DFO") is offered by Registrant to provide family office services to high-net-worth families, which offering typically includes Registrant's wealth management services. Registrant's wealth management services consist of managing portfolios for its clients in accordance with their stated investment objectives. Registrant may oversee mutual funds, ETF's, stocks, bonds, options, private and public partnerships, variable annuities, real estate investment trusts, insurance and other investment products. The DFO client can engage Registrant to provide discretionary investment advisory services on a wrap fee basis. (See discussion below). If a client determines to engage Registrant on a wrap fee basis, the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage Registrant on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody). To the extent engaged to do so and specifically requested by a client, financial planning and related consulting services will be provided as part of the engagement. DFO offers its services as a counselor and investment specialist. By working closely with family members, DFO designs a customized investment plan to suit the unique needs of each client. When developing the investment strategy, DFO takes into account all objectives, constraints and risk tolerances that are indicated by the clients. DFO's goal is to provide substantial value to its clients' lives in specific areas. Our Family Office services include: developing asset allocation and diversification strategies, asset management, investment reporting, and certain administrative duties. Also, in limited circumstances, DFO clients may request advisory services related to accounts not managed by DFO. The Family Office Fee Schedule may vary based upon client circumstances and will be more particularly described in the Family Office Client Agreement.

Under the Program, the Registrant, on a discretionary basis, shall be provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in the written agreement between each client and the Registrant. Clients may change/amend these limitations, in writing, at any time. The client shall have reasonable access to one of the Registrant's investment professionals to discuss their account.

Registrant believes that it is important for the client to address financial planning issues on an ongoing basis. Registrant's advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Registrant.

Registrant generally recommends that investment management accounts be maintained at Charles Schwab & Co., Inc. and its affiliates ("Schwab") or Fidelity Brokerage Services, LLC and National Financial Services, LLC ("Fidelity").

### **Fee Calculation and Payment**

#### **DESTINY WEALTH PARTNERS WRAP FEE PROGRAM**

As noted above, if a client determines to engage Registrant to provide investment management services on a wrap fee basis in accordance with Registrant's Wrap Program (the "Program"), the services offered under, and the corresponding terms and conditions pertaining to, the Program are discussed in this Wrap Fee Program Brochure, a copy of which is presented to all prospective Program participants. Registrant, as wrap sponsor, offers participants discretionary investment management services for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The wealth management fee is based on all investment assets (including cash and cash equivalents) regardless of where held, including investment assets held within insurance products, non-qualified and qualified plans, trusts and other entities or vehicles. Please note that, in certain instances, a wrap fee negotiable up to 1.80% may be negotiated with the client. This may depend upon the amount and type of program assets.

Please Note: Your account custodian, (Fidelity or Schwab), stopped charging transaction fees for the majority of individual equities (i.e., common stocks and ETFs). As the result of the custodian decisions, total transaction fees paid by Registrant under the Registrant's wrap program decreased. Other custodial and transaction charges remain applicable to your account and are covered as part of the wrap fee. Registrant did not alter its advisory fee schedule as result of this change.

The Registrant's policy is to not charge for intra-quarter additions or withdrawals-unless indicated to the contrary on the Firm's Investment Advisory Agreement executed by the client.

Please Note: Conflict of Interest. Registrant shall generally compensate its representatives based upon the revenues derived from accounts that they service. The representative generally maintains the authority to determine/negotiate the percentage advisory fee. Thus, a conflict of interest is presented because the higher the advisory fee, the greater the representative's (and Registrant's) compensation.

### **Wrap Fee Schedule for Non-DFO Investment Advisory Services.**

If a client determines to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a negotiable fee basis, the Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value of the assets placed under the Registrant's management, generally ranging between 0.50% and 1.80%

### **Wealth Management and Financial Planning**

<b>RWM Main Fee schedule</b>	<b>Annual % Fee</b>
First \$250,000	1.80%
\$250,000 - \$1,000,000	1.45%
\$1,000,000 - \$3,000,000	1.25%
\$3,000,000 - \$5,000,000	1.00%
\$5,000,000 - \$10,000,000	0.75%
Over \$10 Million	Negotiated

The Registrant also maintains certain legacy wrap fee schedules for a small number of longstanding clients. These fee schedules are generally not offered to the Registrant's new clients. These fee schedules were offered historically to certain long-term legacy clients of the firm. To the extent that these clients have maintained their investment advisory relationship with the Registrant, they have been grandfathered to remain on these respective fee schedules. In certain cases, legacy clients may have negotiated a lower fee schedule than the ranges set forth in these legacy client fee schedules. Legacy wrap program fee schedules may also apply to smaller DFO client relationships.

<b>RWM – 145 Schedule</b>	<b>Annual % Fee</b>
First \$2,000,000	1.45%
\$2,000,000 - \$5,000,000	1.25%
Over \$5,000,000	1.00%

<b>RWM – 125 Schedule</b>	<b>Annual % Fee</b>
First \$1,000,000	1.25%
\$1,000,000 - \$3,000,000	0.85%
\$3,000,000 - \$5,000,000	0.75%
\$5,000,000 - \$10,000,000	0.50%
Over \$10,000,000	Negotiable

If the Registrant elects to utilize separate account managers in a client's portfolio, the client's combined fee for Registrant's management services and the fees charges by any third party manager shall not exceed 2.5% of the client's assets under management.

### **Destiny Family Office Wrap Fee Program**

If a client determines to engage Registrant to provide investment management services on a wrap fee basis in accordance with Registrant's Program, the services offered under, and the corresponding terms and conditions pertaining to, the Program are discussed in this Wrap Fee Program Brochure, a copy of which is presented to all prospective Program participants. Under the Program, the Registrant is able to offer participants discretionary investment management services, for a single specified annual Program fee, inclusive of trade execution, custody, reporting, and investment management fees. Please see the following Standard Discretionary Wrap Fee Schedule.

Please note that, in certain instances, the wrap fee may be negotiated with the client. This may depend upon the amount and type of program assets.

### **Standard Discretionary Wrap Fee Schedule**

Assets Under Management	Annual % Fee
Initial \$1,000,000	1.00%
Next \$2,000,000	0.85%
Next \$2,000,000	0.75%
Next \$5,000,000	0.50%
Over \$10,000,000	Negotiable

In certain instances, Registrant may also negotiate an annual flat fee payment, which is also offered on a wrap fee basis where Registrant charges quarterly specified program, fee inclusive of trade execution, custody, reporting, and investment management fees. The flat fee amount is negotiated between Registrant and the DFO client.

The Advisory Wrap Fee assigned to the account is based on the applicable schedule presented above, and is based on the value of the assets in the account, including cash holdings. The fee is payable quarterly in advance and is inclusive of execution costs. In as much as the Registrant will pay these execution costs associated with account transactions, a potential disincentive to trade may be presented. Clients should review and understand this Wrap Fee Program Brochure fully, prior to engaging the Registrant's services.

For purposes of calculating account fees, all accounts are billed on a calendar quarter. The initial Account Fee will include a prorated fee amount for the partial quarter, in addition to the standard quarterly fee for the upcoming quarter. Subsequent account fee payments are due and assessed at the beginning of each quarter based on the value of the assets under management as of the close of business on the last business day of the preceding quarter as valued by the third-party custodian of the account. Additional deposits and withdrawals will be added or subtracted from portfolio assets, as the case may be, which may lead to an adjustment of the advisory fee. All Account Fees are deducted from the account pursuant to the Investment Advisory Agreement.

Securities transactions for Registrant's wrap accounts are effected through a qualified custodian, with no commissions being paid to the Registrant. While Registrant has made every attempt to obtain the best custodial arrangements possible, there is no assurance that execution will be obtained at best rates. Clients should consider and discuss with their investment advisor representative ("IAR") the selection of the custodian and whether certain costs or disadvantages may arise as a result of the possibility of less favorable executions in their Managed advisory account. Also notable, no agency cross transactions or principal transactions may be effected in Registrant accounts. Clients are under no obligation to implement a plan or its recommendations through our custodian choices.

### **Variable Annuity Services Fee**

Variable Annuity management clients pay an annual fixed percentage fee that is calculated based upon variable annuity subaccount assets under management and agreed upon in the written Client Agreement. Fees are prorated and billed quarterly, in advance, based upon the market value of the

sub-account assets on the last day of the previous quarter. Billing adjustments may occur as advisory fees are prorated when account management is initiated during a billing quarter. Clients may elect to have advisory fees deducted directly from their variable annuity sub-account. The beneficial owner of the variable annuity is responsible for additional product fees associated with the underlying subaccount investments as a charge against Net Asset Value (“NAV”), which fees and costs are more particularly described in the in the variable annuity product prospectus. All variable charges will be deducted from the investment sub-account, as applicable, and retained by the variable annuity product provider. Any additional fees assessed by the variable annuity product sponsor are set forth in the product prospectus. Investors are advised to consider the investment objectives, risks, and charges and expenses of any variable annuity and its underlying investment options carefully before investing.

**Shareholder Servicing Provider to Closed-End Fund.** The Registrant provides shareholder services to Destiny Alternative Fund I, LLC, which is a closed end fund managed and sponsored by First Trust Capital Management, L.P. (SEC No. 801122924), an unaffiliated investment adviser registered under the Investment Adviser Act of 1940. In connection with this service, the Registrant provides various shareholder supporting services, including educational support and fund information, to fund investors (who are also Registrant’s investment management clients) and also serves to address various fund investor inquiries and issues. Shareholder services may also include assistance with subscription agreement support and handling related tender offers. Registrant will also assist with distribution of performance reports to fund shareholders. Registrant is compensated 0.25% annually based upon assets under management within the fund. Registrant also includes this fund, to the extent that it is maintained as a holding in managed client accounts, as asset under management for purposes of advisory fee billing.

The Registrant provides shareholder services to Destiny Target Outcome Fund, (open to accredited investors) which is a private investment fund sponsored by First Trust Capital Management, L.P. (SEC No. 801122924), an unaffiliated investment adviser registered under the Investment Adviser Act of 1940. In connection with this service, the Registrant provides various shareholder supporting services, including educational support and fund information, to fund investors (who are also Registrant’s investment management clients) and also serves to address various fund investor inquiries and issues. Shareholder services may also include assistance with subscription agreement support and handling related tender offers. Registrant will also assist with distribution of performance reports to fund shareholders. Registrant is compensated 1.25% annually based upon assets under management within the fund.

**Sub-Adviser to Private Investment Fund.** The Registrant has been engaged as a sub-adviser to the Destiny Alternative Fund II, LLC, (open to qualified purchasers) a private investment fund (the “private fund”) sponsored by First Trust Capital Management, L.P. (SEC No. 801122924), an unaffiliated investment adviser registered under the Investment Adviser Act of 1940. The Registrant, on a non-discretionary basis, may recommend that eligible clients consider allocating a portion of their investment assets to this private fund. The terms and conditions for participation in the private fund, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the private fund’s offering documents. Persons and entities (the "Subscribers") wishing to subscribe to the private funds are required to complete and sign the Subscription Agreement, Form W-9 and Anti-Money Laundering Supplement. Clients who maintain fund positions in their managed account will not be billed a separate management fee on those fund positions.

The Fund's investment program aims to achieve capital appreciation by (i) investing in various hedge funds, private equity funds, growth equity funds, venture capital funds, credit funds, real estate funds, co-investment vehicles, managed accounts or other types of investment vehicles (collectively, the "Underlying Funds"), each of which is managed by a third party investment advisor (including the Sub-Advisor, if authorized by the Manager) or by the Manager or an affiliate of the Manager, each of which is an investment adviser, (ii) acquiring an economic interest in one or more entities that engage in the business of providing investment advisory services or asset management services (whether via separately managed accounts, hedge funds, private equity funds, commodity pools, mutual funds, closed-end funds or other similar public or private collective investment vehicles or otherwise), each entity being an asset manager, whether in the form of an equity interest in such asset manager, through a revenue share arrangement with such asset manager or otherwise, and (iii) making such other investments as the Fund Manager deems appropriate for the Private Fund. The Fund may invest directly in the Underlying Funds, or indirectly through other private investment funds operated by the Manager or its affiliates that invest in such Underlying Funds (each such other private investment fund is considered an intermediary fund).

### **Destiny Alternative Fund II LLC Sub-Advisory Fee**

The private investment fund will pay the Registrant, in its role as sub-adviser, or a quarterly advisory fee (the "sub-advisor fee") with respect to each fund participant interest. The sub-adviser fee will be payable to the sub-Advisor in arrears, generally within forty-five (45) calendar days after the end of each calendar quarter, and will be calculated, with respect to each fund participant interest, based on such formula and at such rate as specified in the applicable member's subscription documents. The sub-advisor fee will be appropriately prorated for partial periods and adjusted for any intra-quarter subscriptions, withdrawals and distributions. Additionally, the Registrant will be paid a performance fee that is linked to specific investments and offered in separate share classes in the fund.

The private investment fund is subject to a "layering" of fees and expenses. The private investment funds are directly subject to their own asset-based fee (i.e., the management fee and/or administrative fee), and other expenses as discussed herein and are indirectly subject, through their investments with designated managers, to either asset-based and performance-based fees or allocations charged by the designated managers, as well as the ongoing expenses of those designated managers.

### **Performance-Based Fees**

Registrant can earn performance-based (incentive) compensation from the Destiny Alternative Fund II, LLC as discussed in the private fund documents (*see* disclosure above at Item 4). Registrant may also enter into performance fee arrangements with individual clients who qualify under Rule 205-3 of the Investment Advisers Act of 1940 (i.e., a client who has at least \$1.1 million in portfolio assets managed by Registrant, or who together with their spouse have a net worth of at least \$2.2 million, excluding their principal residence. Clients are advised that performance-based fees involve a sharing of any portfolio gains between the client and the investment manager. Such performance-based fees create an economic incentive for Registrant to take additional risks in the management of a client portfolio that may be in conflict with the client's current investment objectives and tolerance for risk. **Please Also Note: Conflict Of Interest.** Because performance fee (incentive) arrangements permit Registrant and/or its affiliates to earn compensation in excess of its standard asset based fee schedule, the recommendation that a client enter into a performance fee arrangement (or become a private fund investor) presents a **conflict of interest**. No client is under any obligation to enter into a performance fee arrangement or become a Fund investor.

**Please Note Fee Dispersion:** Registrant may generally price its advisory services up to 1.80% based upon various objective and subjective factors. As a result, our clients could pay diverse fees based upon the market value of their assets, the anticipated number of meetings and servicing needs, the representative assigned to the account, related accounts, future earnings capacity, the amount of assets to be invested, anticipated future additional assets, the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered, and client negotiations. As a result of these factors, similarly situated clients could pay diverse fees, and the services to be provided by Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. Before engaging Registrant to provide investment advisory services, clients are required to enter into a discretionary or non-discretionary Investment Advisory Agreement, setting forth the terms and conditions of the engagement (including termination), which describes the fees and services to be provided. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions regarding Fee Dispersion.**

**Please Note Investment Performance:** As a condition to participating in the Program, the participant must accept that past performance may not be indicative of future results, and understand that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies purchased and/or undertaken by the Registrant may not: (1) achieve their intended objective; (2) be profitable; or, (3) equal historical performance level(s) or any other performance level(s).

Participation in Registrant's program may cost the client more or less than purchasing program services separately. Also, the Program fee charged by Registrant for participation in the Program may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

Depending upon the percentage wrap-fee charged by the Registrant, the amount of portfolio activity in the client's account, and the value of custodial and other services provided, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and/or if the Registrant were to negotiate transaction fees and seek best price and execution of transactions for the client's account.

**Wrap Program Conflict of Interest:** Under Registrant's wrap program, the client generally receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the client *more* or less than purchasing such services separately. Because wrap program transaction fees and/or commissions are being paid by Registrant to the account custodian/broker-dealer, Registrant has an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. **Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding a wrap fee arrangement and the corresponding conflict of interest.**

### C. Additional Fees

In addition to the Account Fee, client may also incur certain asset based and flat fee charges in connection with investments made through program platforms and custodians. Additionally, our recommendation of outside strategies and managers will also add additional asset based management fees to the account. Asset based fee totals are clearly disclosed to the client as part of the application process. The Program's wrap fee does not include certain charges and administrative fees, including, but not limited to, fees charged by SMAs and/or independent

investment managers utilized to manage all or a portion of the client's portfolio, transaction charges(including mark-ups and mark-downs) resulting from trades effected through or with a separate custodian transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the Program's wrap fee.

Other fees which may be imposed by third parties include, but are not limited to, the following: custodial annual account fees, other transaction charges and account service fees, IRA and qualified retirement plan fees, mutual fund or money market 12b-1, mutual fund, ETF or money market management and administrative expenses, omnibus processing fees, sub transfer agent fees, networking fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, administrative servicing fees for trust accounts, creation and development fees or similar fees imposed by unit investment trust sponsors, hedge fund investment management fees, participation fees from auction rate preferred securities, and other charges required by law. Further information regarding charges and fees assessed by a mutual fund, ETF or variable annuity are available in the appropriate prospectus.

Mutual funds may also charge a redemption fee if a redemption is made within a specific time period following the investment. The terms of any redemption fee are disclosed in the fund's prospectus. Transactions in mutual fund shares (e.g., for rebalancing, liquidations, deposits or tax harvesting) may be subject to a fund's frequent trading policy.

If an account is approved for trading on margin and the client has entered into a margin agreement, the client will be charged margin interest on any credit extended to or maintained by the client. This interest charge is in addition to the annual investment advisory fee charged in connection with the account. The annual investment advisory fee will not be charged on any margin debit balance, rather only on the net equity of the account.

**Please Note:** Clients who engage Registrant on a wrap fee basis will not incur brokerage commissions and/or transaction or asset based custodial fees in addition to the Program fee.

**Compensation to Recommending Parties:** Registrant may receive client referrals from both affiliated and unaffiliated individuals who are not its supervised persons. We currently have solicitor agreements of this nature in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state requirements. Any such referral fee shall be paid solely from the Registrant's investment management fee and shall not result in any additional charges to the client. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor at the time of the solicitation, shall disclose the nature of its solicitor relationship and provide the prospective client a copy of Registrant's solicitor's disclosure documents (Investment Advisory Agreement, ADV Part 2A, Privacy Notice and the solicitation disclosure document).

- D. Registrant's related persons who recommend the Program to clients do not receive compensation as a result of a client's participation in the wrap fee program.

## **Item 5. Account Requirements and Types of Clients**

The Registrant's Wrap Fee Program Brochure is available for individuals, banks and thrift institutions, Investment Companies, Pension and Profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities participating in the RWM Asset

Management Wrap Program. The Registrant does not require a minimum account size or annual minimum fee level.

Registrant, in its sole discretion, may charge a lesser investment advisory fee, waive or modify its account minimum or minimum fee, and/or a charge a flat fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competitive pricing, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding advisory fees.**

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

### **A. Portfolio Manager Selection and Evaluation**

Registrant manages its wrap fee program portfolios based on the research of its investment committee, comprised of the registered individuals of Registrant. The Registrant's Investment Policy Committee is responsible for the oversight of Registrant's investment selection process, and for reviewing and approving certain products to be offered in the Registrant's model strategies, including, but not limited to 3<sup>rd</sup> party managers, hedge funds, alternative investments, REITs, and Structured Investments. Registrant shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which Registrant shall consider in recommending the other manager(s) include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

Registrant requires that each associate have any licenses required to transact business on behalf of the firm.

- B. Registrant acts as the portfolio manager for the Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a conflict of interest arises in that Registrant may have a disincentive to trade securities in the client account. In addition, the amount of compensation received by as a result of the client's participation in the Program may be more than what Registrant would receive if the client paid separately for investment advice, brokerage and other services. As the Program sponsor, Registrant shall be responsible for the primary management of the Program, including the selection and termination of all independent investment managers and separately managed accounts. Once selected, an independent investment managers or separately managed account manager shall be responsible for day-to-day management and selection of securities for the account.
- C. As discussed below, Registrant also offers to its clients discretionary and/or non-discretionary investment advisory services, on a non-wrap fee basis.

## **OTHER TYPES OF ADVISORY SERVICES OFFERED BY THE REGISTRANT**

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent Requested by the Client, Registrant may be engaged to provide financial planning and/or consulting services (regarding investment and non-investment related matters, including

estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant's planning and consulting fees are negotiable, but will generally be a minimum of \$10,000 on a fixed fee basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Based upon the complexity of the engagement, additional fees may be charged, based upon an hourly rate ranging from \$100 to \$1,500. Prior to engaging Registrant to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. Neither the Registrant, nor its investment adviser representatives, assist clients with the implementation of any financial plan, unless they have agreed to do so in writing. In addition, the Registrant does not monitor a client's financial plan, and it is the client's responsibility to revisit the financial plan with the Registrant, if desired. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including certain of the Registrant's principals and representatives in their individual capacities as licensed insurance agents. (See disclosure at Item 10.C). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. Please Note: If the client engages any such recommended professional and a dispute arises thereafter relative to such engagement the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant,) and **not** the Registrant, shall be responsible for the quality and competency of the services provided. Please Also Note: It remains the client's responsibility to promptly notify the Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

## **EMPLOYER-SPONSORED RETIREMENT PLANS**

### **Retirement Plan Advisory Services Non-Wrap Fee Basis (For Retirement Plans)**

The client can determine to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a fee basis. Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Registrant's management, generally negotiable to 2.0% (See Fee Differential disclosure below)

The Registrant provides retirement plan consulting/management services, pursuant to which it assists sponsors of self-directed retirement plans organized under the Employee Retirement Security Act of 1974 ("ERISA"). The terms and conditions of the engagement shall be set forth in an investment advisory agreement between the Registrant and the plan sponsor. Accordingly, Investment management and advisory services are also provided to qualified employer-sponsored retirement plans where the Registrant may serve as a fiduciary under ERISA §§3(21) or 3(38).

As an ERISA §3(21) fiduciary, the Registrant acts in a non-discretionary capacity making recommendations to the plan sponsor regarding the plan investments, assisting in the development of an investment policy statement based upon the plan's goals and objectives; providing participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts; advising the plan regarding its fiduciary obligations; and assisting with ongoing plan operations, as needed. The Registrant will also assist with the selection and/or monitoring of investment options from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts.

Where the Registrant has been appointed an investment manager under ERISA §3(38), the Registrant possesses discretionary authority to select, monitor and replace the investment options made available to the plan participants according to the goals and investment objectives of the plan. The Registrant will also design and maintain asset allocation model portfolios comprised of designated investment alternatives available to the plan participants. Plan participants have the option to select an asset allocation model portfolio or construct their own customized portfolio of funds. Registrant may also provide the same services as described above, but may also: create specific asset allocation models that Registrant manages on a discretionary basis, which plan participants may choose in managing their individual accounts. Registrant may also modify the investment options made available to plan participants on a discretionary basis.

Trustee Directed Plans. Registrant may be engaged to provide investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, Registrant will serve as an investment fiduciary as that term is defined under ERISA. Registrant will generally provide services on an “assets under management” fee basis per the terms and conditions of an Investment Advisory Agreement between the Plan and the Firm.

## MISCELLANEOUS

### **Limitations of Financial Planning and Non-Investment Consulting/Implementation Services**

As indicated above, to the extent requested by the client, Registrant may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning tax planning, insurance, etc. Registrant will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions may occur based upon assets under management, special projects, etc. for which Registrant may charge a separate stand-alone fee). Neither Registrant, nor any of its representatives, serve as an attorney or accountant and no portion of Registrant’s services should be construed as same. **Please Note**. Registrant believes that it is important for the client to address financial planning issues on an ongoing basis. Registrant’s advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Registrant.

**Please Note:** Registrant does not serve as an attorney or accountant and no portion of our services should be construed as legal or accounting services. Accordingly, Registrant does not prepare estate planning document or other legal documents, or tax returns, To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, etc.), including representatives of Registrant in their separate individual capacities as licensed insurance agents, the client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant and/or its representatives.

**Please Also Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by Registrant’s representative that a client purchase an insurance commission product through Registrant’s representative in their separate and individual capacity as an insurance agent, presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client’s need. No client is under any obligation to purchase insurance commission products through such a representative. Clients are reminded that they may purchase insurance

products recommended by Registrant through other, non-affiliated insurance agents. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and not Registrant, shall be responsible for the quality and competency of the services provided. If, and when, the Registrant is involved in a specific matter (i.e. estate planning, accounting-related engagement, etc.), it is the engaged licensed professionals (i.e. attorney, accountant, etc.), and not the Registrant, that is responsible for the quality and competency of the services provided.

**ANY QUESTIONS: Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Retirement Plan Rollovers/Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest. Registrant will earn new (or increase its current) compensation as a result of the rollover. If Registrant provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), Registrant is acting as a fiduciary 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. No client is under any obligation to rollover retirement plan assets to an account managed by the Registrant, whether it is from an employer's plan or an existing IRA. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Portfolio Activity:** Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s). Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

**Please Note Cash Positions:** Registrant continues to treat cash as an asset class. As such, unless determined to the contrary by Registrant, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Registrant's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective may have regarding**

**the above fee billing practice.**

**Structured Notes.** Registrant may purchase Structured Notes for client accounts. A Structured Note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. Structured Notes will generally be subject to liquidity constraints, such that the sale thereof before maturity will be limited., and any sale before the maturity date could result in a substantial loss. There can be no assurance that the Structured Notes investment will be profitable, equal any historical performance level(s), or prove successful. Please Note: If the issuer of the Structured Note defaults, the entire value of the investment could be lost. See additional Risk Disclosure at Item 8 below. In the event that a client has any questions regarding the purchase of Structured Notes for their account, or would like to place restrictions on the purchase of Structured Notes for their accounts, Registrant can address their concerns.. See additional disclosure at Item 8 below. In the event that he client seeks to prohibit or limit the purchase of structured notes for the client's account, the client can do so, in writing, addressed to Registrant' Chief Compliance Officer. In the event that a client has any questions regarding structured notes, Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address them. See Risks Associated with Structured Notes at Item 8 below.

**Cash Sweep Accounts.** Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian's sweep account. The yield on the sweep account is generally lower than those available in money market accounts. To help mitigate this issue, Registrant shall generally purchase a higher yielding money market fund available on the custodian's platform with cash proceeds or deposits, unless Registrant reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to, the amount of dispersion between the sweep account and a money market fund, the size of the cash balance, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

**Please Note:** The above does not apply to the cash component maintained within the Registrant's actively managed investment strategy (the cash balances for which shall generally remain in the custodian designated cash sweep account), an indication from the client of a need for access to such cash, assets allocated to an unaffiliated investment manager, and cash balances maintained for fee billing purposes. Please Also Note: The client shall remain exclusively responsible for yield dispersion/cash balance decisions and corresponding transactions for cash balances maintained in any of the Registrant's unmanaged accounts.

**Cybersecurity Risk.** The information technology systems and networks that Registrant and its third-party service providers use to provide services to Registrant's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Registrant's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Registrant are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from

damage or interruption to systems. Although Registrant has established its processes to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that Registrant does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions. **Pontera.** The Registrant uses Pontera, a third party platform to facilitate the management of held away assets such as defined contribution plan participant accounts, with discretion. Those clients who choose to engage the Registrant to service their held away accounts will be provided a link to connect their outside accounts to the platform. Once the client's account(s) is connected to the platform, Registrant will review the client's current account allocations. Registrant will rebalance the connected outside accounts consistent with the client's investment goals and risk tolerance. Client account(s) will be reviewed at least quarterly. Clients are not charged an additional fee in relation to Pontera program usage.

**Please Note Fee Differentials:** Registrant shall generally price its retirement plan advisory services up to 2.00% based upon various objective and subjective factors. As a result, our clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall investment advisory services to be rendered, and client negotiations. As a result of these factors, similarly situated clients could pay diverse fees, and the services to be provided by Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly. Before engaging Registrant to provide investment advisory services, clients are required to enter into a discretionary or non-discretionary Investment Advisory Agreement, setting forth the terms and conditions of the engagement (including termination), which describes the fees and services to be provided. **ANY QUESTIONS: Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions regarding Fee Differentials.**

**Please Note Non-Discretionary Service Limitations:** Clients that determine to engage Registrant on a non-discretionary investment advisory basis must be willing to accept that Registrant cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, Registrant will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's consent.

**Use of Mutual Funds:** While Registrant may recommend allocating investment assets to mutual funds that are not available directly to the public, Registrant may also recommend that clients allocate investment assets to publicly-available mutual funds that the client could obtain without engaging Registrant as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publicly-available mutual funds without engaging Registrant as an investment adviser, the client or prospective client would not receive the benefit of Registrant's initial and ongoing investment advisory services.

**Please Note:** In addition to Registrant's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

**Please Also Note: Use of DFA Mutual Funds:** Registrant utilizes mutual funds issued by Dimensional Fund Advisors ("DFA"). DFA funds are generally only available through selected

registered investment advisers. Registrant may allocate client investment assets to DFA mutual funds. Thus, if the client was to terminate Registrant's services, and not transition to another adviser who utilizes DFA funds, restrictions regarding additional purchases of, or reallocation among other, DFA funds will generally apply.

#### **Borrowing Against Assets/Risks.**

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

- by taking the loan rather than liquidating assets in the client's account, Registrant continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by Registrant, Registrant will receive an advisory fee on the invested amount; and,

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

#### **Variable Annuity Sub-Account Management**

The Registrant offers management of a no-load fee-based RIA Variable Annuity (owned by the client) which allows Registrant to manage client assets in the investment sub-accounts. Registrant, through its IARs, manages variable annuity sub-accounts in accordance with strategies similar to its other models. Registrant's representatives may provide guidance to the client with respect to the selection of an appropriate variable annuity. The insurance company that issues the variable annuity or its outside custodian will maintain custody of the client's funds and securities at all times. Subsequent to a purchase of the variable annuity product, the client has the option to have Registrant's representative provide investment management services on a discretionary or non-discretionary basis. The type of discretionary authority authorized by the client will be reflected in the Registrant's Client Agreement. The IAR's authority is limited to exchanges among the variable annuity investment sub-accounts. At no time will the IAR have authority to withdraw funds and/or securities from the client's variable annuity account. The Client Agreement will specifically state which variable annuity policies are being managed. Registrant's IAR will not receive commission compensation with respect to Client's purchase of the variable annuity product. Registrant, however, will charge a separate management fee with respect to the variable annuity assets.

#### **Destiny Private Trust: Participation in National Advisors Trust Company ("NATC") Trust Services Program.**

Registrant Participates in the NATC Private Trust program made available by NATC and its

affiliate National Advisors Trust of South Dakota (“NATSD”) through Destiny Private Trust. Registrant’s clients who engage in this program receive trust administration services from NATC and NATSD. NATC and NATSD are, respectively, federally- and state chartered trust companies that provide corporate trustee and asset custody services to clients. NATC and NATSD are third party providers and not affiliated with the Registrant. Registrant serves as the investment manager of the trust assets through the NATC program where trust assets have been referred to NATCO for trust administration services. Thus, Registrant remains responsible for asset management decisions regarding trust assets. In connection with program participation, certain representatives of Registrant act as Trust Representative Officers (“TROs”) of Destiny Private Trust. TROs serve as liaisons between NATC and Registrant. While TROs do not serve in a trustee capacity, they may support the program by introducing qualified clients to NATC and marketing the Destiny Private Trust program. TROs may also assist NATC by providing various administrative support services to facilitate the delivery of NATC trust services. NATC charges a trustee fee directly to participating clients and Registrant does not share in this fee.

**Use of Independent Managers:** Registrant may allocate (and/or recommend that the client allocate) a portion of a client’s investment assets among unaffiliated independent investment managers (“Independent Manager(s)”) in accordance with the client’s designated investment objective(s). In such situations, the Independent Manager[s] shall have day-to-day responsibility for the active discretionary management of the allocated assets. Registrants shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which Registrant shall consider in recommending Independent Manager[s] include the client’s designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

Please Note: The investment management fee charged by the Independent Manager[s] is/are separate from, and in addition to, Registrant’s advisory fee as set forth in the fee schedule at Item 5 below and which will be disclosed to the client before entering into the Independent Manager engagement and/or subject to the terms and conditions of a separate agreement between the client and the Independent Manager(s).

**Sub-Adviser to Private Investment Fund.** The Registrant has been engaged as a sub-adviser to the Destiny Alternative Funds II LLC, (the “private fund”) sponsored by First Trust Capital Management, L.P. an unaffiliated investment adviser registered under the Investment Adviser Act of 1940. The Registrant, on a non-discretionary basis, may recommend that qualified eligible clients consider allocating a portion of their investment assets to this private fund. The terms and conditions for participation in the private fund, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the private fund’s offering documents. Persons and entities (the “Subscribers”) wishing to subscribe to the private fund are required to complete and sign the Subscription Agreement, Form W-9 and Anti-Money Laundering Supplement. Clients who maintain fund positions in their managed account will not be billed a separate management fee on those fund positions

**Unaffiliated Private Investment Funds:** Registrant may also provide investment advice regarding unaffiliated private investment funds. Registrant, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. Registrant’s role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of “assets under management” for purposes of Registrant calculating its investment advisory fee. Registrant’s

clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

**Please Note Risk Factors:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note Valuation:** In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by the Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. However, if subsequent to purchase, the fund has not provided an updated valuation, the valuation shall reflect the initial purchase price. If subsequent to purchase, the fund provides an updated valuation, then the statement will reflect that updated value. The updated value will continue to be reflected on the report until the fund provides a further updated value. **Please Also Note:** As result of the valuation process, if the valuation reflects initial purchase price or an updated value subsequent to purchase price, the current value(s) of an investor's fund holding(s) could be significantly more or less than the value reflected on the report. Unless otherwise indicated, the client's advisory fee shall be based upon the value reflected on the report.

**eMoney:** Registrant may provide its clients with access to online platforms hosted by "eMoney Advisor" ("eMoney") and Orion. The eMoney and Orion platforms allow a client to view their complete asset allocation, including those assets that Registrant does not manage (the "Excluded Assets"). Registrant does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Registrant shall not be responsible for the investment performance of the Excluded Assets. The client and/or his/her/its other advisors that maintain trading authority, and not Registrant, shall be exclusively responsible for the investment performance of the Excluded Assets. In addition, eMoney and Orion also provide access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice or recommendations provided by the Registrant. Registrant does not provide investment management, monitoring or implementation services for the Excluded Assets. If Registrant is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Registrant shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client may engage Registrant to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the Investment Advisory Agreement between Registrant and the client. Finally, Registrant shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without Registrant's assistance or oversight.

Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding the above.

**Client Obligations:** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Registrant if there is ever any change in their financial situation or investment

objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

**Disclosure Statement:** A copy of Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement* or *Financial Planning and Consulting Agreement*.

**Tailored Relationships:** Advisory services are tailored to the individual needs of the clients, through quantitative and qualitative analysis and financial planning discovery meetings. Clients may restrict the range of investments used in their portfolios via notation on their Investment Advisory Agreement. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Registrant's services.

**Wrap Program:** There is no significant difference between how Registrant manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage Registrant on a wrap fee basis, the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody) (See Item 4.B). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage Registrant on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, separate account manager fees, brokerage, custody, etc.).

**Wrap Program Conflict of Interest:** Under Registrant's wrap program, the client generally receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in Registrant's Wrap Fee Program Brochure.

**Conflict of Interest:** Because wrap program transaction fees and/or commissions are being paid by Registrant to the account custodian/broker-dealer, Registrant could have an economic incentive to maximize its compensation by seeking to minimize the number of trades in the client's account. See separate Wrap Fee Program Brochure. **Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding a wrap fee arrangement and the corresponding conflict of interest.**

#### **Sharing of Capital Gains or Capital Appreciation**

Registrant participates in performance based account fees.

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

We manage client portfolios based on the research of its investment committee. This includes various methods of research, investment style and management philosophy.

The Retirement Distribution Strategy is a method of allocating and investing to ensure income and growth of investments over the life of our clients. The RDS utilizes the different Model Portfolio Pools in varying percentages in accordance with the client's income needs and risk tolerance levels as discovered in our client meetings.

Fund and ETF selection is based on various performance criteria and on the continual research of all investment opportunities. A point system is utilized for grading the funds for more specific

review and possible addition or deletion from our tracking. Performance returns, Financial Ratios, Quartile Rankings, and Ratings are some of the considerations when grading funds and ETFs.

We are not currently recommending any individual equity portfolios, but have a Sell strategy for clients who transfer equities in under management where equities are graded and sold according to their grade. Any quality positions will be kept and added to our stock tracking list. If a position falls below standard, the position will be sold at that time.

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

The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis, Registrant must have access to current/new market information. Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

## **INVESTMENT STRATEGIES**

The Investment Policy Committee is also responsible for oversight of our investment selection process, and for reviewing and approving certain products to be offered in any managed account, including, but not limited to hedge funds, alternative investments, REITs, and Structured Investments. The members of the Investment Policy Committee will be the registered advisory personnel of the Registrant. Registrant may also implement the use of margin and options strategies which have a high level of inherent risk.

### **Margin Transactions**

A margin transaction strategy, in which an investor uses borrowed assets to purchase financial instruments, involves a high level of inherent risk. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. Please note: To the extent that a client authorizes the use of margin, and margin is thereafter employed by Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin may correspondingly increase the management fee payable to the Registrant.

### **Option Strategies**

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by

Registrant shall be with the intent of offsetting/hedging” a potential market risk in a client’s portfolio. Although the intent of the options-related transactions that may be implemented by Registrant is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies.

### **Risk of Loss**

Different types of investments involve varying degrees of risk, including risk of loss. It should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific or past performance level. Prospective clients should read and understand this statement and all firm disclosure documents prior to engaging our firm’s services.

Registrant may also allocate investment management assets of its client accounts, on a discretionary basis, among one or more of its asset allocation models as discussed with the client. Registrant’s asset allocation strategies have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Registrant’s asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is applicable to Registrant’s management of client assets:

1. Initial Interview – at the opening of the account, Registrant, through its designated representatives, shall obtain from the client information sufficient to determine the client’s financial situation and investment objectives;
2. Individual Treatment - the account is managed on the basis of the client’s financial situation and investment objectives;
3. Quarterly Notice – at least quarterly the Registrant shall notify the client to advise the Registrant whether the client’s financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
4. Annual Contact – at least annually, Registrant shall contact the client to determine whether the client’s financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of the account;
5. Consultation Available – Registrant shall be reasonably available to consult with the client relative to the status of the account;
6. Quarterly Report – the client shall be provided with a quarterly report for the account for the preceding period;
7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct Registrant not to purchase certain securities;
8. No Pooling – the client’s beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account;
9. Separate Account - a separate account is maintained for the client with the Custodian;
10. Ownership – each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the Investment Advisory Agreement; and (2) the fees charged by other investment advisers offering similar services/programs. However, Registrant’s annual investment advisory fee may be higher than that charged by other investment advisers offering

similar services/programs. In addition to Registrant's annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). Please Note: Registrant's investment programs may involve above-average portfolio turnover which could negatively affect upon the net after-tax gain experienced by an individual client in a taxable account

### **Proxy Voting**

Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

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

The IAR obtains the necessary financial data from his/her client and assists the client in setting appropriate investment objectives for the program account. The IAR obtains this information by having the client complete a Confidential Client Profile. The IAR is obligated to ask the client from time to time whether or not information in his/her Confidential Client Profile has changed so that updated information can be obtained when needed. Registrant shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on Registrant's services. As indicated above, each client is advised that it remains their responsibility to promptly notify Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services. To the extent that the Program utilizes independent investment managers; Registrant shall provide the independent investment managers with each client's particular investment objective(s). Any changes in the client's financial situation or investment objectives reported by the client to Registrant shall be communicated to the independent investment managers within a reasonable period of time.

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

There are no restrictions on the client's ability to contact and consult with their portfolio managers, or a participating representative of Registrant's Investment Committee.

## **Item 9. Additional information**

### **Disciplinary Information**

Registrant and its registered personnel have no material legal or disciplinary events to disclose.

### **Material Relationships or Arrangements with Financial Industry**

Neither Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the

foregoing.

**Licensed Insurance Agents.** Certain of the Registrant's representatives, in their individual capacities, are licensed insurance agents and may recommend the purchase of certain insurance-related products on a commission basis. Neither the Registrant nor its representatives shall recommend the purchase of an insurance commission product to any retirement plan client. No client is under any obligation to purchase any insurance product from the Registrant's representatives.

**Conflict of Interest** The recommendation by Registrant's representatives that a client purchase a securities or insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Registrant's representatives. Clients are reminded that they may purchase securities or insurance products recommended by Registrant through other, non-affiliated insurance agents or broker-dealers. The Registrant's Chief Compliance Officer, Thomas H. Ruggie, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

#### **National Advisors Trust Company**

Thomas Ruggie has a less than one percent (1.00%) ownership interest in a savings and loan company, National Advisors Holdings, Inc. ("NAH") that has formed a federally chartered trust company, National Advisors Trust Company ("NATC"). NAH and NATC are regulated by the Office of Thrift Supervision. The trust company intends to provide a low-cost alternative to traditional trust service providers, and Registrant intends to refer clients to NATC for trust services. The recommendation by Mr. Ruggie that a client engage the trust services of NATC presents a conflict of interest, as the receipt of residual compensation, by Mr. Ruggie, as an indirect owner of NATC, may provide an incentive to recommend NATC's trust services for clients in need of trust services. No client is obligated to engage NATC's trust services and clients are reminded that they may engage the trust services of other, non-affiliated trust companies.

#### **Board Affiliations**

Thomas Ruggie currently serves as President of the Tom and Kim Ruggie Family Foundation, Inc. This is a non-profit charitable foundation established to raise funds and direct contributions to worthwhile charities. Several clients serve on the board of this foundations committee. No fees or monies are generated to us from this affiliation.

Registrant does not recommend or select other investment advisers for its clients for which it receives a fee other than as noted above.

**Licensed Attorney.** Nicholas Guerra is licensed to practice law and is the managing partner at Guerra Tax and Wealth Planning, P.A., located Boca Raton, Florida. Mr. Guerra will provide general counsel the Registrant, however, he will, in his role as general counsel, not provide any guidance directly to Registrant's clients. It is expected that Mr. Guerra will recommend Registrant's services to certain of his law firm clients. The law office is not involved in providing investment advice on behalf of Registrant, nor does the law office hold itself out as providing advisory services on behalf of Registrant. No client of Registrant is under any obligation to use the services of Guerra Tax and Wealth Planning, P.A.

#### **B. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Registrant maintains an investment policy relative to personal securities transactions. This

investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

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

Neither Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which Registrant or any related person of Registrant has a material financial interest.

As disclosed above, the Registrant has a material financial interest in the private fund. The terms and conditions for participation in the private fund, including management fees, conflicts of interest, and risk factors, are set forth in the private fund's offering documents

Registrant and/or representatives of Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Registrant's clients) and other potentially abusive practices.

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

Registrant and/or representatives of Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons. In no circumstance may Registrant place its interests or the interests of its Access Persons ahead of the interests of clients. Registrant's policies and procedures govern the timing of Access Person trades to ensure that Access Persons are not trading ahead of clients.

Current or prospective clients may obtain a copy of Registrant's Code of Ethics by contacting us at (352) 343 2700.

## **REVIEW OF ACCOUNTS**

### **Periodic Reviews**

Because we use model portfolios, we are constantly evaluating the portfolio holdings and will make changes within client portfolios proactively when necessary, and as our discretion permits. Client's financial plans are reviewed with a frequency determined and agreed upon in our initial planning stages with a client. Frequency of contact and in-person reviews are related to the clients need levels as well as the purpose and size of the accounts we manage. These financial plan reviews are important so that we may discuss and update any pertinent information regarding your plan; as well as ensure we are correctly pursuing your overall objectives with our account management. All client financial plans are reviewed by Thomas Ruggie.

### **Review Triggers**

Although they will be scheduled with a certain frequency, a review may be requested at any time by a client and is recommended when significant changes occur in your family (i.e. death, marriage, divorce, sale of business, etc.). These reviews will be conducted by an Investment Advisor Representative of our firm.

### **Regular Reports**

At a client review, written asset reports may be provided which aggregate the account holdings which we manage. You will always receive statements from the custodian of the assets, and the values we may give you on Registrant's reports should be verified against the custodian statements you receive directly. Aggregate reports can be requested at any time by our clients, but are not provided on a regular basis at this time.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

As discussed below, Registrant receives economic benefits from Fidelity and Schwab. Registrant's clients do not pay more for investment transactions effected and/or assets maintained at these custodians as a result of this arrangement. There is no corresponding commitment made by Registrant to any custodian to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Research and Additional Benefits.** Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from Fidelity or Schwab (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, unaffiliated product/fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

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

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at the custodian as a result of this arrangement. There is no corresponding commitment made by the Registrant to the custodian or any other entity to invest any specific amount or percentage of

client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements.

If a client is introduced to Registrant by either an unaffiliated or an affiliated promoter, Registrant may pay that solicitor promoter a referral fee in accordance with the requirements of Rule 206(4)-31 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Registrant by an unaffiliated promoter, the promoter, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Registrant's written Brochure with a copy of the written disclosure statement from the solicitor promoter to the client disclosing the terms of the solicitation arrangement between Registrant and the promoter, including the compensation to be received by the promoter from the Registrant

**Financial Information**

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

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