



**BENJAMIN F. EDWARDS®**  
INVESTMENTS *for* GENERATIONS®

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# Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure

*March 31, 2020*

***This wrap fee program brochure provides information about the qualifications and business practices of Benjamin F. Edwards Wealth Management, LLC (EWM). If you have any questions about the contents of this brochure, please contact us at (855) 825-6885 or e-mail us at [ADV@bfewealth.com](mailto:ADV@bfewealth.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 Benjamin F. Edwards Wealth Management also is available on the SEC's website at <https://www.adviserinfo.sec.gov>.***

***Please note that references throughout this brochure to EWM as being "registered" is not intended to reflect that the firm or its representatives have a certain level of skills or training; it is used only to reflect the status of the firm with respect to Section 203 of the Investment Advisers Act of 1940.***

## Item 2 Material Changes

The following updates to the Benjamin F. Edwards Wealth Management (EWM) Wrap Fee Program Brochure disclosure document have been made since the previous annual update, which occurred on March 29, 2019:

**March 31, 2020 – This brochure was reviewed and updated in accordance with EWM’s regulatory obligations. No substantive updates were made during this effort.**

**July 19, 2019 – Language related to custody was added to *Item 9 Additional Information*.**

EWM does not consider these updates to be material in nature.

A complete copy of Benjamin F. Edwards Wealth Management’s most recent ADV Part 2A Appendix 1 Wrap Fee Program Brochure is available on our website [www.benjaminfedwards.com](http://www.benjaminfedwards.com). on “Important Disclosures” at the bottom of the page, and then select “Investment Advisory Program Disclosures.” Alternatively, clients may obtain a complimentary copy by contacting their financial advisor, calling BFE’s home office at (855) 825-6885 or requesting one by e-mail to [ADV@benjaminfedwards.com](mailto:ADV@benjaminfedwards.com). Additional

information about Benjamin F. Edwards & Co. is available on the SEC's website at <https://www.adviserinfo.sec.gov>.

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*Section headings are keyed to SEC form ADV 2A. If sections of the form are not applicable, this document will so state.*

## Item 4 Services, Fees and Compensation

EWM offers Investment Management Services through a wrap fee advisory account.

### Discretionary Advisory

In a Discretionary Advisory relationship, EWM provides portfolio management services to the client on a discretionary basis. As a discretionary account, the advisor is not required to contact the client prior to each transaction. The advisor and client will work together to develop or select an investment strategy. The advisor will monitor the account to ensure it remains consistent with the investment strategy and that the strategy remains appropriate. In a discretionary EWM account, portfolio management will be handled in one of the following ways:

- The advisor will act as the portfolio manager of the account, making all the investment decisions and trading in the account
- The advisor will use an investment solution provided by BFE with the advisor making the investment decisions and trading the account
- The advisor will use an investment solution run by a third-party money manager, making the investment decisions and trading the account.

Clients can access unaffiliated third-party money managers who offer specialized asset management expertise or services that EWM uses to manage all or a portion of the client assets in appropriate cases. Such third-party money manager's expertise ranges from research and selection of investment options, to monitoring the assets and deciding when to buy or sell them. Once selected, these third-party money managers have discretion, for the portion of assets placed with them, to choose and manage investments prudently for the client, including the development of an appropriate investment strategy, and buying and selling securities to meet those goals (subject to restrictions imposed by the client). Once a client decides to participate in these programs, EWM has no ability to affect the trading decisions of the third-party money managers and can only choose whether to engage or terminate the third-party money manager. EWM retains the right to replace (i.e., "hire or fire") third-party money managers on behalf of clients that have given discretionary authority to EWM. Discretionary authority allows EWM to choose, combine or change any third-party money manager approved for a given platform, without additional approvals from the client. For example, EWM can, at its discretion, fire XYZ Large Cap Value manager and hire ABC Large Cap Value manager as its replacement. EWM and/or its delegates performs initial and ongoing due diligence of the individual third-party money managers' performance and management, reviews the client's account for adherence to objectives outlined with the manager, and will reallocate assets among managers if necessary. EWM may choose to outsource the due diligence reviews of third-party money managers to external parties that specialize in such reviews. EWM may rely on these outside parties when making recommendations to clients to use, terminate or replace a money manager.

In some instances, clients will have a contract directly with the third-party money manager in addition to the investment advisory agreement with EWM. This is known as a dual contract arrangement because there is an agreement between the client and EWM as well as a contract between the client and the third-party money manager. In cases, of a dual contract arrangement with the manager the services provided by EWM and the third-party money manager will be outlined in each agreement, and EWM can make recommendations to replace a third-party manager but does not have the discretion to do so.

Each third-party money manager maintains a separate disclosure document that they provide to clients, outlining their investment process. In addition, EWM and third-parties administering wrap fee programs maintain additional disclosure documents that specifically pertain to the wrap fee programs that they administer. Clients

should carefully review these disclosure documents for important and specific details including, among other things, fees, experience, investment objectives and risk guidelines, and disclosure of the third-party money manager's potential conflicts of interest.

### **Restrictions**

Clients can place reasonable restrictions on the types of investments that will be made on their behalf (i.e., no defense stocks, no tobacco, etc.). EWM reserves the right to not accept, or to terminate an account, if EWM believes the restrictions imposed are not reasonable or prohibit effective management of the account. EWM is not obligated to implement other investment selections if it believes such investments are inconsistent with a client's risk tolerance or EWM's management style.

### **Fees**

When choosing a bundled fee, also known as a "wrap fee," clients pay one fee that covers numerous associated account fees including: custodial fees, EWM advisory fee (the portion EWM retains for our services) and/or third-party manager fees. However, additional ancillary fees and charges will also apply as detailed in the investment advisory agreement and the custodian will deduct these fees from the client account as applicable. In addition, to the extent a client uses the assets in an account for purposes such as an asset-based loan or margin loan, separate charges will apply and will be disclosed in applicable loan documents. Whether a client chooses a wrap fee or an unbundled fee structure has no bearing on how the accounts are managed.

Fees are negotiable and are customized to the specific type of services (investment management, financial planning and/or consulting services) and the extent of such services that EWM provides to that client. Due to this customization, there is no set fee schedule included in this disclosure document; however, the services provided and the fees charged are described and documented in the investment advisory agreement with the client. The advisor is responsible for determining the fee for each client based on the services provided. Fees will vary between advisors who affiliate with EWM based on a variety of factors including but not limited to the cost of business, the advisor's experience and/or level of service, the cost of living, etc. EWM believes its fees are reasonable in relation to the services it provides; however, it is likely that clients may find other investment advisers offering similar services/programs that charge lower fees. An EWM supervisory principal will supervise to make sure the fee is fair and reasonable.

Transactions for clients who participate in an EWM investment management program will be executed by the custodian or other broker-dealer to whom EWM or the custodian routes the order. Participating in wrap fee programs or other advisory programs may cost the client more or less than if the client were to implement his or her selected program through an unbundled fee methodology or separately from EWM, such as by using a different program sponsor, pursuing the strategy through a brokerage account, or investing directly with the mutual fund family. Some factors that impact the total cost to a client who implements a program separately from EWM or through a different fee structure include the frequency of trading activity; whether a client might be successful in negotiating a lower fee with a sub-advisor; rate of commissions, markups or other transaction-related compensation; or whether account fees, transaction fees or similar charges would be incurred.

### **Fee Payment**

If investment management wrap fees are charged as a percentage of assets under management (AUM), then clients must pay the fee quarterly based on the average daily value of the account. The market value of the clients' margin balance, if any, is excluded from the calculation of EWM's fee. Interest expenses and other charges applicable to securities-based loans or margin accounts are separate and in addition to any wrap fee or miscellaneous expenses. EWM's payment method is for the custodian to deduct the investment management fee

from client accounts on a quarterly basis, either in advance or in arrears. Whether the client is responsible for paying the fee in advance or in arrears is documented on the client's investment advisory agreement.

Clients who open or close accounts mid-quarter will only be responsible for the pro rata portion of the fee. If an account is terminated mid-quarter and the client has paid in advance, the pro rata portion of the fee paid will be refunded. When a new account is opened for a client who's billed in advance, the initial fee will be based on the value of the new account; thereafter, the average daily balance will be used as described above.

The total value on which fees are based may vary from the value on the custodian statement (the valuation may be higher or lower) due to such factors as the timing and posting of dividends, settlement dates for trades, etc. In some cases, clients may provide EWM with pricing for securities or real assets that cannot be (or are not) verified by EWM (i.e., either cost basis information is no longer readily available, value of real assets such as a client's home or art collection, etc.). These will be shown on client reports as "excludable assets" and will not be used when calculating the client's management fees for the quarter.

Fee waivers or discounts may be offered to family members and friends of associated persons of EWM which are not available to client. Certain pre-existing clients of EWM may have grandfathered services, minimum account requirements and fee schedules or rates which were available at the time such pre-existing clients entered into investment advisory relationships

### **Compensation**

The investment advisor's compensation is determined based on the profitability of his or her advisory practice. Specifically, the investment advisor retains the difference between the client wrap fee and the sum of fees charged by Portfolio manager/third-party manager and the custodian, and all other administrative and operational fees paid to run their practice. The amount of this compensation may be more or less than if than if the client were to implement his or her selected program through an unbundled fee methodology and will vary based on services provided. For example, if a party other than the investment advisor is acting as Portfolio Manager, the Portfolio Manager/third-party manager will charge a fee, which is incorporated into the client's fixed wrap fee. Because the investment advisor retains the difference between fees paid and received, the investment advisor has a conflict where they are incentivized to recommend a fee methodology that corresponds with the potential for the investment advisor to receive higher compensation (more profitability) versus the cost associated with the services or provider being recommended.

### **Additional Fees and Costs**

All fees paid to EWM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, REITs, exchange traded products, (ETPs such as ETFs and ETNs), alternative investments (including hedge funds and private equity/debt funds) and other collective investment vehicles to their shareholders. These fees and expenses are described in each applicable investment vehicle's prospectus or private placement memorandum. Virtually all such products have internal fees that are borne by the client that are separate from and in addition to any account level trading, execution, or EWM advisory fees.

As part of EWM's mutual fund share class policy, EWM advisors are responsible for selecting the appropriate share class of the investments recommended to advisory clients. In most cases, share classes used will be those that do not include internal expenses for distribution, known in the industry as 12b-1 fees.

### **Transactions Executed Away from the Custodian**

The execution of transactions in EWM's advisory programs is conducted through the selected broker-dealer custodian. Certain third-party money managers associated with EWM's investment advisory programs have the option of executing transactions away from the custodian if they believe it is in the client's best interests to do so. This is frequently referred to as "trading away" or "stepping out trades." The third-party money manager – not EWM – decides as to when it trades with the custodian or away from the custodian. A money manager's ability to trade away is not limited, as the money manager's fiduciary duty to clients, as well as its expertise in trading its portfolio securities, makes the money manager responsible for determining the suitability of trading away from the custodian.

The wrap fees disclosed previously in this document do not cover transaction charges or other charges, including commissions, markups and markdowns, resulting from transactions effected through or with a broker-dealer other than the custodian. In addition, some money managers executing trades in U.S. Treasury securities will incur a system cost from the portal through which the trades are processed. As a result, these trades could be more costly than transactions executed through the custodian and could negatively affect the performance of the account. Further, the additional trading costs will not be reflected on clients' trade confirmations or account statements. Typically, the executing broker-dealer will embed the added costs into the transaction price, making it difficult to determine the exact added cost for transactions executed away from the custodian.

EWM does not receive additional fees when third-party money managers execute transactions away from the custodian.

In light of the additional charges that apply to step out transactions, the money manager could determine that placing clients' transactions with the custodian is in clients' best interest. Alternatively, the money manager may execute transactions with a broker-dealer firm other than the custodian if the money manager believes that doing so is consistent with its obligation to obtain the best execution price for clients.

Each money manager's Form ADV Part 2A brochure should provide more information regarding that money manager's brokerage practices and conflicts of interest, including any additional expenses that apply.

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

EWM does not impose a minimum account size or a minimum annual fee for its Investment Management Services. Some services and fee structures may not be suitable for accounts or portfolios of all sizes due to the impact that operating costs would have on performance. EWM negotiates fees on a client-by-client basis. The fee charged will be stipulated within each client's investment advisory agreement and it applies to the assets covered under the agreement.

Individual third-party money managers have their own stated minimums which vary by manager and strategy.

EWM provides advice to a wide variety of clients including but not limited to:

- Individuals
- Pension and profit sharing plans
- Trusts, estates and charitable organizations
- Corporations and other business entities



- Public entities and other governmental organizations
- Educational Institutions
- Foundations and other charitable or fraternal organizations
- Investment Clubs

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

Portfolio managers, which are responsible for transaction-related decisions in individual client accounts, can include the client's investment advisor; EWM's affiliated investment adviser, Benjamin F. Edwards & Co. (BFE); or third-party non-affiliated portfolio managers. Investment advisors are responsible for recommending to clients the initial selection and, if applicable, the replacement, of appropriate portfolio managers to clients who participate in EWM's Investment Management Services, taking into account a client's goals and objectives, as well as agreed-upon strategies to pursue those goals and objectives. Consideration as to whether to recommend a change of portfolio manager can arise based on changes to a client's circumstances over time, or based on factors relating to the portfolio manager itself. In all cases, the selection of portfolio manager is subject to EWM's supervision.

Diligence is performed on affiliated and non-affiliated portfolio managers by the investment advisor, EWM or its assignees to ensure that it is appropriate to include the portfolio manager on EWM's platform, and periodic ongoing diligence is conducted to ensure that it is appropriate for the portfolio manager to remain on EWM's platform. EWM may choose to outsource the due diligence reviews of third-party money to external parties that specialize in such reviews. EWM may rely on these outside parties when making recommendations to clients to use, terminate or replace a money manager.

EWM or investment advisors will monitor the performance of third-party managers using performance calculations prepared in accordance with industry standards, obtained from the managers themselves and sources such as Morningstar. EWM believes the performance information that will be used will be accurate and obtained from a reliable source, but EWM will not perform a detailed review of the performance calculation itself.

EWM's affiliate, Benjamin F. Edwards & Co., acts as the sponsor and portfolio manager for multiple ETF/Mutual Fund model strategies that the investment advisor may offer their clients. There is an incentive to EWM to offer these programs to keep investment management fees within the firm versus paying an outside provider; however, these programs will be reviewed by the investment advisor using the same standards as are applied to reviews of third-party managers when determining what to recommend to their clients.

Discretionary Investment Management Services are provided as described above in Item 4.

Clients can place reasonable restrictions on the types of investments that will be made on their behalf. EWM reserves the right to not accept, or to terminate an account, if EWM believes the restrictions imposed are not reasonable or prohibit effective management of the account. EWM is not obligated to implement other investment selections if it believes such investments are inconsistent with a client's risk tolerance or EWM's management style.

A variety of methods of analysis and investment strategies are used by portfolio managers affiliated with or used by EWM including but not limited to charting, fundamental analysis, technical analysis and quantitative analysis.

Within each method of analysis, portfolio managers may employ a variety of time-horizon outlooks, including long-term strategic, intermediate cyclical or short-term tactical. Regardless of the method of analysis and investment strategy, the clients' account will be invested in securities which contain a risk of loss of principal that the client should be prepared to bear. All securities are subject to risk, and there is no assurance that any investment program or strategy will be successful.

In addition to the risks associated with investing in securities, no method of analysis will always yield positive results. For example, while fundamental analysis might indicate that a company is "fairly valued," market sentiment may nevertheless result in unexpected investment performance. Similarly, while technical analysis or charting might suggest that a company presents a good buying opportunity, its financial performance might cause investors to view the security differently. Depending on the portfolio manager, adherents to each method of analysis will look only to the information relevant to his or her method of analysis, to the exclusion of other information.

Investment strategies that employ diversified models may involve investing in multiple market sectors or asset classes. This diversified approach to investing has the potential to take advantage of the fact that different sectors or asset classes often perform in different ways at different times. This characteristic may yield either positive or negative results, depending on market conditions, or the overall breadth of the market's impact on multiple asset classes or sectors.

In addition, some investment styles focus on market sectors or classes of securities and carry additional risks. Even models that are more broadly diversified in their exposure to market sectors or asset classes are exposed to the underlying risks associated with those sectors or classes.

It is not possible to enumerate all possible risks associated with each of the asset classes and market sectors. Clients should refer to the investment advisory disclosure brochure prepared by specific third-party money managers under consideration for a detailed explanation of the nature and risks of the program being evaluated, including the use of any of the asset classes and market sectors above.

Some models are based on use of mutual funds and/or Exchange Traded Funds (ETFs). These financial instruments are securities that are sold by prospectus. While particular funds will be selected by the portfolio manager, investors should read carefully the prospectus, and summary prospectus if available, to fully understand the various risks, investment objectives, charges/expenses and other information about the fund company associated with the investment.

Higher-frequency trading strategies increase the likelihood that tax consequences may be short-term in nature, and result in a higher tax cost and hence, lower net performance.

None of EWM's supervised persons accept performance-based fees.

In general, EWM does not accept proxy-voting responsibility for Clients. Clients will receive proxy statements directly from the issuer of the security or the Custodian. Clients should direct all proxy questions to the issuer of the security. If applicable and in certain instances, the Client will be able to delegate proxy voting authority to a third-party money manager.

## Item 7 Client Information Provided to Portfolio Managers

EWM takes seriously its obligation to protect the confidentiality of client information. Clients will be provided with EWM's overall privacy disclosures upon the establishment of an account; however, following is some supplemental information about how internal and external portfolio managers will interact with your information:

### Information Provided to Affiliated Portfolio Managers

EWM employees who serve as portfolio managers have access to all client information obtained by EWM with respect to the clients' accounts they manage.

### Information Provided to Non-Affiliated Portfolio Managers

Non-affiliated portfolio managers have access to potentially all client information with respect to clients to whose accounts they manage through a "distributor workstation" that is used to monitor and manage client activity. Such information includes client identifying information such as name, address and tax ID; investment profile information such as investment objective and risk tolerance; and administrative information such as disbursement requests, statements, confirmations and other documents prepared by the custodian. In addition, individual managers sometimes request additional information such as copies of client investment advisory agreements, other account related agreements, such as IRA adoption forms and beneficiary designations, and IRS form W-9. To the extent EWM believes such requests are reasonably related and necessary to the services being provided by the third-party managers, EWM generally honors those requests.

## Item 8 Client Contact with Portfolio Managers

The primary point of contact for clients with respect to all EWM Investment Management Services is the client's investment advisor, including programs where the investment advisor acts as portfolio manager, as well as for programs using a different affiliated or non-affiliated portfolio manager. There are no restrictions on a client's access to his or her investment advisor. Non-affiliated portfolio managers typically service clients of multiple firms, and direct client access to those portfolio managers is, therefore, not routine. In most cases, EWM clients rely on the firm to monitor the performance and appropriateness of non-affiliated portfolio managers and to manage the relationship. Nevertheless, EWM is not aware of any prohibition against the client communicating directly with non-affiliated portfolio managers in appropriate situations, and EWM believes it is able to arrange such communications as needed.

## Item 9 Additional Information

### Disciplinary Information

EWM does not have any legal or disciplinary events to report.

### Other Financial Industry Activities and Affiliations

EWM has arrangements that are material to its advisory business with Benjamin F. Edwards & Co (BFE), a "related person" of EWM. EWM is affiliated through common ownership with BFE. BFE is a dually registered broker-dealer registered with the Securities and Exchange Commission and is a member of FINRA; it is also a Guaranteed Introducing Broker and member of the National Futures Association. Benjamin F. Edwards & Co is also a licensed general insurance broker and agency, and a member of FINRA, the MSRB, and SIPC, registered in various states as

required. EWM's advisors will be permitted to carry individual securities licenses with BFE, and are considered contractors of BFE for that purpose. Any brokerage business would be conducted through BFE and would not be an investment advisory service of EWM. Several of EWM's management persons are also registered representatives of BFE. In addition, individual EWM advisors conduct their business with clients through their own business entities, although they carry their individual investment advisory representative licenses through EWM. BFE does not have an ownership interest in those business entities, but BFE maintains contractual relationships with both the individual advisors and their business entities with respect to providing (and receiving) certain services, and performing supervisory roles in satisfaction of EWM's regulatory obligations.

BFE will also provide services for compensation to EWM that are important to the business of EWM's advisors, and to EWM's management and oversight of its representatives' business activities. BFE will be compensated for the professional services it provides to the advisors who are affiliated with EWM. Charges to affiliated advisors will be based on assets under management and/or on time and materials basis. Without limitation, some of the services that will be provided to EWM by BFE includes compliance & supervision, risk management, operational support, and investment management.

Please see Item 4 Services, Fees and Compensation, for additional information regarding transition and onboarding compensation to investment advisors.

#### **Code of Ethics**

EWM has adopted an ethics policy that applies to all supervised persons of EWM with the exception of items specifically identified as being applicable only to access persons. All employees, officers and directors of EWM (or any person performing similar functions) are subject to EWM's supervision and control and are considered Supervised Persons. This includes registered and non-registered persons, as well as affiliated advisors. Certain categories of associated persons are considered under the policy to be "access persons" within the meaning of Rule 204A-1 of the Investment Adviser's Act of 1940.

The policy requires all supervised persons of EWM to conduct themselves according to the highest ethical standards, in accordance with the firm's culture and in accordance with the standard of care that advisors owe to their clients. The policy further requires all supervised persons of the firm to adhere to applicable securities laws, regulations and rules. The policy further requires all supervised persons to be vigilant with respect to any actual or potential conflict of interest that could affect one's judgment or decision-making.

All supervised persons are required to maintain their securities accounts at EWM, unless an exception is specifically approved in writing. In addition, no access person is permitted to invest in any private placement or initial public offering (IPO) unless an exception is specifically approved in writing in advance. Access persons also are required to periodically disclose all securities accounts and holdings other than with respect to accounts held at EWM. Access persons are further required to periodically disclose all securities transactions other than with respect to accounts held at EWM. Access persons are further required to provide a consolidated annual holdings report of all securities accounts, including those held at EWM. Supervised persons are permitted to participate in the same advisory programs that are offered to public clients on the same terms.

#### **Participation or Interest in Client Transactions and Personal Trading**

It should be noted that access persons servicing clients who are participating in Investment Management Services may engage in equity or fixed income transactions contrary to those of their clients on the same trading day (e.g., may sell a stock that is being purchased for clients). In such situations, a conflict of interest arises if an advisor engages in transactions on behalf of clients that would benefit the advisor, such as when he or she might

purchase a large quantity of securities for clients, potentially causing the price of those securities to increase, and then sells his or her own securities. EWM addresses this situation by limiting such transactions to situations involving unanticipated extraordinary expenses, transactions necessary to fund large purchases (such as a car or home), or purchase transactions contrary to unsolicited client sell orders. In appropriate circumstances, the firm may approve other contrary transactions upon individual review. In addition, an advisor may engage in equity or fixed income transactions that they simultaneously or subsequently recommend to clients (i.e., may purchase or sell a stock at the same time a client is purchasing or selling). In such situations, the larger quantity of securities being purchased or sold could impact on the price clients receive. Depending on market conditions, this could have either a positive or negative impact. EWM addresses this situation by generally requiring an advisor to not receive a better price than any solicited client trades on the same trading day. In appropriate circumstances, EWM will approve exceptions upon individual review.

### **Review and Oversight of Securities Holdings and Transactions**

Accounts, holdings and transactions are required to be supervised by the access persons' supervisory principal. Oversight of such reviews is conducted by the Compliance Department.

### **Requirement to Report Violations of Ethics Policy**

All supervised persons are required to report violations of the ethics policy to their supervisory principal or the Compliance Department. If a report is made to a supervisory principal or Compliance Department personnel other than the Chief Compliance Officer, the person receiving the report must ensure the violation is brought to the attention of the Chief Compliance Officer.

### **Provision of Policy to Supervised Persons; Requirement to Certify Receipt of Ethics Policy**

The ethics policy, as well as any amendments or updates, must be provided to all supervised persons, who must attest having received it. Periodic re-certification may be required by the Compliance Department with respect to receiving any amendments of the policy.

A copy of EWM's Code of Ethics will be provided to the client or prospective client upon request.

### **Review of Accounts**

As part of the client/advisor relationship, a client is expected to meet with their advisor on a regular basis, but no less frequently than annually. When appropriate, reviews will be conducted more frequently through various means, including telephone calls, in person meetings, overall strategy reviews, and/or the review of monthly and quarterly statements or reports. Reviews are based on objectives and parameters established between the client and advisor, which are generally memorialized through individual investment advisory agreements, investment policy statements, or other suitability and investment objectives documentation.

Periodic reviews and face-to-face meetings or conference calls may be triggered by events such as client requests, a change in financial goals or objectives, and significant world, economic or market events.

While EWM will typically evaluate the continued suitability of Investment Management Services being provided during account reviews, the administrators of such platforms and programs (which may be EWM, a Custodian, or another third-party) may also perform their own reviews of managers and strategies appearing on the platforms and programs. Any such reviews will be disclosed in the manager's separate disclosure documents sent at account opening, after material changes and/or annually and are maintained by the administrators of applicable platforms and programs.

EWM's supervisory principals perform periodic reviews of client accounts to determine adherence with the client's account suitability, risk tolerance and goals, among other things.

### **Brokerage Practices**

EWM has entered into and will enter into a limited number of relationships with other firms to provide custody and execution services for client accounts.

The client will work with their advisor to select a custodian and will authorize EWM to direct trades to the selected custodian in the investment advisory agreement. If the client requests EWM to recommend a custodian for execution and/or custodial services, EWM will recommend custodians with whom EWM has an existing relationship. EWM operates on a multi-custodian basis and will choose to establish relationships with selected custodian(s) based on their financial strength, reputation, execution capabilities, pricing, research and service, and recommends their use to clients based upon these factors, consistent with EWM's fiduciary obligations, including the duty to seek best execution. Although EWM has found the use of these custodians to be consistent with its obligation to seek best execution and that the fees (including but not limited to commissions and/or transaction fees) charged by each is reasonable in relation to the value and services provided, a client can nonetheless pay a fee for services that is higher than another qualified custodian might charge to effect the same transaction.

There is no single determinative factor in recommending a custodian, and a recommended custodian will not necessarily be the one that has the lowest cost. Key factors taken into consideration include whether the advisor has a pre-existing relationship with the custodian; whether the custodian can provide the best qualitative execution, taking into consideration the full range of services it offers and the overall benefit to all clients.

Though EWM does not exercise discretion over the selection of the custodian, it may recommend the custodian(s) to clients for custody and execution services. Clients are not obligated to use the recommended custodian although costs will likely fluctuate from custodian to custodian. In addition, EWM and your advisor may be limited in the services they can provide if the recommended custodian is not used.

EWM will place trades within the established account(s) at the designated custodian. The advisor will not engage in any principal transactions (i.e. trade any security from or to EWM's own account) or cross transactions with other client accounts (i.e. purchase of a security into one client account from other client's account). EWM will not be obligated to select competitive bids on specific securities transactions and does not have an obligation to seek the lowest available transaction costs. This process is performed, as applicable, by the selected custodian.

EWM has negotiated transaction related costs with one or more custodians. Transaction costs include costs associated with execution, clearing, custody and related services necessary to effect and process transactions on behalf of clients. Transaction costs will either be absorbed by the advisor or will be separately charged to the client. Whether such charges are absorbed or charged separately is fully negotiable between the client and the advisor. If the transaction costs charged by the custodian will be passed to the client, it will be spelled out as such in the investment advisory agreement. Please note in the case of step out trades not executed by the designated broker-dealer, additional transaction charges are always paid by the client as they are in the price paid or received for the security.

### **Client Referrals and Other Compensation**

EWM does not currently compensate non-affiliated third-parties for investment advisory client referrals.

### **Aggregate Compensation Policy**



EWM, or its affiliates, receive compensation from third-parties in respect of a client account in addition to the investment advisory fee paid to EWM by the Client. Such compensation includes asset-level fees as described in Item 12 in EWM's Firm Brochure, commissions and other transaction-based fees as described in Item 5 of EWM's Firm Brochure, and other compensation as more fully described below. Advisory fees and other compensation from third-parties for some EWM clients may be higher than those charged by other advisers who provide the same or similar services.

#### **Economic Benefits Received from Non-Client, Third-Parties for Providing Services to Clients**

Please see Item 12 of in EWM's Firm Brochure for further information on services and products EWM receives from non-clients, including the Firm's procedures for addressing conflicts of interest that arise from such practices.

EWM policies prohibit our supervised persons from accepting any form of compensation, including cash, sales awards or other prizes, in conjunction with the advisory services we provide to our clients.

#### **Custody**

The SEC has determined that custody for investment advisers means the adviser holds client funds or securities, directly or indirectly, or has the authority to obtain possession of them. EWM does not maintain custody of client assets but, in accordance with Advisers Act Rule 206(4)-2, it is deemed to have custody of client assets due to the following: (1) EWM has the authority to directly debit its advisory fees from client accounts, (2) EWM has the authority to act pursuant to standing letters of authorization (SLOA) and (3) in certain instances, EWM advisors can verbally request the transfer assets on a client's behalf. EWM advisors may only verbally request asset transfers on behalf of a client when the transfer is between the client's EWM advisory account and like-titled BFE brokerage account (or vice versa). It is important to note that both the authority for EWM to debit fees and the authority for EWM to act on SLOAs must be specifically authorized by the client in writing on the custodian's paperwork. SLOAs, or similar arrangements, are established by clients with the client's custodian and they typically provide EWM the authority to direct client funds to other accounts, including third-party accounts, on the client's behalf.

Client assets are held outside of EWM by independent broker-dealers that must be considered qualified custodians. Clients must establish accounts at the custodian in writing and through the custodian's paperwork, clients can authorize EWM to debit its fees or establish SLOAs in which EWM can act in limited capacities on the client's behalf. Clients will receive account statements (at least quarterly) from their qualified custodian which include transaction activity displaying items like EWM's management fee or transfers pursuant to a SLOA. Clients should carefully review all account statements from their custodian. If clients notice discrepancies on their statements or they have statement-related questions, they can contact EWM or the custodian that issued the statement. Occasionally, EWM may prepare its own reports for clients. Clients are also urged to compare any reports received from EWM against the official statements received from the Custodian. Reports prepared by EWM can vary from statements provided by the custodian due to issues like unsettled trades, the timing of disbursement or deposit requests, pricing errors and more. Any questions regarding reports prepared by EWM should be directed to EWM.

#### **Financial Information**

EWM does not foresee any financial condition that would impair our ability to meet contractual commitments to clients.

## **Item 10 Requirements for State-Registered Advisers**

Not applicable; EWM is registered at the federal level with the SEC as an Investment Adviser, and makes appropriate notice filings to various states as required. Please note that references to EWM as being “registered” is not intended to reflect that the firm or its representatives have special skills or training; it is used only to reflect the status of the firm with respect to Section 203 of the Investment Advisers Act of 1940.