Fiduciary Wealth Partners, LLC

Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Fiduciary Wealth Partners, LLC (hereinafter "FWP"). If you have any questions about the contents of this brochure, please contact Preston D. McSwain or James K. Cornell at (617) 602-1900.

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 Fiduciary Wealth Partners, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Fiduciary Wealth Partners, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

There are no material changes included in this filing.

Item 3. Table of Contents

Item 4. Advisory Business

Fiduciary Wealth Partners, LLC ("FWP") was founded in 2012 to provide investment consulting, advisory and wealth planning services. FWP provides investment management services for individuals, family trusts, charitable trusts and foundations.

As of December 31, 2020, FWP had the following Regulatory Assets Under Management, i.e., securities portfolios for which FWP provides continuous and regular supervisory or management services:

- $1,068,476,095 in Discretionary Regulatory Assets Under Management;
- $0 in Non-Discretionary Regulatory Assets Under Management; and
- $1,068,476,095 in Total Regulatory Assets Under Management.

FWP also provides advice to clients that does not constitute continuous and regular supervisory or management services. These services may include consulting and guidance on investment policy formation and asset allocation for assets managed by other advisers, college savings accounts, donor advised funds, alternative and private investments and other investments that may be a part of a client's overall wealth and investment plan.

As of December 31, 2020, FWP managed or provided advice, consulting, financial planning, guidance and general oversight for approximately $2.0 Billion in client funds.

This Disclosure Brochure describes the business of FWP. Certain sections will also describe the activities of Supervised Persons. Supervised Persons are any of FWP's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on FWP's behalf and is subject to the firm's supervision or control.

Prior to engaging FWP to provide any of the following services, the client is required to enter into one or more written agreements with FWP to set forth the terms and conditions under which FWP renders its services (collectively the *"Agreement').*

Wealth Management Services

FWP provides clients with wealth management services which may include the discretionary or non- discretionary management of investment portfolios as well as a broad range of advisory and consulting services, depending on the individual needs of the client.

FWP allocates clients' investment management assets among one or more investment managers, mutual funds or ETFs ("*Independent Managers. Independent Managers'* may invest client assets in individual debt and equity securities, alternative investments and mutual funds as well as other securities depending on the needs of the client. In addition, FWP may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the clients' investment objectives.

FWP tailors its advisory services to the individual needs of clients. FWP consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. FWP ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify FWP if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon FWP's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in FWP's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Financial Planning

FWP tailors our investment advice for each client to address their financial goals and objectives. We endeavor to understand how a client views their financial wealth being, what their financial situation is, their understanding and comfort level related to various types of investments, what they are trying to achieve with their wealth and what opportunities and risks they might have. Our financial planning services might include:

1. Discussion and memorialization of goals and objectives
2. Identification and evaluation of various family risks and opportunities
3. Facilitation of family wealth education and the establishment of family investment governance structures
4. Creation of Investment Policy Statements
5. Coordination on Tax and Estate Planning

These services may be undertaken on a comprehensive or modular basis. Clients may impose reasonable restrictions or mandates on the management of their accounts.

Consulting Services

FWP provides consulting services for a negotiated fee based on the nature of the engagement. These services may include an (i) assessment of the client's investments, brokerage arrangements, costs, financial and capital resources, (ii) education regarding investments, (iii) recommendations based on the assessment, including risk management, and (iv) assistance in connection with the purchase or sale of a privately held company.

Item 5. Fees and Compensation

Wealth Management Fee

FWP provides wealth management services for an annual fee based upon a percentage of the market value of the assets being managed by FWP, which may include any money market funds held in the account. FWP's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. FWP does not, however, receive any portion of these commissions, fees, and costs. FWP's annual fee is prorated and charged quarterly, in arrears, based upon the average daily market value of the assets being managed by FWP during the previous quarter, however for certain clients it will base this fee on the market value of the assets being managed by FWP on the last day of the previous quarter. The annual fee varies between (0.10% -1.00%), depending upon the market value of the assets under management and the type of wealth management services to be rendered.

In addition, FWP, in its sole discretion, may negotiate to charge a flat fee or a lesser management fee based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), FWP does not recommend that clients utilize the brokerage and clearing services of any one particular financial institution for investment management accounts. The firm works with clients to determine which broker-dealer or other financial institution is appropriate for their needs. Financial institutions include, but are not limited to, any broker-dealer suggested by the firm or directed by the client, trust companies, banks etc. (collectively referred to herein as the *"Financial Institutions").* FWP may only implement its investment management recommendations after the client has arranged for and furnished FWP with all information and authorization regarding accounts with the appropriate *Financial Institutions.*

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers,* custodial fees, brokerage commissions, transaction fees, charges imposed directly by a mutual fund or exchange-traded fund (ETF) in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd- lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to FWP's fee.

FWP's *Agreement* and the separate agreement with any *Financial Institutions* authorizes FWP or *Independent Managers* to debit the client's account for the amount of FWP's fee and to directly remit that management fee to FWP or the Independent Managers. Any Financial Institutions recommended by FWP have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to FWP. Alternatively, clients may elect to have FWP send an invoice for payment.

Fees for Management during Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a pro rata basis. The Agreement between FWP and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. FWP's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate. Clients may make additions to and withdrawals from their account at any time, subject to FWP's right to terminate an account. Additions may be in cash or securities provided that FWP reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to FWP, subject to the usual and customary securities settlement procedures. However, FWP designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. FWP may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications. If assets are deposited into or withdrawn from an account after the inception of a quarter the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the quarter.

Item 6. Performance-Based Fees and Side-by-Side Management

FWP does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

FWP generally provides its services to individuals, trusts, estates, family limited partnerships, retirement accounts, and privately held companies.

No Account Size or Minimum Fee

FWP does not impose a minimum portfolio size or minimum annual fee as a condition for starting and maintaining a relationship with FWP. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than FWP. In such instances, FWP may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies and Methods of Analysis

FWP consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. FWP then designs a plan based on these needs which is focused on helping clients achieve their investment goals. In furtherance of this plan, the firm may prepare a formal Investment Policy Statement as requested by the client. The firm also utilizes analytical tools, research software, and traditional and alternative manager databases in order to provide its clients with investment strategies that match their goals.

To implement the investment plans, FWP generally allocates client assets among *Independent Managers. Independent Managers* may invest client assets in individual debt and equity securities, alternative investments and mutual funds as well as other securities depending on the individual needs of the client.

The firm may utilize, among other methods, fundamental analysis. Fundamental analysis involves the fundamental financial condition and competitive position of a company or fund. FWP will analyze the financial condition, capabilities of management, fees, performance, new products and services, as well as the company's market position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Risks of Loss

Use of Independent Managers

As stated above, FWP primarily selects, or recommends the use of, *Independent Managers* for its clients. FWP will continue to do ongoing due diligence of such managers, but such selections or recommendations rely, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, FWP does not have the ability to supervise the *Independent Managers* on a day-to- day basis other than as previously described in response to Item 4, above.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, bonds, and pooled investment vehicles) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

We do not represent to any client, either directly or indirectly, any level of performance or any representation that our professional services will not result in a loss to the Client's invested assets. We do our very best as an investment adviser to manage risk exposures and to prevent losses; however, losses cannot be prevented in all cases. Below are certain additional risks associated when investing in securities through our investment management program.

- Market Risk – Any market, whether stocks, bonds, or other asset classes goes up and down as a result of overall market conditions. When markets go down, this can result in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Fixed Income Risk – When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Interest Rate Risk - The value of fixed income investments tends to decline as interest rates rise. As a result, investors who own fixed income investments through pooled vehicles such as ETFs or mutual funds, and investors who seek to sell fixed income investments prior to maturity, may incur losses.
- ETF and Mutual Fund Risk – When our firm invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund, including equities, fixed income, commodities, and derivatives on such securities. In addition, EFTs and closed-end mutual funds may trade at a premium or discount to the net asset value of their underlying portfolio securities. As a result, there is a risk that an investment in an ETF or a closed end mutual fund may result in the client paying more for, or selling for less, the portfolio securities, than a direct investment in the underlying securities. This risk, however, is offset by the additional costs of investing directly in the underlying securities.
- Interval Funds - An interval fund is a type of closed-end fund with shares that do not trade on

the secondary market. Instead the fund periodically offers to buy back a percentage of outstanding shares at net asset value (NAV). This repurchase option typically comes on a quarterly basis, but some funds operate with longer intervals, such as bi-annually or annually. Interval funds are illiquid. While shareholders are not required to take advantage of the "interval" repurchase option, the flip side is that they can only exit the fund at certain intervals. Interval funds invest in a diverse mix of assets, including private securities. Assets that make up an interval fund vary and might include commercial property, such as tracts of farmland or forestry land, hedge funds and other private equity funds, business loans, catastrophe bonds and real estate securities. Interval fund investments can be costly. Interval fund fees and expenses tend to be much higher than other closed-end funds and mutual funds.

- Structured Notes - Structured notes are intermediate debt securities with interest payments that are determined by the performance of an underlying benchmark (e.g., interest rates, stock price, index, commodity or currency). In addition to the risks associated with the specific benchmark, structured note holders are also subject to various counterparty concerns. In this respect, the value of a structured note maybe adversely impacted by a downgrade to the issuer's credit rating and/or an unwillingness or inability to of the issuer to perform its contractual obligations. If a structured note is sold in the market prior to maturity, the client will receive the price offered in the secondary market, which could be a loss.
- Master Limited Partnerships ("MLPs") - MLPs are collective investment vehicles, the partnership interests in which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, and environmental risks among other such factors. In addition, MLPs operate as pass- through tax entities, meaning that investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.
- Real Estate Investment Trusts ("REITs") - REITs are collective investment vehicles, the interests in which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.
- Liquidity Risk – High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling their securities at all, or at an advantageous time or price because FWP and the Client's broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some securities (including ETFs) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios.
- Concentration Risk – Portfolios managed by FWP may from time to time be concentrated in a single security, geographic region, or asset class. The value of Client accounts will vary considerably in response to changes in the market value of that individual security, region or

asset class. This may result in higher volatility.

- Foreign Investing and Emerging Markets Risk – Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.
- Inflation, Currency, and Interest Rate Risks – Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by FWP may be affected by the risk that currency devaluations affect Client purchasing power.
- Legislative and Tax Risk – Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations (particularly for ETF securities dealing in natural resources). In certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due.
- Counterparty Risk – Counterparty risk is the risk to FWP that the counterparty to a services contract will not fulfill its contractual obligations. Should the counterparty fail to fulfill its obligations to FWP, clients could potentially incur significant losses and may have access to their accounts and investments limited or restricted.
- Advisory Risk – There is no guarantee that FWP's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. FWP's judgment may prove to be incorrect, and a Client might not achieve her investment objectives. In addition, it is possible that we fail to manage our business such that FWP remains a going concern which would be disruptive to our Clients as they would need to find a new investment advisor.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in any or all of the strategies managed by FWP. Prospective Clients should read this entire Form ADV and all accompanying materials provided by FWP before deciding whether to invest with us. In addition, as our investment philosophy develops and changes over time, an investment with FWP may be subject to additional and different risk factors. Clients are encouraged to periodically

review this section for updated information concerning risks associated with their investments.

Cybersecurity

The computer systems, networks and devices used by FWP and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Item 9. Disciplinary Information

FWP is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. FWP does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

FWP is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. FWP does not have any required disclosures to this item.

Item 11. Code of Ethics

FWP and persons associated with FWP ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with FWP's policies and procedures.

FWP has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws *("Code of Ethics").* FWP's *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by FWP or any of its associated persons. The *Code of Ethics* also requires that certain FWP personnel (called *"Access Persons")* report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When FWP is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may place orders for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person)* a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Access Person is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

Clients and prospective clients may contact FWP to request a copy of its *Code of Ethics.*

Item 12. Brokerage Practices

As discussed above in Item 5, FWP generally does not recommend that clients utilize the brokerage and clearing services of any one particular *Financial Institution.* The firm works with clients to determine which *Financial Institution* is appropriate for their needs.

In the event FWP does suggest a particular *Financial Institution* after reviewing the client's needs, the factors which FWP considers includes the respective financial strength, reputation, execution, pricing, research and overall service provided by the *Financial Institution.*

The commissions paid by FWP's clients comply with FWP's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge for the same transaction where FWP determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, if any, execution capability, commission rates, and responsiveness. FWP seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

FWP periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct FWP in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution,* and FWP will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by FWP (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, FWP may decline a client's request to direct brokerage if, in FWP's sole discretion, such directed brokerage arrangements would result in additional operational difficulties

Transactions for each client generally will be affected independently, unless FWP decides to purchase or sell the same securities for several clients at approximately the same time. FWP may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among FWP's client's differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among FWP's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that FWP determines to aggregate client orders for the purchase or sale of securities, including securities in which FWP's *Supervised Persons* may invest, FWP generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. FWP does not receive any additional compensation or remuneration as a result of the aggregation. In the event that FWP determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimus* allocation in one or more accounts, FWP may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Item 13. Review of Accounts

Account Reviews

FWP monitors its clients' investment management portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Where FWP provides advisory and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by the Partners of FWP, Preston D. McSwain and James K. Cornell. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the firm and to keep FWP informed of any changes thereto. The firm contacts ongoing investment advisory clients at least annually to review its previous services and recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and General Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for their accounts. Clients may also receive reports from FWP that includes relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis or as otherwise agreed upon with the client. Clients should compare the account statements they receive from their custodian with any supplemental reports they receive from FWP and/or the *Independent Managers.*

Item 14. Client Referrals and Other Compensation

FWP is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, FWP is required to disclose any direct or indirect compensation that it provides for client referrals. FWP does not have any required disclosures to this Item.

FWP does not have any formal relationship or arrangement requiring disclosures to for this Item, however the firm may occasionally refer clients to members of the community such as lawyers and accountants who have made, or may make, referrals to the firm. Consequently, there is the potential for a conflict of interest where FWP makes such referrals.

Item 15. Custody

Investment advisers, such as FWP, that agree to transfer funds on behalf of clients pursuant to "Standing Letters of Authorization" are deemed to have custody over those client assets. FWP may also be deemed to have custody as a result of FWP's *Agreement* and/or the separate agreement with any *Financial Institution* that may authorize FWP through such *Financial Institution* to debit the client's account for the amount of FWP's fee and to directly remit that management fee to FWP in accordance with applicable custody rules. FWP's custodial status does not replace the qualified custodian (a bank or brokerage firm) that hold client funds or securities in an account under the client's name.

As previously stated, any *Financial Institutions* recommended by FWP have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to FWP. In addition, as discussed in Item 13, FWP also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from FWP.

Item 16. Investment Discretion

FWP is given the authority to exercise discretion on behalf of clients. FWP is considered to exercise investment discretion over a client's account if it can place orders for client transactions without first having to seek the client's consent. FWP is given this authority through a power-of-attorney included in the agreement between FWP and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). FWP may take discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;

- When transactions are made; and
- The *Independent Managers* to be hired or fired.

Item 17. Voting Client Securities

FWP is required to disclose if it accepts authority to vote client securities. FWP may vote clients' securities (i.e., proxies) on their behalf. When FWP accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, proxies will generally be voted in line with company management, as the Firm believes these individuals are more appropriately suited to make decisions that impact the issuer. In situations where there may be a material conflict of interest in the voting of proxies due to business or personal relationships that FWP maintains with persons having an interest in the outcome of certain votes, FWP takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict. Clients may contact FWP to direct their vote in a particular solicitation, to request information about how the Firm voted proxies for that client's securities or to get a copy of FWP's proxy voting policies and procedures.

Item 18. Financial Information

FWP is not required to disclose any financial information pursuant to this Item due to the following:

- The firm does not require or solicit the prepayment of more than $1,200 in fees six months or more in advance;
- The firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The firm has not been the subject of a bankruptcy petition at any time during the past ten years.