



GW & WADE, LLC

93 Worcester Street

Wellesley, MA 02481

(781) 239-1188 [www.gwwade.com](http://www.gwwade.com)

Part 2A of Form ADV: Firm Brochure

November 10, 2020

This Brochure provides information about the qualifications and business practices of GW & Wade, LLC (“GW & Wade”). If you have any questions about the contents of this Brochure, please contact us at 781-239-1188 or at [info@gwwade.com](mailto:info@gwwade.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

GW & Wade is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about GW & Wade also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

Material changes in this Brochure since our annual update on March 29, 2019 include the following. *Updates in June and November 2020 are in italics below.*

### Item 4:

We have provided important information regarding our plan to wind down our affiliated broker-dealer, GW & Wade Asset Management Company, LLC (“GWWAMC”) and recommend Clients appoint Fidelity Brokerage Services LLC (“Fidelity”) for brokerage/custodial services some time in 2020. See also Items 5.F., 12.G and 14.

We updated the description of our Legacy discretionary investment management program, which was amended to authorize GW & Wade to purchase a class of mutual fund shares that does not pay our broker-dealer affiliate GWWAMC a fee paid under Rule 12b-1 of the Investment Company Act of 1940 (a “12b-1 fee”) and therefore does not generate a 12b-1 fee credit to the client’s account, while continuing to permit the purchase of load-waived Class A shares that pay GWWAMC a 12b-1 fee and that do generate a 12b-1 fee credit to the Client’s account if an asset-based management fee is charged on those shares. See Item 4.A.

We also updated the description of our non-discretionary investment management programs: a legacy program which is no longer being offered, for which our compensation is in the form of 12b-1 fees and is not subject to an asset-based investment management fee; and our current non-discretionary program which is subject to an asset-based investment management fee. See Item 4.D.

*Updated November 2020. We have updated this section to reflect that we expect Debra K. Brede and her team to join GW & Wade at the end of December 2020, subject to customary closing conditions. That team will provide services to clients as D.K. Brede Investment Management (“DKBIM”). See Item 4.A.*

### Item 5:

We updated the description of our Legacy discretionary investment management program, which was amended to authorize GW & Wade to purchase a class of mutual fund shares that does not pay its broker dealer affiliate GWWAMC a 12b-1 fee and therefore does not generate a 12b-1 fee credit to the Client’s account, while continuing to permit the purchase of load-waived Class A shares that pay GWWAMC a 12b-1 fee and that do generate a 12b-1 credit. See Item 5.A.

We updated our disclosure to reflect that we have a new non-discretionary investment management arrangement (offered on a limited basis) and to discuss the asset-based investment management fees applicable to that arrangement. See Item 5.A.

We have updated our disclosure to reflect that if a discretionary account holds a Class C mutual fund share, any 12b-1 fees paid to GWWAMC with respect to that share will be credited to the Client's account, subject to certain exceptions. See Items 5.A - 5.E.

We no longer receive credits or payments from our clearing broker, National Financial Services, LLC ("NFS") (i.e., business development credits, asset-transfer credits and payments in connection with mutual funds on its no-transaction fee platform purchased by our clients), so we have deleted those references.

In connection with our plan to recommend Fidelity for our Clients' brokerage/custodial services, we updated our disclosure to reflect payments and benefits that we receive from Fidelity. These arrangements create an incentive for us to recommend the use of Fidelity, respectively, even if another broker-dealer could offer superior execution of transactions in individual securities other than mutual funds. See Item 5.G.

We have expanded our disclosure regarding fund internal costs and mutual fund share classes where we describe that: mutual funds have internal costs; mutual funds offer different share classes; different share classes have different fees and expenses and therefore, different returns; share classes that pay a 12b-1 fee generally have a higher expense ratio than other share classes of the same fund that do not pay a 12b-1 fee by an amount at least equal to the amount of the 12b-1 fee; the share classes of a fund that have higher expense ratios have lower returns than the share classes of the same fund with lower expense ratios; and most mutual fund companies offer a class of shares that does not pay a 12b-1 fee that are available to GW & Wade's advisory Clients. See Item 5.H (Item 5.G in our Brochure dated September 30, 2019).

Updated June 2020:

Item 8:

*We have included an additional risk of loss, titled Outbreaks, Pandemics and Other Public Health Issues. See Item 8.C.*

*Updated November 2020: We have updated this section to reflect that the clients who transition with DKBIM will have a lower fee schedule at GW & Wade than most GW & Wade clients. See Item 5.A. We have updated our disclosure with respect to benefits and payments that Fidelity is providing to reflect that Clients who have transitioned with DKBIM will receive a transaction fee credit until December 2023. This means that after December 2023 if there are transactions in the account, the costs that these Clients bear will increase.*

Item 10:

We discontinued our relationship with SmartAsset, which was a matching service for prospective Clients and advisers and have deleted the reference.

*Updated June 2020: Focus Client Solutions (“FCS”) an affiliate of ours is a provider we may recommend to provide credit and cash management solutions for some Clients. The range of services offered by FCS includes but is not limited to omnibus cash management products, individual level deposits, non-purpose securities-backed lines of credit, commercial loans, aircraft and marine loans, non-securities-based/asset-secured loans, and residential mortgage loans.*

Item 12:

We have updated our disclosure with the to reflect the criteria we consider when recommending GWWAMC and Fidelity. See Item 12.A and 12.G.

We have included a new section on the expected transition of brokerage arrangements from GWWAMC to Fidelity, the conflicts involved and clients’ choices regarding the broker they use and when they receive Fidelity transition paperwork. See Item 12.G.

*Updated June 2020: We have updated the disclosure regarding when we expect to make the recommendations to Clients to transition brokerage accounts to Fidelity and to send related paperwork. We will complete a transition of GW & Wade employee and family accounts in the summer of 2020 and after that phase has been completed, we will evaluate the process. We will determine the schedule for providing transition material to our remaining Clients based on our experience with GW & Wade employee/family accounts and factors such as staffing requirements and availability of onsite external vendor support. We currently expect that we will seek to transition Clients in phases beginning no earlier than Fall of 2020. See Item 12.G.*

*Updated November 2020: We have updated the disclosure to reflect that we currently expect to seek to transition Clients to Fidelity in phases beginning no earlier than late Spring 2020. Additionally, we have updated this section to reflect that we expect that DKBIM Clients will primarily use Fidelity for brokerage services, but that some will also use GWWAMC, in some instances, for particular securities in connection with the transition to GW & Wade.*

We have updated our disclosure to address brokerage arrangements with respect to the new non-discretionary account arrangement.

We have updated our disclosure to describe our error correction process including netting gains and losses. See item 12.E.

Item 14:

We have updated our disclosure to reflect payments and benefits we receive from mutual funds and affiliates, as well as from NFS and Fidelity in connection with services they provide to our Clients. These arrangements create an incentive for us to recommend the use of Fidelity, respectively, even if another broker-dealer could offer superior execution of transactions in individual securities other than mutual funds.

We have discontinued our relationship with SmartAsset and deleted the reference. See above.

*Updated November 2020: We have updated our disclosure to payments and benefits Debra Brede, who is joining GW & Wade in late 2020, receives from Forbes, Inc. in connection with the sale and promotion of Ms. Brede's book.*

*Editorial changes have been made in the updated Items. We recommend that you review carefully the full text of these Items.*

As always, please contact your GW & Wade representative if you have any questions about our advisory services or the brokerage services of our affiliated broker-dealer, GW & Wade Asset Management Company, LLC.

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#### **Item 4 - Advisory Business**

GW & Wade, LLC (“GW & Wade”) is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. GW & Wade has been in business since 1986 and primarily serves individuals and families as well as, to a lesser extent, defined contribution plans, charitable organizations and foundations. We expect that Debra K. Brede and her team will join GW & Wade at the end of 2020, subject to customary closing conditions. The clients that transition to GW & Wade will be serviced by GW & Wade doing business as D.K. Brede Investment Management (“DKBIM”). Where appropriate, throughout this brochure, we will distinguish DKBIM’s practices from GW & Wade’s main business line.

#### **Focus Operating, LLC, Focus Financial Partners, LLC, and Focus Financial Partners, Inc.**

GW & Wade is part of the Focus Financial Partners, LLC (“Focus LLC”) partnership. Specifically, GW & Wade is a wholly-owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly-owned subsidiary of Focus LLC. Focus Financial Partners Inc. (“Focus Inc.”) is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.

Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of the end of 2019, investment vehicles affiliated with Stone Point Capital, LLC (“Stone Point”) had a greater than 25% voting interest in Focus Inc., and Stone Point had the right to designate two of eight directors on the Focus Inc. Board. As of the end of 2019, investment vehicles affiliated with Kohlberg Kravis Roberts & Co. L.P. (“KKR”) had a less than 25% voting interest in Focus Inc., and KKR had the right to designate one of eight directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the “Focus Partners”), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Forms ADV.

#### **GW & WADE**

GW & Wade offers various financial, investment advisory and wealth management services to our Clients. These services, summarized below, are generally provided pursuant to a written agreement with a Client.

We offer comprehensive financial planning services for our Clients which include areas such as cash flow and budgeting, insurance needs analysis, education planning, retirement planning, and estate planning, taking into account a Client’s specific financial needs and goals.

We also offer investment management services. These services involve continuous advice to our Clients regarding the investment of their assets based on their individual goals and investment

objectives, typically as identified in the financial planning process. We then develop and manage a securities portfolio based on these goals and objectives.

GW & Wade offers investment management services primarily on a discretionary basis, although we manage accounts for some clients on a non-discretionary basis. Account management is guided by the stated goals and investment objectives of each Client. Clients are free to impose reasonable restrictions on investments to be purchased in their accounts. Clients retain individual ownership of all securities.

A Client has the right to terminate an advisory agreement without penalty within five business days after entering into the agreement. Either we or the Client may terminate an advisory agreement effective upon receipt of written notice by the other party.

**Important note: Most of GW & Wade’s clients who use our investment management services use our broker-dealer affiliate GW & Wade Asset Management Company, LLC (“GWWAMC”) as their introducing broker, with National Financial Services, Inc. (“NFS”) serving as clearing broker and qualified custodian. We expect that DKBIM clients typically will use Fidelity Brokerage Services, LLC for brokerage services, but may also select other broker-dealers/custodians including GWWAMC for some positions in connection with the transition.**

**In 2021, we expect to begin winding down GWWAMC and recommending that Clients appoint Fidelity Brokerage Services LLC as the introducing broker, which uses NFS as clearing broker/qualified custodian. Throughout this document, we refer to Fidelity Brokerage Services and NFS collectively as “Fidelity” and the services they provide as “custodial/ brokerage services.” For some period of time, we expect that there will be some Clients who use Fidelity and some who use GWWAMC. In addition, some Clients have brokerage and custodial arrangements elsewhere and direct us to execute transactions through that custodian/broker-dealer. Please see the discussions throughout this Item 4, in Item 5, Fees and Expenses, Item 12, Brokerage Practices and Item 14, Client Referrals and Other Compensation.**

Many of GW & Wade’s personnel are currently also registered representatives of GWWAMC. When such personnel provide investment advice, they are solely acting on behalf of GW & Wade and not on behalf of GWWAMC. All obligations owed to Clients with respect to investment advice are owed by GW & Wade and personnel acting on its behalf and GWWAMC itself does not provide investment advice of any type. After June 30, 2020, registered representatives of GWWAMC, whether or not they are also investment adviser representatives of GW & Wade, will not provide investment advice to any account.

GWWAMC continues to have a limited number of brokerage accounts for customers that are not also Clients of GW & Wade. GWWAMC no longer accepts new brokerage accounts for customers who are not Clients of GW & Wade. GWWAMC solely executes transactions on behalf of these accounts and does not offer any investment advice.



Whether an individual is acting on behalf of GW & Wade (an investment adviser) or GWWAMC (a broker-dealer) or both is a significant fact. In particular, it affects the federal legal requirements that are applicable to the investment advice that a Client receives. Specifically, since all investment advice is given by personnel acting solely on behalf of GW & Wade, the federal legal requirements under the Investment Advisers Act of 1940 (“Advisers Act”) apply to that investment advice. Under these circumstances, the federal legal requirements applicable to investment advice provided by broker-dealers do not apply to the advice Clients receive even though persons providing the investment advice are registered representatives of GWWAMC as well as representatives of GW & Wade.

If we advise a Client about the choice of investing through an advisory arrangement or a brokerage arrangement, we have a conflict of interest. It is in our financial interest for a Client to invest through an investment advisory arrangement with GW & Wade because a Client compensates us for that service. It is not in our financial interest for a Client to invest through a brokerage arrangement in which we are not involved as their investment adviser. There are circumstances under which a Client’s best interest could be served by entering into a brokerage arrangement in which an investment adviser is not involved. A Client may not wish to receive investment advice or may wish to receive one-time investment advice rather than continuing investment advice. For example, a Client may wish to buy and hold a portfolio of securities for an extended period and not wish to have that portfolio monitored in light of the cost of an investment advisory arrangement. We seek to address this conflict of interest by bringing it to the attention of Clients in this Brochure so they may evaluate any recommendation we make to them about the arrangement type in light of the conflict.

#### A. Discretionary Investment Management

GW & Wade primarily invests Client assets in mutual funds but we also invest in additional forms of securities, including exchange-traded funds (“ETFs”) as well as individual equities and fixed income securities. We also use third-party separate account managers (which invest in individual equities and/or fixed income securities) that are selected through the due diligence process described in Item 8 below to manage certain assets for some of our Clients. On a limited basis, when Clients have expressed an interest and we believe that the investments are suitable and consistent with their investment objectives, we may recommend private investments to them. See Item 4.C and Item 8, Methods of Analysis.

GW & Wade’s main business line generally provides discretionary investment management services under two forms of investment management agreement, one generally used with relationships initiated before 2017 (“Legacy relationships”) and one generally used with relationships initiated in 2017 or thereafter (“Recent relationships”). Under both forms of agreement, as part of our discretionary management services, we provide continuous and regular portfolio management services.

Since 2017, the primary difference between the forms of discretionary investment management agreements used with Legacy relationships and Recent relationships has concerned our compensation. The form of agreement used with Legacy relationships provided that, to the extent a Client purchases mutual funds, the Client directed the purchase of load-waived Class A shares that pay our affiliated broker dealer affiliate “GWWAMC” a distribution fee paid under Rule 12b-

1 of the Investment Company Act of 1940, as amended (“12b-1 fee”) of an annualized 0.25%, if available. The form of agreement used with Legacy relationships provides for payment of a credit to a Client’s account in the amount of any 12b-1 fee received by GWWAMC with respect to shares held in that account if GW & Wade received an asset-based management fee with respect to those shares. (An asset-based management fee is a fee that is a percentage of the value of assets, including cash, that we manage for a Client.) 12b-1 credits appeared on a Client’s brokerage statements.

In 2019, we amended the agreements used with Legacy relationships to authorize GW & Wade to purchase a class of mutual fund shares that does not pay GWWAMC a 12b-1 fee and therefore does not generate a credit, as well as to continue to be permitted to purchase load-waived Class A shares that pay GWWAMC a 12b-1 fee and that do generate a 12b-1 credit. In the amended agreement, the Client acknowledges the discussion contained in Item 5.H (formerly, 5.G). of this Brochure where we describe that: mutual funds have internal costs; mutual funds offer different share classes; different share classes have different fees and expenses and therefore, different returns; share classes that pay a 12b-1 fee generally have a higher expense ratio than other share classes of the same fund that do not pay a 12b-1 fee by an amount at least equal to the amount of the 12b-1 fee; the share classes of a fund that have higher expense ratios have lower returns than the share classes of the same fund with lower expense ratios; and most mutual fund companies offer a class of shares that does not pay a 12b-1 fee that are available to GW & Wade’s advisory Clients.

The form of agreement used with Recent relationships does not direct the purchase of a particular share class; however, if GW & Wade receives an asset-based management fee based on shares of a mutual fund held in a Client’s account, we credit the Client’s account in the amount of any 12b-1 fee received by GWWAMC with respect to those shares.

The form of agreement provided to DKBIM Clients who are transitioning to GW & Wade in connection with Ms. Brede and her team (“Original DKIBM Clients”) include references to both GWWAMC and Fidelity for brokerage services because we expect that some Clients will utilize GWWAMC in connection with those Clients’ transition to GW & Wade.

See, generally, Item 5, Fees and Compensation, Item 12, Brokerage Practices, for a discussion of the fees, expenses, conflicts and mitigating factors applicable to Clients’ advisory arrangements with us including, without limitation, our receipt of indirect compensation for investment management services through GWWAMC’s receipt of 12b-1 fees. Items 5.F and G and Item 14., Client Referrals and Other Compensation, describe benefits and payments received by GW & Wade from Fidelity and NFS in connection with brokerage/custodial services they provide to Clients. See Item 5.D, 529 Plans, for a discussion of our receipt and retention (without crediting) of 12b-1 fees paid to GWWAMC from mutual fund shares held in a 529 Plan as our compensation for advisory services in some accounts. See also Item 5.E., Other Assets Excluded from Asset-Based Management Fee. A discussion of the implications of entering into directed brokerage arrangements including using GWWAMC or Fidelity to execute transactions appears in Item 12.B. Brokerage Practices/ Directed Brokerage.

## B. The Premier Program

GW & Wade also provides Premier Advisory Service for some high net worth Clients (“Premier Clients”). Premier Advisory Service involves the rendering of advice on a variety of tax, investment and financial matters, including financial planning, tax planning, and portfolio oversight. Areas of advice include estate planning, gifting strategies, charitable giving, income tax planning, investment allocation strategies, alternative investments, insurance assessment and advice, long-term financial modeling, education funding, employee benefits, and financial organization. This service typically involves several meetings, conference calls and other communications per year between GW & Wade and the Client. These meetings serve as the basis for GW & Wade’s advice and the preparation of any required tax returns. GW & Wade typically meets with the Client at least annually to review the account.

GW & Wade does not offer Premier Advisory Service to Recent relationships.

See, generally, Item 5, Fees and Compensation, Item 12, Brokerage Practices, for a discussion of the fees, expenses, conflicts and mitigating factors applicable to Clients’ advisory arrangements with us including, without limitation, our receipt of indirect compensation for investment management services through GWWAMC’s receipt of 12b-1 fees. Items 5.F and G and Item 14., Client Referrals and Other Compensation, describe benefits and payments received by GW & Wade from Fidelity and NFS in connection with brokerage/custodial services they provide to Clients. See Item 5.D, 529 Plans, for a discussion of our receipt and retention (without crediting) of 12b-1 fees paid to GWWAMC from mutual fund shares held in a 529 Plan as our compensation for advisory services in some accounts. See also Item 5.E., Other Assets Excluded from Asset-Based Management Fee. A discussion of the implications of entering into directed brokerage arrangements including using GWWAMC or Fidelity to execute transactions appears in Item 12.B. Brokerage Practices/ Directed Brokerage.

## C. Third-Party Advisory Services

With respect to both our traditional and Premier discretionary accounts, GW & Wade sometimes recommends third-party investment advisers to manage separate accounts. In recommending third-party separate account managers, we generally consider the same factors as described in Item 8, Methods of Analysis, below, as well as the Client’s account size. Clients should refer to the third-party manager’s disclosure document for a full description of the services offered by that adviser. If GW & Wade believes that a particular third-party manager is performing inadequately, or if GW & Wade believes that a different manager is more suitable for a Client’s particular needs, then GW & Wade typically suggests that the Client contract with that adviser. In this scenario, GW & Wade typically assists the Client in selecting a new adviser and then monitors that adviser’s performance. A Client determines whether to implement our advice concerning any change to a third-party manager. We monitor these third-party managers and remain responsible for overall asset allocation of the Client’s portfolio

Our arrangements relating to these managers take different forms and, currently, two such arrangements are through “wrap fee” programs. Clients in these portfolios are encouraged to refer

to the respective program's wrap brochure. We do not provide portfolio management services to wrap fee programs.

Our list of separate account managers that we currently recommend is listed in Item 5.I, Fees and Compensation, Third-Party Advisory Services and our selection process is set forth in Item 8, Methods of Analysis.

See, generally, Item 5, Fees and Compensation, Item 12, Brokerage Practices, for a discussion of the fees, expenses, conflicts and mitigating factors applicable to Clients' advisory arrangements with us including, without limitation, our receipt of indirect compensation for investment management services through GWWAMC's receipt of 12b-1 fees. Items 5.F and G and Item 14., Client Referrals and Other Compensation, describe benefits and payments received by GW & Wade from Fidelity and NFS in connection with brokerage/custodial services they provide to Clients. See Item 5.D, 529 Plans, for a discussion of our receipt and retention (without crediting) of 12b-1 fees paid to GWWAMC from mutual fund shares held in a 529 Plan as our compensation for advisory services in some accounts. See also Item 5.E., Other Assets Excluded from Asset-Based Management Fee. A discussion of the implications of entering into directed brokerage arrangements including using GWWAMC or Fidelity to execute transactions appears in Item 12.B. Brokerage Practices/ Directed Brokerage.

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As of December 31, 2019, GW & Wade managed approximately \$6.6 billion in discretionary assets.

#### D. Non-Discretionary Investment Management

In a non-discretionary relationship, it is the Client's decision whether to implement our recommendations.

##### *Current Non-Discretionary Arrangements*

In limited cases upon request, GW & Wade enters into non-discretionary investment management agreements pursuant to which provide continuous and regular portfolio management oversight and investment advice. The Client may or may not choose to follow our recommendations. GW & Wade's compensation for its non-discretionary investment management services is an asset-based management fee as described in Item 5.C., Fees and Compensation, Non-Discretionary Investment Management.

We primarily make recommendations for investment of Client assets in mutual funds but we also recommend additional forms of securities, including ETFs as well as individual equities and fixed income securities and, when a Client has expressed an interest in making private investments, we may recommend such investments if we believe the investments are suitable for the Client and consistent with their investment objectives, and provided the Client is otherwise eligible to invest.

When appropriate for a Client, we recommend third-party separate account managers (which invest in individual equities and/or fixed income securities) which are selected through the due diligence process described in Item 8 below to manage certain assets or strategies for our Clients. See Item 4.C above, Item 5.I, Fees and Compensation, Third-Party Advisory Services and Item 8, Methods of Analysis.

#### *Legacy Non-Discretionary Arrangements*

GW & Wade previously offered a non-discretionary arrangement whereby a Client directed the purchase of Class C mutual fund shares that pay to GWWAMC a 12b-1 fee of up to an annualized 1.00% of the value of the assets invested in the shares as GW & Wade's indirect compensation for advisory services (a "Legacy non-discretionary investment management agreement"). The 12b-1 fee paid by Class C mutual fund shares were usually an annualized 1% fee. The universe of securities that we considered for recommendation in this Legacy non-discretionary investment management arrangement generally was limited to Class C mutual funds that paid a 12b-1 fee of up to an annualized 1% which, when received by our affiliated broker-dealer GWWAMC, was our compensation for advisory services. In general, we did not consider for selection no-load mutual funds or other mutual fund share classes or other securities (including ETFs) that did not pay a 12b-1 fee of up to 1% even when the same mutual fund offers share classes which did not pay a 12b- fee. 12b-1 fees are not credited and we do not charge an asset-based management fee. In this form of agreement, we require that the Client execute orders through GWWAMC.

Although we are no longer offering the Legacy non-discretionary investment management arrangement, we continue to have this arrangement with some Clients. As relates to IRAs, pursuant to this arrangement, we advise exclusively with respect to the purchase and sale of Class C mutual fund shares. We do not provide investment advice with respect to assets other than Class C mutual fund shares when held in an IRA. A Client may instruct our broker-dealer affiliate GWWAMC with respect to the purchase or sale of non-mutual fund assets when held in an IRA but may not look to us for advice with respect to those assets.

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Item 5.H., Other Expenses Associated with Mutual Funds and ETFs, discusses mutual funds' expense ratios and share classes, and we describe that: mutual funds have internal costs; mutual funds offer different share classes; different share classes have different fees and expenses and therefore, different returns; share classes that pay a 12b-1 fee generally have a higher expense ratio than other share classes of the same fund that do not pay a 12b-1 fee by an amount at least equal to the amount of the 12b-1 fee; the share classes of a fund that have higher expense ratios have lower returns than the share classes of the same fund with lower expense ratios; and most mutual fund companies offer a class of shares that does not pay a 12b-1 fee that are available to GW & Wade's advisory Clients.

See, generally, Item 5, Fees and Compensation, Item 12, Brokerage Practices, for a discussion of the fees, expenses, conflicts and mitigating factors applicable to Clients' advisory arrangements with us including, without limitation, our receipt of indirect compensation for investment management services through GWWAMC's receipt of 12b-1 fees. Items 5.F and G and Item 14., Client Referrals and Other Compensation, describe benefits and payments received by GW &

Wade from Fidelity and NFS in connection with brokerage/custodial services they provide to Clients. See Item 5.D, 529 Plans, for a discussion of our receipt and retention (without crediting) of 12b-1 fees paid to GWWAMC from mutual fund shares held in a 529 Plan as our compensation for advisory services in some accounts. See also Item 5.E., Other Assets Excluded from Asset-Based Management Fee. A discussion of the implications of entering into directed brokerage arrangements including using GWWAMC or Fidelity to execute transactions appears in Item 12.B. Brokerage Practices/ Directed Brokerage.

Please refer to Item 8 for a description of Methods of Analysis, Investment Strategies and Risk of Loss associated with GW & Wade's investment strategies used in connection with each type of advisory arrangement that we offer.

As of December 31, 2019, GW & Wade managed approximately \$67,000,000 in non-discretionary assets.

#### E. ERISA Plans

GW & Wade is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") with respect to investment management services and investment advice provided to ERISA plan Clients, including plan participants of the ERISA plan managed by GW & Wade. GW & Wade is also a fiduciary under the Internal Revenue Code (the "IRC") with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRAs and IRA owners. These services are typically discretionary investment advisory arrangements though we may have some non-discretionary ERISA clients. See Item 4.A. and 4.D above. As such, GW & Wade is subject to specific duties and obligations under ERISA and the IRC that include, among other things, compliance with prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption. See also Item 5., Fees and Compensation.

#### F. Financial Planning Services

GW & Wade offers financial planning services to our Clients. Substantive areas of planning include income tax, estate tax, asset allocation, casualty and life insurance, education funding, retirement analysis, cash flow, employee benefits, survivor income analysis and financial organization.

This service typically involves at least annual meetings between the GW & Wade representative and the Client. The focus of this service is to formulate and propose a financial plan taking into account the Client's objectives, planning horizons, and regulatory restrictions, if applicable.

\* \* \* \*

## **Item 5 - Fees and Compensation**

GW & Wade's compensation depends upon the type of advisory services received by the Client, and the form of the investment management agreement, as described below and in Item 4.

Fees are negotiable based on various factors including, among other items, the requirements of the Client, the length and extent of the relationship of the Client with GW & Wade, whether the Client is a DKBIM Client, total assets under management, and the breadth and complexity of services provided. Asset-based management fees are fees based on a percentage of the value of assets under management and those percentage rates differ among Clients; some Clients' fees are higher or lower than those reflected in the current fee schedules. In most instances, GW & Wade has waived or reduced the asset-based management fee for employees and their family and friends of the firm.

GW & Wade calculates asset-based management fees quarterly in arrears following the end of each calendar quarter. Asset-based management fees generally are based upon the average daily balance of assets under management in a Client's account during a calendar quarter. For an account where the average daily balance is not available, GW & Wade calculates the asset-based management fee on quarter-end market values.

Lower fees are charged by some other investment advisers.

Clients typically pay an agreed-upon fixed fee (subject to periodic adjustments) for financial planning, tax, brokerage or other services. These fees are not typically offset against asset-based investment management fees. See Item 5.J for more information on the costs of financial planning services.

Client assets invested in mutual funds and ETFs are also subject to the fees and expenses charged by those funds. See Item 5.G., Other Expenses of Mutual Funds and ETFs. Client assets invested in separate accounts managed by a third-party manager are also subject to the fees charged by those managers. See Item 5.H. Third-Party Managers. Clients also incur brokerage and other costs in connection with securities transactions and services and these costs reduce investment returns. See Item 12, Brokerage Practices.

A. Discretionary Investment Management and Current Non-Discretionary Investment Management Arrangements

Our standard asset-based management fee schedule for discretionary advisory services is as follows:

<b>Annualized Fee</b>	<b>Assets Under Management</b>
1.70 % of	first \$750,000 of assets under management
1.45 % of	next \$250,000 of assets under management
1.20 % of	next \$1.5 million of assets under management
1.00 % of	next \$2.5 million of assets under management
0.70% of	assets under management in excess of \$5.0 million

For Original DKBIM Clients, GW & Wade agreed to the same asset-based fee rates to which those clients were subject at the previous firm. These fees are generally between 0.50% and 1.00%.

Fees are negotiable.

A Client may elect to be billed for the asset-based management fee or to authorize GW & Wade to directly debit those fees from the Client's account. GW & Wade does not accept fees for investment management services in advance.

For Legacy relationships, in addition to the asset-based management fee that GW & Wade bills or debits directly from a Client account, the Client agrees to GW & Wade's receipt of indirect compensation in the form of 12b-1 fees that a mutual fund or its affiliate pays to GW & Wade's broker-dealer affiliate, GWWAMC. If GW & Wade receives an asset-based management fee based on the value of shares of a mutual fund, we credit the Client's account in the amount of any 12b-1 fee received by GWWAMC with respect to those shares. In 2019, we amended the agreements used with Legacy relationships to authorize GW & Wade to purchase a class of mutual fund shares that does not pay GWWAMC a 12b-1 fee and therefore does not generate a 12b-1 fee credit, as well as to purchase load-waived Class A shares that pay GWWAMC a 12b-1 fee and that do generate a credit of the 12b-1 fee if GW & Wade receives an asset-based management fee with respect to those shares.

Original DKBIM Clients will receive a rebate for all 12b-1 fees paid to GWWAMC until such shares are converted to shares which do not pay such a fee and the Client agrees to an asset-based management fee with respect to such assets.

12b-1 fee credits appear on a Client's brokerage statements.

In limited instances, Class C mutual fund shares are held in discretionary accounts (e.g., because they are legacy holdings) and are treated specially for billing purposes. Such shares are not included in the billing base for purposes of calculation of the asset-based investment management



fee. Under the terms of the amended form of advisory agreement, GW & Wade may convert the Class C shares to load waived A shares or to a share class that does not pay a 12b-1 fee and the asset-management fee will be applied to those shares.

Depending on the agreed-upon asset-based management fee rate, such a conversion could result in an effective management fee increase for an account. If conversion of C shares to another share class would result in an effective increase in our management fee, we have a conflict of interest that creates an incentive for us to convert from Class C shares even if that would not be in the best interest of the Client. In this case, a Counselor discusses the fee implications of the conversion with a Client.

Please see Item 5.D, 529 Plans, for a discussion of our receipt and retention (without crediting) of 12b-1 fees paid to GWWAMC from mutual fund shares held in a 529 Plan as our indirect compensation for advisory services in some accounts. See also Item 5.E., Other Assets Excluded from Asset-Based Management Fee.

Item 5.H., Other Expenses Associated with Mutual Funds and ETFs, discusses mutual funds' expense ratios and share classes, and we describe that: mutual funds have internal costs; mutual funds offer different share classes; different share classes have different fees and expenses and therefore, different returns; share classes that pay a 12b-1 fee generally have a higher expense ratio than other share classes of the same fund that do not pay a 12b-1 fee by an amount at least equal to the amount of the 12b-1 fee; the share classes of a fund that have higher expense ratios have lower returns than the share classes of the same fund with lower expense ratios; and most mutual fund companies offer a class of shares that does not pay a 12b-1 fee that are available to GW & Wade's advisory Clients.

Receipt of a 12b-1 fee from mutual funds generates compensation for GW & Wade and its personnel and constitutes a conflict of interest because we have an incentive to purchase mutual fund shares based on our compensation rather than on a client's needs. Receipt of this compensation is a conflict because we could have chosen lower-cost share classes for our Clients and foregone such compensation. GW & Wade mitigates this conflict because if GW & Wade receives an asset-based management fee based on the value of shares of a mutual fund, we credit the Client account in the amount of any 12b-1 fee received by GWWAMC with respect to those shares. Clients also may elect to use broker-dealer other than GWWAMC to execute transactions on their behalf.

In connection with the appointment of Fidelity as the Client's broker, GW & Wade will seek to convert holdings in a Client's account of shares of mutual funds which pay 12b-1 fees to a share class which does not pay 12b-1 fees. Upon conversion, GWWAMC will no longer receive any 12b-1 fees as compensation on the converted shares, and therefore we will no longer credit the Client's account for 12b-1 fees. If Clients appoint Fidelity as their broker-dealer, the GWWAMC commission schedule set forth in Item 12 will not be applicable. Instead, Fidelity's commission schedule will apply to those Clients' transactions. See Item 12., Brokerage Practices.

In the case of ERISA accounts and individual retirement accounts and retirement plans that are not subject to ERISA but are subject to comparable provisions of the Internal Revenue Code of 1986,

the offset will be made in a manner consistent with DOL Advisory Opinions 9715A and 2005-10A.

For Legacy relationships who entered into new advisory agreements in 2017, the effective cost of our discretionary investment management service under the 2017 agreement compared to the effective cost to the Client under an agreement entered into prior to 2017 depends on the composition of the Client's investment portfolio. A 2017 agreement for a particular Legacy relationship was designed to have the same effective cost as a pre-2017 agreement as applied to a Client's portfolio holdings as of September 30, 2016. When the value of the portfolio remains constant but the Client's holdings of investments not paying a 12b-1 fee increases (e.g., individual securities, ETFs, institutional class mutual fund shares or shares of funds that do not offer a share class that pays a 12b-1 fee to GWWAMC and which are appropriate and suitable for the Client), the fee structure set out in the 2017 agreement will have resulted in a higher effective fee than would have been paid under a pre-2017 agreement.

#### B. Premier Advisory Service

Premier Advisory Service is a form of discretionary investment management. Premier Service Clients are billed for our advisory services quarterly in arrears based upon the Client's total net worth as of the end of the prior calendar year. Our Premier Advisory Service fee generally is as set forth below:

Annual Fee (% of Net Worth)	Client's Net Worth
0.4%	\$0 to \$50,000,000
0.3%	\$50,000,001 to \$100,000,000
0.2%	\$100,000,001 to \$250,000,000
0.1%	\$250,000,001 and over

In determining the Client's total net worth and related advisory fee, all tangible and intangible assets, less any applicable encumbrances, loans or liens, are included in the determination of net worth. In instances where valuations are not readily accessible, the value of the asset is determined by agreement. Examples of such agreed-upon assets include, but are not limited to, certain private fund investments, real estate, vehicles, and personal property. From time to time, upon the request of either party, the value of any agreed upon asset may be adjusted to account for significant fluctuation in the market value of any such asset.

In the event the Client wishes to re-value the assets for purposes of calculating the management fee, all assets are re-assessed and any new valuation would become effective for the next quarterly billing cycle. This valuation process may or may not be beneficial to the Client due to the value of the asset at the time of billing. Fees are negotiable based on the factors described in the preceding sections of this Item 5. GW & Wade has no minimum account size requirements.

For Premier Clients, all 12b-1 fees received by GWWAMC attributable to that Client's mutual fund investments are credited against the annual fee. In connection with the appointment of Fidelity as the Client's broker, GW & Wade will seek to convert holdings in a Client's account of

shares of mutual funds which pay 12b-1 fees to a share class which does not pay 12b-1 fees. Upon conversion, GWWAMC will no longer receive any 12b-1 fees as compensation on the converted shares, and therefore we will no longer credit the Client's account for 12b-1 fees. If Clients appoint Fidelity as their broker-dealer, the GWWAMC commission schedule set forth in Item 12 will not be applicable. Instead, Fidelity's commission schedule will apply to those Clients' transactions. See Item 12., Brokerage Practices.

Please refer to Item 5.A., Discretionary Investment Management, above for a discussion of the conflicts associated with receipt of 12b-1 fees in discretionary arrangements and relevant mitigating factors. See also Item 5.H., Other Expenses Associated with Mutual Funds and ETFs where we describe that: mutual funds have internal costs; mutual funds offer different share classes; different share classes have different fees and expenses and therefore, different returns; share classes that pay a 12b-1 fee generally have a higher expense ratio than other share classes of the same fund that do not pay a 12b-1 fee by an amount at least equal to the amount of the 12b-1 fee; the share classes of a fund that have higher expense ratios have lower returns than the share classes of the same fund with lower expense ratios; and most mutual fund companies offer a class of shares that does not pay a 12b-1 fee that are available to GW & Wade's advisory Clients. A discussion of the implications of entering into directed brokerage arrangements including using GWWAMC and Fidelity appears in Item 12.B., Brokerage Practices / Directed Brokerage.

### C. Legacy Non-Discretionary Investment Management

Clients who entered into a legacy non-discretionary investment management agreement direct the purchase of Class C mutual fund shares, if available, through GWWAMC. Our compensation for advisory services is the receipt by GWWAMC of up to an annualized 1.00% 12b-1 fee from the mutual fund or its affiliates. We no longer offer this arrangement, though this form of agreement continues in effect with a few Clients.

This fee arrangement gives rise to certain conflicts of interest including giving us an incentive to recommend investment products based on our compensation rather than on a Client's needs. Because our compensation for our advice with respect to mutual fund shares is in the form of a 12b-1 fee paying up to an annualized 1.00% of the value of the Class C fund shares, we have an incentive not to recommend the purchase of investments that do not pay such compensation, including individual securities, ETFs, and shares in the same mutual funds that do not pay a 12b-1 fee, even when such funds are available and suitable for a Client. This conflict is mitigated because the Client directs the purchase of Class C shares in their non-discretionary advisory agreement. Additionally, Class C shares are not subject to any asset-based management fee. GW & Wade further addresses this conflict of interest by disclosing it to advisory Clients in this Brochure and believes the practice is appropriate if so disclosed.

Class C shares typically involve a 1% contingent deferred sales charge if a Client sells the shares within one year of their purchase. If we recommend the sale of a Class C share within one year of the initial recommended purchase, we will reimburse the contingent deferred sales charge. Our reimbursing of the contingent deferred sales charge creates a disincentive to recommend the sale of Class C shares even when the sale is in the Client's best interest, unless the sale proceeds are exchanged for mutual fund shares in the same fund family (provided such funds have been

approved pursuant to our Investment Committee's process described in Item 8, Methods of Analysis).

See Item 4.D, Non-Discretionary Investment Management. See also Item 5.H., Other Expenses Associated with Mutual Funds and ETFs, which discusses mutual funds' expense ratios and share classes, and we describe that: mutual funds have internal costs; mutual funds offer different share classes; different share classes have different fees and expenses and therefore, different returns; share classes that pay a 12b-1 fee generally have a higher expense ratio than other share classes of the same fund that do not pay a 12b-1 fee by an amount at least equal to the amount of the 12b-1 fee; the share classes of a fund that have higher expense ratios have lower returns than the share classes of the same fund with lower expense ratios; and most mutual fund companies offer a class of shares that does not pay a 12b-1 fee that are available to GW & Wade's advisory Clients.

#### D. 529 Plans

GW & Wade sometimes recommends that a Client invest in mutual funds in a 529 Plan to save for educational expenses. GW & Wade typically recommends 529 Plan mutual fund investments which do not charge a 12b-1 fee and are subject to an asset-based management fee.

For GW & Wade's Client relationships initiated before 2016, and Original DKBIM Clients, 529 Plans recommended for Client accounts typically were those which offered loaded Class A shares (which pay GWWAMC a 12b-1 fee of an annualized 0.25% and, typically, a front-end load of up to 5%), Class C shares (which pay GWWAMC 12b-1 fee of up to an annualized 1%) and, on a less frequent basis, other share classes with a 12b-1 fee of between 0.25%-1% (e.g., Class D shares). We do not charge an asset-based management fee on the value of mutual fund shares in a 529 Plan from which we receive a 12b-1 fee. For those Clients, the 12b-1 fees paid to GWWAMC serve as GW & Wade's indirect compensation for investment advice with respect to those 529 Plan investments and are therefore retained by GW & Wade and not credited to the Client account.

Item 5.G., Other Expenses Associated with Mutual Funds and ETFs, discusses mutual funds' expense ratios and share classes, and we describe that: mutual funds have internal costs; mutual funds offer different share classes; different share classes have different fees and expenses and therefore, different returns; share classes that pay a 12b-1 fee generally have a higher expense ratio than other share classes of the same fund that do not pay a 12b-1 fee by an amount at least equal to the amount of the 12b-1 fee; the share classes of a fund that have higher expense ratios have lower returns than the share classes of the same fund with lower expense ratios; and most mutual fund companies offer a class of shares that does not pay a 12b-1 fee that are available to GW & Wade's advisory Clients. You have the option to purchase securities that we recommend through other brokers or agents that are not affiliated with us.

Receipt of a 12b-1 fee from mutual funds generates compensation for GW & Wade and/or its personnel and constitutes a conflict of interest because we have an incentive to purchase mutual fund shares based on our compensation rather than on a client's needs. Receipt of this compensation is a conflict because we could have chosen lower-cost share classes for our Clients and foregone such compensation. GW & Wade mitigates this conflict by not charging an asset-

based management fee with respect to mutual funds held in 529 Plans which pay GWWAMC a 12b-1 fee. GW & Wade further addresses this conflict of interest by disclosing it to Clients in this Brochure.

We are currently working with our Clients to convert shares held in 529 Plans that pay 12b-1 fees to those which do not pay a 12b-1 fee and are subject to an asset-based investment management fee. We have a conflict in converting these shares in circumstances under which the conversion would result in an effective increase or decrease in our compensation. In the first case, we have an incentive to seek conversion from 12b-1 fee-paying shares even if that would not be in the best interest of the Client because we would receive more compensation; and in the second case we would have a disincentive to recommend that additional assets be invested in the 529 plan account because we would receive less compensation than if the Client invested outside of a 529 Plan. These conflicts are partially mitigated because the relevant 529 Plan sponsors require that the Client approve the share class conversion in advance and the Counselor will communicate with the Clients regarding these issues if they arise. Additionally, a Client and their counselor typically discuss education funding needs in advance of the funding of 529 Plan accounts.

#### E. Other Assets Excluded from Asset-Based Management Fee

As an accommodation to our Clients, we sometimes agree to waive the asset-based management fee with respect to certain assets in a Client's discretionary account. In most instances, GW & Wade waives the asset-based management fee for employees and their family and friends of the firm. In each of these cases, GW & Wade retains any 12b-1 fees it receives and does not credit them to the Client account.

#### F. Client Payments to GW & Wade Broker-Dealer Affiliate, GWWAMC

In a discretionary investment management arrangement and a current non-discretionary investment management arrangement, Clients are required to direct the use of a specific broker-dealer to serve as custodian and to execute transactions. Clients have typically directed the use of our affiliated broker-dealer GWWAMC, but may appoint another broker/custodian. In a Legacy non-discretionary investment management agreement, a Client agreed to execute trades we recommend through GWWAMC. When a Client executes transactions through an account at GWWAMC, a Client pays GWWAMC for brokerage services. These charges include brokerage commissions, ticket charges, and mark ups and mark downs, transaction fees, custodial fees, deferred sales charges, wire transfer and electronic fund fees, and other fees and taxes related to brokerage accounts and securities transactions. See Item 12.A, Brokerage Practices – Discretionary and Non-Discretionary Management.

These payment arrangements give rise to conflicts of interest including giving us and our representatives an incentive to recommend to Clients that they direct the use of GWWAMC to serve as custodian and execute transactions based on compensation received for our brokerage services rather than on a Client's needs or based on the broker-dealer which can provide best execution. This conflict is partially mitigated because the Client's advisory agreement and this Brochure set forth the terms of the Client's use of GWWAMC for brokerage services and a Client may elect to use another broker-dealer of its choosing. See Item 12. Brokerage Practices. As set

forth below, there are disadvantages to a Client to directing GW & Wade to use a particular broker-dealer to execute transactions. See Item 12.B. Brokerage Practices / Directed Brokerage. Please also see Items 5.A through D. and H. for a discussion of the conflicts involved with our receipt of 12b-1 fees and mitigating factors.

We expect Client accounts with GWWAMC will be closed out beginning in 2021.

#### G. Benefits and Payments to GW & Wade Provided by Fidelity

We expect that many GW & Wade Clients will open brokerage/custodial accounts with Fidelity beginning in 2021. Some Original DKBIM Clients will open accounts at Fidelity prior to the end of 2020. As a result of the expectation that Client accounts will be opened with Fidelity, Fidelity provides and is likely to provide in the future, at no cost to us or at a discount, support services and/or products, some of which assist us to better monitor and service client brokerage accounts maintained with it. Such support services typically include 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, consulting services, attendance at conferences, meetings, and other educational social events, marketing support, computer hardware, software and other products used by GW & Wade in furtherance of its investment advisory business operations. If Fidelity did not provide these services and products and we wished to use them, we would need to purchase them.

Fidelity is providing GW & Wade with a credit of up to \$1,600,000 to be used toward qualifying costs (as determined by Fidelity) that we incur in the process of transitioning Client accounts from GWWAMC to Fidelity (“transition-related payments”). The credit for costs, which are expected to include, but are not limited to, legal fees, development of marketing materials, technology, printing and stationery, and other transition-related expenses is available through February 2022. Additionally, for a period of 24 months beginning in December 2020, Fidelity will be providing a transaction fee credit of up to \$300,000 to Original DKBIM Clients (i.e., not new DKBIM clients) who transition to GW & Wade and Fidelity. This means that after December 2023, Original DKBIM Clients will begin to bear increased costs associated with transactions in the account.

The benefits and transition-related payments Fidelity is providing to GW & Wade give rise to a conflict of interest because we have a financial incentive to recommend that Clients retain Fidelity to serve as custodian and execute transactions and potentially to recommend switching investment products or services if a Client’s current holdings are not available through Fidelity. However, we have not identified any current Client holding that is not available through Fidelity. This arrangement does not cause our Clients to pay more for custody or transactions at Fidelity than such Clients would pay at Fidelity absent the agreement to provide the benefits and payments described above. This conflict is mitigated, in part, by the fact that there is no commitment made by GW & Wade to Fidelity 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 result of the arrangement described above. To the extent that the total Client assets held at Fidelity are less than \$25 million after 12 months of when Clients begin to transition assets, GW & Wade (not our Clients) will be charged a quarterly fee of \$2,500. Benefits received by GW & Wade from Fidelity do not depend on the specific amount of brokerage transactions directed to Fidelity. The benefits and payments, however, are an inducement to us to utilize the services of Fidelity and are provided based on an expectation by Fidelity that we will direct enough business to it that it is financially

advantageous for Fidelity to provide those benefits and payments. Clients and future clients should be aware that the receipt of economic benefits by GW & Wade is an influence on the Firm's recommendation to utilize Fidelity for brokerage/custodial services. See Item 12.B., Directed Brokerage for a discussion of disadvantages to Clients in directing brokerage to a particular broker. See Item 12.G. Brokerage Services Provided by Fidelity, which discusses the factors we considered in recommending Fidelity, as well as the associated conflicts and mitigating factors. See also Item 14, Client Referrals and Other Compensation for a further discussion of the benefits and payments we receive from Fidelity, the conflicts and mitigating factors.

#### H. Other Expenses Associated with Mutual Funds and ETFs

Mutual funds and ETFs charge internal management fees and expenses. These internal expenses are reflected in a fund's expense ratio. Expenses reflected in that ratio include, among other expenses, fees paid to the adviser that manages the fund, operational expenses, and fees paid to the brokers that sell shares of, and provide services to, the fund. These generally are continuing fees and expenses and are charged as long as fund shares continue to be held. Internal fees and expenses reduce the performance of a fund. They are exclusive of and in addition to any asset-based management fee applicable to discretionary and current non-discretionary accounts.

A mutual fund frequently offers different share classes. Each class invests in the same portfolio of securities and other assets, but each class generally has different fees and expenses and, therefore, different returns. A share class of a mutual fund that pays a 12b-1 fee generally has a higher expense ratio than other share classes of the same fund that do not pay a 12b-1 fee by an amount at least equal to the amount of the 12b-1 fee. A single mutual fund often will have share classes with different expense ratios, with the share classes that have higher expense ratios generally having lower returns than the share classes of the same fund with lower expense ratios.

Most mutual fund companies offer a class of shares of each fund that does not pay a 12b-1 fee. These share classes are usually available to Clients of GW & Wade. ETFs do not pay a 12b-1 fee.

Except as otherwise agreed, 12b-1 fees received by our affiliate broker-dealer GWWAMC are in addition to any asset-based management fee received by GW & Wade. If GWWAMC receives a 12b-1 fee with respect to fund shares included in the asset base for purposes of determining the asset-based management fee, GW & Wade credits the account with an amount equal to the 12b-1 fee.

In connection with the purchase of fund shares, a Client receives a fund prospectus that describes, in greater detail, available classes of fund shares and associated fees (including 12b-1 fees) and costs. Clients have the option to purchase securities that we recommend through other brokers or agents that are not affiliated with us.

See, generally, Item 5, Fees and Compensation, Item 12, Brokerage Practices, for a discussion of the fees, expenses, conflicts and mitigating factors applicable to Clients' advisory arrangements with us including, without limitation, our receipt of indirect compensation for investment management services through GWWAMC's receipt of 12b-1 fees. Items 5.F and G and Item 14., Client Referrals and Other Compensation, describe benefits and payments received by GW & Wade from Fidelity and NFS in connection with brokerage/custodial services they provide to

Clients. See Item 5.D, 529 Plans, for a discussion of our receipt and retention (without crediting) of 12b-1 fees paid to GWWAMC from mutual fund shares held in a 529 Plan as our compensation for advisory services in some accounts. See also Item 5.E., Other Assets Excluded from Asset-Based Management Fee. A discussion of the implications of entering into directed brokerage arrangements including using GWWAMC or Fidelity to execute transactions appears in Item 12.B. Brokerage Practices/ Directed Brokerage.

#### I. Third-Party Management Services

Fees and account minimums for third-party services are set forth in the applicable investment advisory agreement or related disclosure documents which are provided by the third-party manager or program sponsor at the beginning of an advisory relationship. Clients participating in these programs should refer to these documents for additional information concerning their specific fee arrangements.

Third-party managers with which we have recommended placement of Client assets are described below. We do not use our discretionary authority to engage a third-party manager, invest in a wrap fee program, or invest in a private fund. A Client must determine whether or not to follow our recommendation in this regard and sign the relevant paperwork themselves.

*Scharf Investments, LLC (“Scharf”)*  
*GW & K Investment Management, LLC (“GW & K”)*

Each of Scharf and GW &K (collectively, the “Third-Party Asset Managers”) is a registered investment adviser that provides investment advice and portfolio management for individuals, registered investment companies, retirement accounts, trusts, family offices, corporations, endowments and foundations through managed accounts.

Scharf principally invests in equity securities that are traded publicly in U.S. markets. Scharf’s investment philosophy and practices are more fully described in the agreement it enters into with Clients and its Form ADV, Part 2A.

GW & K manages securities across equity and fixed income strategies, but we primarily recommend GW & K for municipal bond separate account strategies. GW & K’s investment philosophy, investment and brokerage practices are more fully described in the agreement it enters into with Clients and its Form ADV, Part 2A.

We charge the Client an asset-based management fee with respect to assets that a Client places with the Third-Party Asset Managers. That fee is determined using the same fee schedule applicable to assets that we manage on a discretionary or current non-discretionary basis. Assets placed with the Third-Party Managers are treated in the same fashion as other Client assets that we manage on a discretionary basis for purposes of fee breakpoints.

A Client pays a management fee to the Third-Party Asset Managers on the value of assets that each manager manages as set forth in the investment management agreement by and between the investment manager and the Client. The Client incurs transaction costs such as brokerage



commissions, mark-ups and mark-downs as described in Item 12.F., Brokerage Practices, Third-Party Managers. Additional information about fees and other costs associated with retaining the Third-Party Asset Managers to manage assets are set forth in their respective filings on Form ADV, Part 2A.

Scharf Clients are subject to a distinct commission schedule for equities traded in a Block Order. Please refer Item 12., Brokerage Practices.

Fees and costs that a Client pays to the Third-Party Asset Managers are not offset against the asset-based management fee payable to us; the Third-Party Managers do not offset our advisory fee against their respective fees and costs. As a result, a Client incurs separate expenses in retaining us and the Third-Party Asset Manager.

See, generally, Item 5, Fees and Compensation, Item 12, Brokerage Practices, for a discussion of the fees, expenses, conflicts and mitigating factors applicable to Clients' advisory arrangements with us including, without limitation, our receipt of indirect compensation for investment management services through GWWAMC's receipt of 12b-1 fees. Items 5.F and G and Item 14., Client Referrals and Other Compensation, describe benefits and payments received by GW & Wade from Fidelity and NFS in connection with brokerage/custodial services they provide to Clients. See Item 5.D, 529 Plans, for a discussion of our receipt and retention (without crediting) of 12b-1 fees paid to GWWAMC from mutual fund shares held in a 529 Plan as our compensation for advisory services in some accounts. See also Item 5.E., Other Assets Excluded from Asset-Based Management Fee. A discussion of the implications of entering into directed brokerage arrangements including using GWWAMC or Fidelity to execute transactions appears in Item 12.B. Brokerage Practices/ Directed Brokerage.

We do not receive any compensation from the Third-Party Asset Managers in connection with assets that our Clients place with them.

*Investnet Asset Management, Inc.*

Investnet Asset Management, Inc. ("Investnet") is a registered investment adviser that provides a broad range of wrap fee programs that are intended to comply with Rule 3a-4 under the Investment Company Act of 1940. Investnet acts as the investment manager with respect to Client assets placed in these programs. Each of the wrap fee programs provides investment management by a third-party manager and transaction (execution) services for a unified fee based on assets under management.

A Client pays a wrap fee to Investnet as more fully described in the applicable Investnet wrap fee program brochure. From that amount, we are paid by Investnet an annual adviser fee between 50 basis and 75 basis points (0.50% to 0.75%) of assets under management. This arrangement gives rise to a conflict because we have an incentive to recommend investment products based on the compensation received from Investnet rather than on a client's needs. We mitigate this conflict because we are not paid a separate asset-based management fee with respect to assets in the

Investnet wrap fee program. Further, there is only a limited number of Clients in this program who have directed GW & Wade to select separate account managers through this platform.

Please see Investnet's Form ADV, Part 2A, Appendix 1 for a fuller description of fees and expenses concerning the Investnet wrap fee programs.

#### *Merrill Lynch Investment Advisory Program*

The Merrill Lynch Investment Advisory Program (the "Program") is a wrap fee program sponsored by Merrill Lynch. Merrill Lynch acts as the investment manager with respect to Client assets placed in the Program. Currently, only one Client remains in the Program, at the Client's direction, and we are no longer recommending it to other Clients.

The Client pays a wrap fee to Merrill Lynch as described more fully in a Client's investment management agreement with Merrill Lynch and the applicable wrap fee program brochure. Fees and costs that a Client pays to Merrill Lynch are not offset against the asset-based management fee payable to us and Merrill Lynch does not offset our advisory fee against its fees and costs. As a result, the Client incurs separate expenses in retaining us and in investing through the Program.

Please see the Merrill Lynch Investment Advisory Program Form ADV, Part 2A for a fuller description of fees and expenses concerning the Program. We do not receive any compensation from Merrill Lynch in connection with assets that our Client place with it.

#### *SEI*

The SEI Managed Account Solutions ("MAS") wrap program provides services that include advisory, brokerage and custody services. SEI sponsors and is advisor to MAS, which is made available to independent advisors who may allocate their Clients' assets for investments into the programs. SEI enters into a tri-party investment management agreement with the independent advisor and its Client. Under this program, SIMC makes available two broad categories of investment strategies: (i) individual investment strategies (or model investment portfolios) of third party investment managers selected and overseen by SEI covering a broad spectrum of investment styles; and (ii) SIMC designed and managed investment strategies (or model investment portfolios), including strategies that allocate to various portfolio managers, strategies managed directly by SEI or exchanged traded funds.

Currently, only one client is invested in this wrap program.

Please see the SEI Investment Management Corporation Wrap Fee Program Brochure for a fuller description of fees and expenses concerning the SEI wrap programs.

## *Private Funds*

When a Client has expressed an interest in making private investments, we may recommend such investments if we believe the investments are suitable for the Client and consistent with their investment objectives, and provided the Client is otherwise eligible to invest.

We may recommend an investment on CAISfunds, a private investment fund platform that provides access to various alternative private investment funds which have been qualitatively reviewed by a third-party consultant engaged by CAISfunds. We also have recommended and may recommend in the future other private investments not on the CAIS platform and conduct our own review of these funds.

Eligible investors are directed to the individual fund's private placement memorandum and related documents for more information concerning those funds.

Generally, we receive an asset-based management fee with respect to assets that a Client places in private funds when we are advising on those assets as part of the overall account. That fee is determined using the same asset-based management fee schedule applicable to assets that we manage pursuant to a discretionary investment management agreement. Assets placed in private funds are treated in same fashion as other Client assets that we manage on a discretionary basis for purposes of fee schedule breakpoints. See Item 5.A for a discussion of our Fees and Compensation for discretionary investment management.

Fees and expenses that a Client pays in connection with a private fund are not offset against the asset-based management fee payable to us and the private fund does not offset our asset-based management fee against its fees and expenses. Private funds usually also charge a performance-based fee (fees based on a share of capital gains on or capital appreciation of the assets of a Client) in addition to an advisory fee and other expenses. As a result, a Client incurs separate fees and expenses in retaining us and in investing in a private fund.

We do not receive any compensation from CAIS or any private fund manager in connection with assets that our Clients place in a private fund.

## *CapTrust (Formerly Boston Advisors)*

For a limited number of Clients invested directly in equities, GW & Wade uses recommendations provided by CapTrust, an unaffiliated investment adviser pursuant to an agreement between GW & Wade and CapTrust. CapTrust charges GW & Wade a fee for this service which is a percentage of GW & Wade's Clients' assets that are subject to the recommendations. GW & Wade typically passes on these fees directly to the Client in proportion to the assets managed using those recommendations, as agreed with the Client.

Fees that a Client pays to us as the result of the CapTrust fee are not typically offset against the asset-based management fee payable to us. As a result, a Client typically incurs separate fees in retaining us and by GW & Wade using the CapTrust recommendations for their portfolio.

We do not receive any compensation from CapTrust in connection with the recommendations they provide to us.

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

#### J. Financial Planning Services

Many Clients are charged a financial planning fee. However, sometimes we waive that fee. Financial planning fees are negotiated based on the individual needs of the Client. A Client electing financial planning services agrees to pay an initial financial planning fee which is payable in advance. Refunds for this service are not provided. The Client has a five day right of rescission, including a full refund, when entering into a financial planning relationship.

A Client electing financial planning services may also agree to pay a recurring financial planning fee, calculated on an annual basis but typically billed and payable in arrears in four quarterly installments. The first billing date for the recurring fee varies depending on the timing associated with the initial plan fee. We do not accept financial planning payments of more than six months in advance.

At the conclusion of any given period, the fee may be increased. Any changes to the fee will be reflected in the next billing cycle. There is no minimum fee.

In most instances, the recurring financial planning fee is subject to modest annual cost of business increases not greater than 5% and is also subject to other periodic adjustments in the event of material changes in a Client's financial circumstances.

Financial planning fees typically are not offset against any investment management fee payable to us. Clients are under no obligation to utilize GW & Wade or GWWAMC for implementation of financial planning recommendations.

Some, but not all, Financial Planning Clients require brokerage/custodial services for the specific implementation of general asset allocation recommendations. We have typically recommended GWWAMC and we expect that we will be recommending Fidelity to perform these services in the future. You have the option to purchase securities that we recommend through other brokers that are not affiliated with us or recommended by us. Clients will incur additional charges for brokerage/custodial services, which generally are not offset against future financial planning or asset-based management fees.

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

GW & Wade does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

## **Item 7 - Types of Clients**

GW & Wade provides investment management services primarily to high net worth and other individuals and families, trusts, some ERISA plans, charitable organizations, municipalities, companies and foundations. GW & Wade has no explicit minimum account size requirements.

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

### A. Methods of Analysis

GW & Wade has an Investment Committee that includes principals and employees of the firm. The Committee meets at least quarterly to discuss existing and prospective investments, with research being conducted between meetings.

Our investment selection process for mutual funds, third-party investment managers and ETFs begins by screening potential investment strategies using various industry sources. We use several criteria to determine the overall investment merit of a particular investment strategy and/or fund, including for example, expenses and statistics related to performance and risk. To the extent mutual funds, separate account managers and ETFs have been reviewed and approved by our Investment Committee, they are added to our approved list and are permitted to be recommended for purchase for our Clients. Our Investment Committee also reviews those third-party wrap managers with which we have placed Client assets. We monitor their performance for adherence to their stated investment process.

### B. Investment Strategies.

Our investment strategy depends on the specific needs, desires and investment objectives of each Client. Most commonly, we are looking to construct a diversified portfolio which seeks long-term growth using the most suitable mix of investments (which may include stocks, bonds, mutual funds, ETFs and other securities) to meet a Client's needs. We also use third-party separate account managers (which invest in individual equities and/or fixed income securities) and, less frequently, private funds, which are selected through the due diligence process described in Item 8 below to manage certain assets or strategies for our Clients. See Item 4.C and 5.H for a discussion of our advisory services and compensation with respect to Third Party Advisory Services. See also Methods of Analysis above and Risk of Loss below.

For all strategies managed by GW & Wade, implementation and outcomes for Clients vary depending on Client-specific factors, including without limitation the Client's particular tax situation, the security's holding period, purchase date and cost basis.

### Stock Portfolios

For some Clients, GW & Wade invests directly in equities and also uses specific strategies using individual securities as set forth below to satisfy that Client's particular investment profile. Please see the risks set forth in Risk of Loss, below, with particular emphasis on Equity Securities Risk;

Dividend-Paying Stock Risk; Domestic and/or Foreign Political Risk Event Risk; Market Risk  
Reliance on Third Party Analysis; Databases and Volatility Risk.

#### DivPort

GW & Wade's DivPort strategy seeks to hold the publicly-traded equity securities of 30-35 companies with a record of dividend growth, selected in a systematic, bottom-up style. For the strategy, GW & Wade identifies stocks using an initial screen that identifies stocks with a current dividend yield equal to or higher than the current yield on the Standard and Poor 500 Index™ and selects companies with a "Safety Rank" and "Financial Strength" that is average or better as measured by Value Line™. Once companies with dividend growth and quality characteristics are identified, we identify and select for the portfolio those we believe have relatively high 3-5 year appreciation potential.

#### CapTrust (formerly Boston Advisors)

For a limited number of Clients invested directly in equities, GW & Wade uses recommendations provided by CapTrust an unaffiliated investment adviser pursuant to an agreement between GW & Wade and CapTrust. GW & Wade is under no obligation to follow the recommendations for a particular Client portfolio. CapTrust charges GW & Wade a fee for this service which is a percentage of GW & Wade's Clients' assets that are subject to the recommendations. As agreed with the Clients using the strategy, GW & Wade typically passes on these fees directly to the Client in proportion to the assets managed using those recommendations. See Item 5.H, Fees and Compensation, Third Party Advisory Services.

#### Mutual Fund and ETF Models

A limited number of Client accounts are managed using a model portfolio approach whereby GW & Wade has selected a group of mutual funds and ETFs from its approved list in a particular allocation (e.g., 80% equities/20% fixed income). See Item 8, Methods of Analysis, above and Risk of Loss, below.

#### C. Risk of Loss

Investing in securities, including investments in mutual funds, ETFs and directly in equities and fixed income securities, involves a risk of loss which Clients should be prepared to bear, including the risk that the full investment will be lost. There is no guarantee that you will not lose money or that you will meet your investment objectives.

The mutual funds and ETFs in which we frequently invest Client assets or recommend to Clients generally own principally securities and therefore also involve the risk of loss that is inherent in investing in securities. The extent of the risk of ownership of fund shares generally depends on the type and number of securities held by the fund.

Mutual funds are subject to the same risks associated with the fund's underlying holdings. General risks are described below and are described specifically in the particular mutual fund's prospectus.

Risks also may be significantly increased if a mutual fund pursues an alternative investment strategy. An investment in an alternative mutual fund involves special risks such as risk associated with short sales, leveraging the investment, potential adverse market forces, regulatory changes, and potential illiquidity. Investing in alternative strategies presents the opportunity for significant losses.

An ETF's risks include declining value of the securities held by the ETF, adverse developments in the securities the ETF tracks, capital loss in geographically focused funds because of unfavorable fluctuation in currency exchange rates, differences in generally accepted accounting principles, or economic or political instability, tracking error, which is the difference between the return of the ETF and the return of its benchmark and trading at a premium or discount, meaning the difference between the ETF's market price and NAV. ETFs also are subject to the individual risks described in their prospectus.

Although many mutual funds and ETFs provide diversification, risks can be significantly increased if a mutual fund or ETF is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage to a significant degree, or concentrates in a particular type of security.

One of the main advantages of diversified mutual funds and ETFs is that they give individual investors access to professionally managed portfolios of equities, bonds and other securities. Although the goal of diversification is to combine investments with different characteristics so that the risks inherent in any one investment can be balanced by assets that move in different cycles or respond to different market factors, diversification does not eliminate the risk of loss. In some circumstances, price movements are highly correlated across securities and funds. A specific fund may not be diversified and a Client portfolio may not be diversified. Additionally, when diversification is a Client objective, there is risk that the strategies that we use are not successful in achieving the desired level of diversification.

There is also risk that the strategies, resources, and analytical methods that we use to identify mutual funds and ETFs will not identify successful investment opportunities.

The following risks describe events which also could cause mutual funds, ETFs, and other investments managed for Clients by GW & Wade or a third-party manager to decrease in value. Please also refer to the mutual fund's prospectus, or Part 2A of Form ADV for third party managers, for that adviser's description of each investment strategy's risk.

*Counterparty Risk:* The other party in the transaction might not be able to fulfill its contractual obligation.

*Credit Risk:* The issuer of a debt security (i.e., the borrower) might not be able to make payments of interest and principal when due. Changes in an issuer's credit rating or the market's perception of an issuer's creditworthiness can affect the value of an investment in that issuer. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation.

*Cybersecurity Risk:* The computer systems, networks and devices used by GW & Wade 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 can 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.

*Derivatives risk:* Derivatives can increase costs of an investment, reduce returns and/or increase volatility. Risks also include the risks of the underlying or reference security or portfolio.

*Dividend-Paying Stock Risk:* Emphasis on dividend-paying stocks involves the risk that such stocks fall out of favor with investors and underperform the broader market. There is no guarantee that issuers of the stocks held in a dividend-seeking strategy will declare dividends in the future or that, if declared, they will either remain at current levels or increase over time

*Domestic and/or Foreign Political Risk:* The events that occur in the U.S. relating to politics, government, and elections can affect the U.S. markets. Political events occurring in the home country of a foreign company such as revolutions, nationalization, and currency collapse can have an impact on the security. Domestic and foreign events and can also affect the securities of multinational companies.

*Equity Securities Risk:* Stock markets are volatile. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions.

*ETF Price Risk:* Shares of an ETF trade on exchanges at prices at, above or below their most recent net asset value. The trading prices of an ETF's shares can deviate significantly from net asset value during periods of market volatility. If a shareholder purchases at a time when the market price is at a premium to the net asset value or sells at a time when the market price is at a discount to the net asset value, the shareholder will sustain losses.

*Event Risk:* An adverse event affecting a particular company or that company's industry could depress the price of a Client's investments in that company's stocks or bonds. The company, government or other entity that issued bonds in a Client's portfolio could become less able to, or



fail to, repay, service or refinance its debts, or the issuer's credit rating could be downgraded by a rating agency. Adverse events affecting a particular country, including political and economic instability, could depress the value of investments in issuers headquartered or doing business in that country.

*Interest Rate Risk:* The market value of bonds and other fixed-income securities changes in response to interest rate changes and other factors. Interest rate risk is the risk that prices of bonds and other fixed-income securities will increase as interest rates fall and decrease as interest rates rise.

*Hedging Risk:* Hedges are sometimes subject to imperfect matching between the derivative and the underlying security or reference portfolio. There can be no assurance that a hedging strategy will be effective.

*Inflation Risk:* Countries around the globe may be more, or less, prone to inflation than the US economy at any given time. Companies operating in countries with higher inflation rates may find it more difficult to post profits reflecting its underlying health.

*Liquidity Risk:* Securities that are normally liquid can become difficult or impossible to sell at an acceptable price during periods of economic instability or other emergency conditions. Some securities (including ETFs) can be infrequently or thinly traded even under normal market conditions.

*Market Risk:* A decline in the stock market could depress the prices of stocks and other equity securities in a Client's portfolio. An increase in interest rates or a change in the relationship between different market interest rates could depress the prices of bonds and other fixed income securities in a Client's portfolio.

*Outbreaks, Pandemics and Other Public Health Issues:* In general, unexpected local, regional or global events, such as the spread of infectious illnesses or other public health issues and their aftermaths, could have a significant adverse impact on GW & Wade's operations (including the ability of the GW & Wade to find and execute suitable investments) and a Client's potential returns. In addition, such infectious illness outbreaks, as well as any restrictive measures implemented to control such outbreaks, could adversely affect the economies of many nations or the entire global economy, the financial condition of individual issuers or companies (including those that are held by, or are counterparties or service providers to our Clients) and capital markets in ways that cannot necessarily be foreseen, and such impact could be significant and long term. Moreover, the impact of infectious illnesses in emerging market countries may be greater due to generally less established healthcare systems. If such events occur, a Client's portfolio's exposure to a number of other risks described elsewhere in this brochure can increase.

For example, an outbreak of an infectious respiratory illness caused by a novel coronavirus known as COVID-19 caused the World Health Organization to declare it a pandemic. This coronavirus caused global distress and market volatility and uncertainty, and it resulted in travel restrictions, closed international borders, enhanced health screenings at ports of entry and elsewhere, disruption of and delays in healthcare service preparation and delivery, prolonged quarantines, cancellations of services, supply chain disruptions, lower consumer demand and disruptions or suspensions of

business activities across a wide range of industries (including causing GW & Wade and other service providers to invoke business contingency plans). Although, as of the date of this brochure, the long-term economic fallout of COVID-19 is difficult to predict, the outbreak could adversely affect a Client's investments and/or GW & Wade's operations.

*Performance and Expense Risk:*

- Past performance of a security or a fund is not necessarily indicative of future performance or risk of loss.
- Returns on mutual fund investments are reduced by management costs and expenses, including 12b-1 fees paid to GWWAMC. See Items 4, 5 and 12 for discussions related to the conflicts involved with our receipt of 12b-1 fees and relevant mitigating factors.

*Private Funds:* Investments in hedge funds and other private investment funds may underperform publicly offered and traded securities because such investments:

- Typically require investors to lock-up their assets for a period of time and may be unable to meet redemption requests during adverse economic conditions;
- Have limited or no liquidity because of restrictions on the transfer of, and the absence of a market for, interests in these funds;
- Are more difficult for GW & Wade and third-party managers to monitor and value due to a lack of transparency and publicly available information about these funds;
- May have higher expense ratios and involve more inherent conflicts of interest than publicly traded investments; and
- Involve different risks than investing in registered funds and other publicly offered and traded securities. These risks can include those associated with more concentrated, less diversified investment portfolios, investment leverage and investments in less liquid and non-traditional asset classes.

*Reliance on Third Party Analysis and Databases* – Some security analyses are dependent in part on the source database or other information provider. If there is an error in the third party's data, it could have an effect on the analysis to purchase or sell a security.

*Third-Party Management Services:* Clients participating in a third-party management program should refer to the applicable disclosure document for information regarding the methods of analysis, investment strategies, and risk of loss specific to such program.

*Volatility Risk:* The risk that a security, an index or a market fluctuates significantly in price within a short time period. For derivatives, the fluctuations in a security's values may not correlate with the overall securities markets.

## **Item 9 - Disciplinary Information**

As a registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of GW & Wade or the integrity of our management. The information below is applicable to this Item.

### *Massachusetts Securities Division*

On October 4, 2018, GW & Wade settled an administrative proceeding with the Massachusetts Securities Division of the Office of the Secretary of the Commonwealth (the “Division”). Without admitting or denying the Division’s allegations, GW & Wade consented to the entry of a Consent Order and paid a fine in the amount of \$50,000 consisting of back registration fees and an administrative fine. The Division alleged that GW & Wade violated Massachusetts General Laws, chapter 110A, § 201(c) and 201(d)(ii) by not ensuring that investment adviser representatives complied with Massachusetts registration requirements. The settled Consent Order ordered that GW & Wade permanently cease and desist from violations of the above referenced laws, and, with certain exceptions, not permit its Associates, or other supervised persons who have a place of business in Massachusetts, to participate or otherwise engage in any of the following activities with respect to six or more or clients who are natural persons: make any recommendations or otherwise render advice regarding securities; manage securities accounts or portfolios of clients; determine which recommendations or advice regarding securities should be given; solicit, offer, or negotiate for the sale of or sell investment advisory services; or supervise employees of GW & Wade who perform any of the foregoing, unless the person is registered with the Division as an investment advisory representative.

### *Securities and Exchange Commission*

On October 28, 2013, GW & Wade settled an enforcement proceeding with the SEC. The SEC alleged that the firm (i) had custody of some client assets but failed to obtain an examination of those assets by an independent public accountant (as the Advisers Act Custody Rule requires) and to identify those assets in its public disclosures; (ii) had not adopted policies and procedures concerning custody of client assets or kept required books and records; and (iii) had not adequately implemented its policies and procedures for calculating advisory fees in discretionary accounts, which resulted in billing overcharges to certain clients. GW & Wade consented to the entry of an administrative order without admitting or denying the SEC’s allegations.

Under the terms of the settled action, GW & Wade (i) agreed to cease and desist from committing or causing any violations and any future violations of Sections 204, 206(4), and 207 of the Advisers Act, and Rules 204-2, 206(4)-2, and 206(4)-7 promulgated thereunder; (ii) was censured; and (iii) paid a civil money penalty of \$250,000. Also, in connection with the settlement, GW & Wade retained an independent compliance consultant to conduct a comprehensive review of GW & Wade’s written compliance policies and procedures reasonably designed to ensure that the firm was meeting its custody and related books and records obligations, charging its advisory fee accurately, and otherwise safeguarding client assets in compliance with the Advisers Act. That consultant completed his work in 2014.

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

In addition to providing investment advisory services, GW & Wade also provides certain non-advisory services such as income tax preparation services and delivery of financial planning presentations for separate and customary compensation. We also provide customized advisory

services for corporate clients to offer to their employees. Employees of those corporate Clients are under no obligation to utilize GW & Wade for the advisory services offered through their employer. Each GW & Wade representative, and GW & Wade as a firm, spends approximately 30% of their time on activity not related to investment advice.

Certain GW & Wade principals and employees are separately licensed as registered representatives of GWWAMC, GW & Wade's affiliated broker-dealer. As such, these individuals are able to effect securities transactions and receive separate compensation for effecting such transactions.

GWWAMC executes transactions through National Financial Services, LLC ("NFS"), on a fully disclosed basis. NFS currently acts as a clearing broker and custodian and is not affiliated with GW & Wade.

See Item 4, Advisory Business; Item 5, Fees and Compensation, and Item 12, Brokerage Practices, for a discussion of the fees, expenses and related conflicts and mitigating factors applicable to Clients' advisory arrangements with us including, without limitation, our receipt of compensation in the form of 12b-1 fees and for brokerage services of our affiliated broker-dealer, GWWAMC. See also Item 5 for reference to the Envestnet program, which is responsible for collecting and paying over our asset-based management fee.

As noted above in response to Item 4, certain investment vehicles managed by Stone Point collectively are principal owners of Focus LLC and Focus Inc., and certain investment vehicles managed by KKR collectively are minority owners of Focus LLC and Focus Inc. Because GW & Wade is an indirect, wholly-owned subsidiary of Focus LLC and Focus Inc., the Stone Point and KKR investment vehicles are indirect owners of GW & Wade. None of Stone Point, KKR, or any of their affiliates participates in the management or investment recommendations of our business. See Item 4.

### *Focus Client Solutions*

We offer clients the option of obtaining certain financial solutions from unaffiliate third-party financial institutions with the assistance of our affiliate, Focus Client Solutions ("FCS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. These third-party financial institutions are banks and non-banks (the "Network Institutions") which offer credit and cash management solutions to our clients. Certain other unaffiliated third parties provide administrative and settlement services to facilitate FCS's cash management solutions. FCS acts as an intermediary to facilitate our clients' access to these credit and cash management solutions.

FCS receives quarterly fees (the "Network Fees") from the Network Institutions and certain administrative services providers (the "Administrative Services Providers" and, together with the Network Institutions, the "Network Providers") in exchange for allowing them to participate in the FCS credit and cash management programs and thereby to offer their services to our clients. The Network Fees are substantial and are expected to change over time. Such fees are revenue for FCS and ultimately for our common parent company, Focus Financial Partners, LLC, but we do not

share in such revenue. Accordingly, although we have a conflict of interest when recommending FCS's services to clients because of the compensation to our affiliates (FCS and Focus) we mitigate this conflict by: (1) disclosing the above arrangements to our clients; (2) offering FCS solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services; and (3) not sharing in any portion of FCS's revenue in exchange for successfully offering these credit and cash management products to our clients. Additionally, we note that clients who use FCS's services will receive robust product-specific disclosure from the Network Providers that provide such services to our clients.

Even if we do not retain a portion of the Network Fees attributable to our clients' use of FCS's services (which mitigates the conflict that would otherwise have arisen from our receipt of incremental revenue), FCS does retain the Network Fees and also indirectly benefits from our clients' use of the services insofar as such use incentivizes the Network Providers to maintain their relationship with FCS and to continue paying Network Fees to FCS. It also may support increases in the overall amount of the Network Fee rates in the future. In addition, our interest in continuing to receive investment advisory fees from client accounts gives us a financial incentive to recommend that clients borrow money rather than liquidating some or all of the assets we manage, and that creates a conflict of interest when we recommend FCS to provide credit solutions to our clients.

### *FCS Credit Solutions*

For FCS credit solutions, the interest rate of the loan is ultimately dictated by the lender, although in some circumstances FCS may have the ability to influence the lender to lower the interest rate of the loan within certain parameters. The final rate may be higher or lower than the prevailing market rate. We can offer no assurances that the rates offered to Clients by the lender are the lowest possible rates available in the marketplace.

Clients retain the right to pledge assets in accounts generally, subject to any restrictions imposed by clients' custodians. While the FCS program facilitates secured loans through Network Institutions, clients are free instead to work directly with institutions outside the FCS program. Because of the limited number of participating Network Institutions and FCS's financial arrangements with those institutions, Clients may be limited in their ability to obtain as favorable loan terms as if the Client were to work directly with other banks to negotiate loan terms or obtain other financial arrangements.

Clients should also understand that pledging assets in an account to secure a loan involves additional risk and restrictions. A Network Institution has the authority to liquidate all or part of the pledged securities at any time, without prior notice to clients and without their consent, to maintain required collateral levels. The Network Institution also has the right to call Client loans and require repayment within a short period of time; if the Client cannot repay the loan within the specified time period, the Network Institution will have the right to force the sale of pledged assets to repay those loans. Selling assets to maintain collateral levels or calling loans may result in asset sales and realized losses in a declining market, leading to the permanent loss of capital. These sales also may have adverse tax consequences. Interest payments and any other loan-related

fees are borne by Clients and are in addition to the advisory fees that Clients pay us for managing assets, including assets that are pledged as collateral. The returns on pledged assets may be less than the account fees and interest paid by the account. Clients should consider carefully and skeptically any recommendation to pursue a more aggressive investment strategy in order to support the cost of borrowing, particularly the risks and costs of any such strategy. More generally, before borrowing funds, a Client should carefully review the loan agreement, loan application, and other forms and determine that the loan is consistent with the client's long-term financial goals and presents risks consistent with the Client's financial circumstances and risk tolerance.

### *FCS Cash Management Solutions*

For FCS cash management solutions, as stated above, certain third-party intermediaries provide administrative and settlement services in connection with the program. Those intermediaries each charge a fixed basis point fee on total deposits in the program, which are deducted from clients' cash balances in the program. Engaging FCS, the Network Institutions, and these other intermediaries to provide cash management solutions does not alter the way we treat cash for billing purposes.

Clients should understand that in rare circumstances, depending on interest rates and other economic market factors, the yields on cash management solutions could be lower than the aggregate fees and expenses charged by the Network Institutions, the intermediaries referenced above, and us. Consequently, in these rare circumstances, a Client could experience a negative overall investment return with respect to those cash investments. Nonetheless, it might still be reasonable for a Client to participate in the FCS cash management program if the Client prefers to hold cash at the Network Institutions rather than at other financial institutions (e.g., to take advantage of FDIC insurance).

Other than as set forth above with respect to Focus Client Solutions, GW & Wade's Clients are not solicited to invest in any other Focus Partners' advisory services, and generally Focus Partners do not recommend securities, services, or other investment products to other Focus Partner firms, unless so disclosed in their respective Form ADVs and with the Clients' informed consent, nor are any transactions executed through another Focus Partners' affiliated broker-dealer. Further, the Focus Partners do not market their services or share client information among each other without prior Client consent. Management of the Focus Partners is not involved in the management of GW & Wade.

GW & Wade does not believe the Focus partnership presents a conflict of interest with our clients. We have no business relationship with other Focus Partners that is material to our advisory business. More information about Focus can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com). As stated earlier in this Brochure, GW & Wade is a wholly owned subsidiary of Focus LLC. Focus LLC is also one of several minority investors in SmartAsset, which seeks to match prospective advisory clients with investment advisers in exchange for a non-success-based fee paid by the investment adviser. Focus has one director on SmartAsset's board as well as a board observer. GW & Wade terminated its relationship with SmartAsset in 2019.

Some Clients market mutual funds or other investment products (“Industry Clients”). This creates the risk that we would invest in those mutual funds or other investment products in order to secure or retain the business of the Industry Clients. We do not view the amount of revenue associated with Industry Clients to be material to GW & Wade but such revenue could be sufficient to the investment adviser representative responsible for an Industry Client relationship as to affect his or her objectivity in purchasing or recommending mutual funds or other investment products to Clients that he or she serves, This conflict is mitigated by our Investment Committee’s review of mutual funds and other investment products that are approved for purchase. Our Chief Compliance Officer (or his/her delegate) also reviews transactions in mutual funds or other investment products marketed by an Industry Client to confirm their suitability.

We also seek to mitigate the conflicts described in this Item by disclosing them in this Brochure.

### **Item 11 - Code of Ethics**

GW & Wade has adopted a Code of Ethics that applies to all persons supervised by GW & Wade, including principals and employees. All such persons are included as “access persons” for purposes of the Code of Ethics. The Code of Ethics sets forth a standard of business conduct which reflects GW & Wade’s fiduciary obligations to its clients; requires that all supervised persons comply with applicable federal securities laws; establishes policies and procedures designed to mitigate conflicts of interest between personal securities transactions of supervised persons and Clients including requiring all access persons to report for GW & Wade to review all personal securities transactions; requiring reporting of any violations of the Code of Ethics to our Chief Compliance Officer; and that we deliver to each of supervised persons a copy of our Code of Ethics and any amendments and receive an acknowledgment from them regarding their receipt.

A copy of the Code of Ethics will be provided to any client or prospective client upon request. The Code of Ethics prohibits access persons who know of a pending purchase or sale of a security on behalf of a Client from purchasing or selling the security until the Client’s purchase or sale has been made. No access person may purchase a security in an initial public offering, and no access person may engage in short-term trading (defined as a purchase and sale, or sale and purchase, within a period of 30 days) of a reportable security (as defined below). Each access person must obtain preapproval from GW & Wade’s Chief Compliance Officer before acquiring a security in a private placement or giving or receiving any gift or other item with a value of more than \$100 from any person or entity doing business with GW & Wade that might create a conflict of interest. The Code of Ethics also prohibits access persons from trading, either personally or on behalf of others, in securities while in possession of material, nonpublic information regarding such securities or communicating material, non-public information to others.

GW & Wade maintains a list of securities that no access person may purchase or sell for their personal account (“Control List”). The Control List includes all public companies where a Client has disclosed to GW & Wade that he/she serves as a potential corporate insider. Access persons are prohibited from recommending Control List securities to Clients without the approval of the CCO.

Under the Code of Ethics, access persons are required to file a quarterly report of all securities transactions involving the purchase or sale of “reportable securities” (generally any securities other than U.S. government securities, shares of money market funds, shares of open-end mutual funds, or units of a unit investment trust). Each quarterly report is reviewed for compliance with the Code of Ethics.

## **Item 12 - Brokerage Practices**

### **A. Brokerage Services Provided by GWWAMC**

GW & Wade’s investment management agreements typically authorize us to make trades in a Client’s account but do not authorize us to select the broker-dealer to execute trades. In our discretionary investment management agreements and our current non-discretionary investment management agreements, Clients are required to direct a broker-dealer to execute trades. Clients may designate an unaffiliated broker-dealer but we typically recommend and Clients typically direct the use of our affiliated broker, GWWAMC. In our Legacy non-discretionary investment management agreements, Clients are required to use the brokerage services of GWWAMC. Clients who use the brokerage services of GWWAMC enter into an agreement with GWWAMC and its clearing firm, NFS.

We recommend GWWAMC primarily because Clients use of the same broker facilitates account administration by GW & Wade and because of the reputation and quality of service of NFS, which executes trades and clears for GWWAMC and allows our receipt of 12b-1 fees as an element of our compensation, including for our advisory services. In evaluating NFS’s services, other factors we have considered in making our recommendation and determining the reasonableness and competitiveness of commissions and other transaction costs; trade order execution and the ability to provide accurate and timely execution of trades; access to a broad range of investment products; access to trading desks; technology that integrates within GW & Wade’s technology environment; access to research; ability to provide a full range of options for account registrations for our Clients; a dedicated service team and its ability to accurately and timely process requests on behalf of our Clients; ability to provide GW & Wade with access to Client account information through ad hoc and custom reporting and through its website and integrations; ability to provide Clients with electronic access to account information; previous payment to GWWAMC of business development credits.

The commissions, charges and expenses that a Client pays to GWWAMC are set forth below under “GWWAMC Commission Schedule.” Commissions, charges and other expenses reduce investment returns.

Certain GW & Wade principals and employees are separately licensed as registered representatives of GWWAMC. As such, these individuals are able to effect securities transactions and receive separate compensation for effecting such transactions.

See, generally, Item 5, Fees and Compensation, including Items 5.F and G and Item 14., Client Referrals and Other Compensation, describe benefits and payments received by GW & Wade from



Fidelity and NFS in connection with brokerage/custodial services they provide to Clients. See Item 5.D, 529 Plans, for a discussion of our receipt and retention (without crediting) of 12b-1 fees paid to GWWAMC from mutual fund shares held in a 529 Plan as our compensation for advisory services in some accounts. See also Item 5.E., Other Assets Excluded from Asset-Based Management Fee. A discussion of the implications of entering into directed brokerage arrangements including using GWWAMC or Fidelity to execute transactions appears in Item 12.B. below, Directed Brokerage.

As a result of Client payments to GWWAMC for brokerage services, we and our personnel have a conflict of interest when recommending GWWAMC. Our recommendation is not disinterested and could be contrary to a Client’s best interests because another broker-dealer could be cheaper and, except in the case of open-end mutual fund shares, could provide better quality execution. We seek to address this conflict of interest in part by bringing it to the attention of Clients and allowing Clients the choice of using another broker-dealer to implement our investment advice. In addition, as set forth below in Section C, Directed Brokerage, below, there are disadvantages to a Client to directing that execution occur through a particular broker-dealer.

GWWAMC COMMISSION SCHEDULE

MUTUAL FUNDS:

Buys, Sells and exchanges: \$13 ticket charge

\$10 surcharge (additional) for share classes on NFS’s zero fee-paying fund list.

STOCKS:

<u>Listed Equities</u>	<u>Commission Rate</u>
All orders up to 10,000 shares	\$7.95
All orders, 10,001 shares or greater	\$7.95 plus \$.01 per share

Closed-End Mutual Funds and Exchange Traded Funds will be charged as a listed equity.

<u>Over the Counter (“OTC”) Equities</u>	<u>Commission Rate</u>
All orders	\$7.95

American Depository Receipts (“ADRs”) and Canadian securities are charged as an OTC equity.

EQUITY and ETF BLOCK ORDERS. See also “Order Aggregation” at the end of this section.

Listed Equities

For Block Orders in listed equities: \$7.95 per transaction plus \$0.01 per share on block orders greater than 10,000 shares. Block Orders are filled in the firm’s average price account through one or more trade executions. Each execution in the average price account carries an additional

cost of \$5.00. This additional cost is passed on to each Client account participating in the Block Order by multiplying \$5.00 by the number of total executions and dividing such cost equally among participating Client accounts.

OTC Equities

For block trades in OTC equities: \$7.95 per transaction \$5.00 charge per block trade execution which shall be charged pro rata to each Client participating in the block trade. Block Orders are filled in the firm’s average price account through one or more trade executions. Each execution in the average price account carries an additional cost of \$5.00. This additional cost is passed on to each Client account participating in the Block Order by multiplying \$5.00 by the number of total executions and dividing such cost equally among participating Client accounts

Scharf Clients

Scharf Clients pay 12.95 per block trade which incorporates both the \$7.95 commission and the \$5.00 block fee because we cannot estimate the number of participants or executions within the block in advance. Within 15 business days of each quarter end, GWWAMC will reconcile actual activity and credit back any overage to be consistent with the schedule for Block Orders in Listed Equities and OTC Equities above.

INTERNATIONAL SECURITIES (Excluding ADRs & Canadian Securities):

<u>Security</u>	<u>Commission Rate</u>
Eurobond Clearance	\$61.50
All Other Foreign Securities	\$86.50

OPTIONS:

<u>Transaction Amount</u>	<u>Commission Rate</u>
Contracts less than \$1.00	\$20.00 plus \$1.00 per contract
Contracts \$1.00 and above	\$20.00 plus \$1.50 per contract

MUNICIPAL/CORPORATE BONDS & US TREASURY OBLIGATIONS:

Corporate Bonds	\$15.00
Municipal Bonds	\$15.00
Government Bonds	\$20.00

In limited circumstances, we may waive commission charges of GWWAMC for some Clients.

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These brokerage commissions and fees are in addition to the applicable asset-based management fee paid to GW & Wade and in addition to the 12b-1 fees that are paid to GWWAMC by mutual funds or their affiliates depending on the particular share class of mutual fund shares that a Client purchases. See Item 4, Advisory Business; Item 5, Fees and Compensation, including Items 5.F and G and Item 14., Client Referrals and Other Compensation, describe benefits and payments received by GW & Wade from Fidelity and NFS in connection with brokerage/custodial services they provide to Clients. See Item 5.D, 529 Plans, for a discussion of our receipt and retention (without crediting) of 12b-1 fees paid to GWWAMC from mutual fund shares held in a 529 Plan as our compensation for advisory services in some accounts. See also Item 5.E., Other Assets Excluded from Asset-Based Management Fee. A discussion of the implications of entering into directed brokerage arrangements including using GWWAMC or Fidelity to execute transactions appears in Item 12.B. Directed Brokerage, immediately below.

#### B. Directed Brokerage

We do not select the broker-dealer to execute transactions and do not negotiate brokerage commissions or transaction costs. Rather, we require that a Client select a broker-dealer to execute transactions at the time the Client enters an investment management agreement. We have recommended, but generally have not required use of GWWAMC (except historically, Clients with legacy non-discretionary investment management agreements were required to use GWWAMC). A Client who elects to designate a broker-dealer other than GWWAMC to execute transactions is disadvantaged with respect to transactions in individual securities (rather than open-end mutual funds) because the Client will not receive the potential benefit of aggregating transactions with those of other Clients and because the Client's transactions generally will be executed after transactions executed by GWWAMC. See Section C, Order Aggregation, below.

Not all advisers have a broker-dealer affiliate such as GWWAMC or require their clients to direct the broker-dealer to execute transactions. Many advisers select a broker-dealer that they believe can provide best execution (most favorable terms) in connection with particular transactions. Since such advisers generally can choose from among multiple broker-dealers, they may be able to negotiate execution fees, achieve lower transaction costs, and provide superior execution quality relative to GWWAMC.

GW & Wade requires Clients to select a broker and does not select among broker-dealers whom it believes can provide best execution of particular transactions. This is disadvantageous to Clients because they do not have the opportunity to benefit from a better-quality execution or the negotiation of lower transaction costs, both of which could be attained if GW & Wade sought to execute through the broker-dealers whom it believes could provide best execution of particular transactions. As a result, Clients may receive less favorable prices with respect to individual securities (other than open-end mutual funds), and may pay higher transaction costs, each of which reduce returns.

### C. Order Aggregation

Order aggregation is the process of adding together or “bunching” orders from multiple accounts or clients to purchase or sell the same security as one large order (“Block Order”). The firm has instituted an order aggregation policy taking into account its obligation to avoid conflicts of interest and ensure fair and equitable treatment of its Clients.

GW & Wade's order aggregation practices for equities and ETFs for its main business line are as follows:

- If a GW & Wade investment adviser representative makes a discretionary decision to buy or sell an equity security/ETF across multiple Client accounts such orders will be aggregated into a Block Order, executed in an average price account and each Client account will be allocated securities at the average execution price.
- Orders are generally not aggregated across multiple investment adviser representatives' Client accounts unless: 1) one or more investment adviser representatives simultaneously places an equity security/ETF buy or sell order with traders across multiple Client accounts at the firm; or 2) the firm places an equity security/ETF buy or sell order with traders across multiple accounts pursuant to a proprietary investment strategy.
- If a Block Order is partially filled, it will be divided proportionally across participating Client accounts. For example, if 50% of the total Block Order is filled, each participating Client account receives a fill for 50% of the account's respective order.

The DKBIM business line will aggregate its own trades for submission without consulting with GW & Wade and vice versa.

Clients participating in Block Orders at GWWAMC pay an additional trading cost. There is risk that Clients participating in Block Orders do not receive more favorable execution terms than if the orders were not aggregated. Block Orders are filled in the firm's average price account through one or more trade executions. GW & Wade has discretion to permit exceptions from the above practices taking into account its obligation to act in the best interest of its Clients, avoid conflicts of interest and ensure fair and equitable treatment of its Clients.

If orders for purchase or sale of securities other than open-end mutual funds are being aggregated for trading purposes, a Client with a broker other than GWWAMC will typically trade after those Clients who trade with GWWAMC. A Client's selection of a broker-dealer other than GWWAMC likely would result in different execution terms when purchasing or selling individual securities than GW & Wade was able to achieve in a Block Order. Transaction costs and execution quality through a broker-dealer other than GWWAMC could be better or worse than GW & Wade was able to achieve, though it generally is disadvantageous to trade after other investors make the same trade.

There is not typically an opportunity to aggregate bond orders because ordinarily these are purchased either at the direction of a Client or as part of a bespoke portfolio. If such an opportunity arises, we will aggregate the order and allocate to Clients in a fair and equitable manner.

Third-Party Managers do not coordinate their trades with GWWAMC so their trades would not be aggregated with Client trades GWWAMC was making in the same security.

#### D. Financial Planning Services

Financial planning services do not involve investment management of assets or the execution of transactions on behalf of the financial planning client. We frequently recommend that a financial planning client enter into an investment management agreement with GW & Wade, which typically results in the use of GWWAMC as broker-dealer. Because GW & Wade and GWWAMC are compensated for those services, we have an incentive to recommend them. See Sections A, Discretionary and Non-Discretionary Investment Management Services and C, Directed Brokerage.

#### E. Correction of Trade Order Errors

GW & Wade's procedures generally provide that if GW & Wade makes an error while placing a trade order for a Client account (whether that error results in a gain or a loss), GW & Wade corrects the error as quickly as possible and GW & Wade then places the correct trade in the Client's account. This generally includes moving the incorrect trade to an "error account" held by GW & Wade. GW & Wade bears all costs associated with the trade and nets all losses with gains. GW & Wade reviews the account no less frequently than annually and, to the extent that there is a net gain at the end of a review period, the gains will be contributed to a charity.

#### F. Third-Party Managers

When GW &K manages Client assets, pursuant to the Client's agreement with GW &K, typically selects the counterparties with which to trade the municipal bonds used in its strategy rather than at GWWAMC (called "trading away") unless the Client directs it otherwise. At GWWAMC, the same transaction fee for trading in these fixed income securities is charged regardless of whether the security is traded at the broker/custodian or not. (At Fidelity, there will be a charge for trading away these fixed income securities from Fidelity, but it is the same as the fee that GWWAMC currently charges on all fixed income securities transactions.)

When Scharf manages our Client's assets, it typically places trades via GWWAMC's clearing broker NFS. This may mean that our Client's account is traded before or after other of Scharf's client accounts which trade at other broker-dealers, and could result in different, including worse, prices or execution for our Clients than Scharf's other clients. The securities that Scharf manages for Clients are typically highly liquid names that generally do not require special trading techniques or counterparties and are traded directly at NFS, GWWAMC's executing broker-dealer.

These third-party arrangements give rise to certain conflicts of interest including giving us an incentive to recommend GWWAMC to trade based on compensation and other economic benefits we receive from them rather than on a Client's needs. This conflict is mitigated because the client selects the broker-dealer and we disclose these conflicts, the brokerage practices, fees and other costs in this Section 12.

Clients should refer to the individual third-party manager's filing on Form ADV, Part 2A for more information concerning the respective third-party investment adviser's brokerage practices.

Please see section B above for a discussion of the implications of directed brokerage arrangements

#### G. Brokerage/Custodial Services Provided by Fidelity

##### 1. Transition of Brokerage from GWWAMC to Fidelity

We have started the process to wind down GWWAMC. As discussed throughout this Brochure, during 2020 and 2021, we expect to begin recommending that new and existing Clients direct the use of Fidelity to provide their brokerage/custodial services. Use of the same broker facilitates our account administration. We expect that many Clients will select Fidelity to provide these services. The considerations in our recommending Fidelity are that Fidelity is generally expected to be able to provide as good execution for the types of transactions that we undertake for Clients as those executed at GWWAMC (NFS is also the clearing broker for GWWAMC); Fidelity's commission, transaction and other charges are competitively priced and in many cases will cost Clients less money than currently at GWWAMC; and we have an established working relationship with operations personnel at Fidelity because NFS already clears for GWWAMC. Additionally, we considered Fidelity's ability to provide accurate and timely execution of trades; access to a broad range of investment products; access to trading desks; technology that integrates within GW & Wade's own technology environment; access to research; ability to provide a full range of options for account registrations for our Clients; a dedicated service team and its ability to accurately and timely process requests on behalf of our Clients; ability to provide GW & Wade with access to Client account information through ad hoc and custom reporting and through its website and integrations; ability to provide Clients with electronic access to account information, investment and research tools; transition payment assistance (described in Item 5.G and 14) and practice management tools and services.

Clients who use the brokerage/custodial services of Fidelity will pay fees, commissions and other expenses for execution and related services. These fees, commissions and expenses are as set forth in Fidelity's transaction fee schedule, which will be provided to Clients when we provide account opening paperwork (described below). None of these fees, commissions or expenses is received by GW & Wade. In general, the commissions and other fees, expenses, and margin rates that we have negotiated with Fidelity on behalf of our Clients are more advantageous than those of GWWAMC set forth above. Additionally, for Clients who elect electronic delivery of their brokerage statements or who have greater than \$1 million under management with GW & Wade at Fidelity, equity and ETF trades will be at no charge.

Clients are free to direct GW & Wade to execute trades through a broker-dealer other than Fidelity. As described in Item 12.B, Directed Brokerage, there are disadvantages to directing that transactions be executed through a particular broker –dealer.

We are planning to implement the recommendation to use Fidelity's services in phases so we can seek to maintain our service levels to our Clients throughout the transition. As a preliminary step, we will seek to transition accounts of GW & Wade employees and related accounts (with their

consent) from GWWAMC to Fidelity so that we can be comfortable that our employees are trained and any servicing issues are addressed without impacting our other Clients. Given our goal of maintaining our service standards, our default is not to include any other Clients in the preliminary transition phase. However, if a Client would like to participate prior to receiving their transition materials in the normal course, they may contact their GW & Wade Counselor to be included. We will complete the transition of GW & Wade employee and family accounts during the remainder of 2020 and early 2021. After that phase has been completed, we will evaluate the process. We currently expect that we will seek to transition existing Clients in phases beginning no earlier than late Spring of 2021. We expect that beginning in 2021, we will begin recommending to new Clients generally that they use Fidelity to execute transactions. We will determine the schedule for providing transition material to our remaining Clients based on our experience with GW & Wade employee/family accounts and factors such as staffing requirements and availability of onsite external vendor support. In light of this phased approach, some Clients, including GW & Wade's personnel and related accounts described above, will have access to Fidelity's more favorable rates before other Clients. This conflict will be mitigated in part because, other than undertaking the transition for one GW & Wade office location at a time, we will seek to use a methodology that does not seek to systematically advantage or disadvantage any particular group of Clients to determine the order in which our Clients receive the transition documents. This conflict is also mitigated, in part, because the purpose of transitioning employees and related accounts first is so that we can identify and resolve service issues prior to recommending the transition to the remainder of our Clients. GW & Wade also seeks to mitigate this conflict by disclosing the conflict to Clients and giving them the opportunity to elect to transition to Fidelity during the preliminary transition.

Once we receive the completed transition paperwork from the Client, we currently expect that, in most cases, the transition should take no more than two weeks after receipt of paperwork. In some instances, a Client's transition may take longer as the result of idiosyncratic issues.

GWWAMC will not continue in business as an active broker-dealer after all GWWAMC Client accounts are transitioned to Fidelity or other broker-dealers.

## 2. Conflicts of Interest Associated with Recommendation of Fidelity

GW & Wade benefits from a Client's use of Fidelity for execution and brokerage/custodial services because of economic benefits we receive from Fidelity described in Item 5.G., Fees and Compensation/ Payments and Benefits to GW & Wade Provided by Fidelity. As a result of the benefit to us of a Client choosing to use Fidelity for brokerage/custodial services, we have a conflict of interest when recommending Fidelity. Another broker-dealer could be cheaper and, except in the case of open-end mutual fund shares, could provide better quality execution. We seek to address this conflict of interest by bringing it to the attention of Clients and allowing Clients the choice of using another broker-dealer to implement our investment advice. As set forth above in Item B above, Directed Brokerage, we do not offer the service of selecting for each trade the broker-dealer that we believe can provide best execution or the service of negotiating commissions and transactions costs. This is disadvantageous to Clients because they do not have the opportunity to benefit from a better-quality execution or negotiation of lower transaction

costs that could be obtained if we did attempt to select for each trade the broker-dealer that we believe can provide best execution or negotiate commissions and transaction costs.

GW & Wade's approach to order aggregation, trade errors, financial planning services and fees is not expected to be affected by the transition to Fidelity.

### **Item 13 - Review of Accounts**

GW & Wade representatives periodically monitor the composition and portfolio characteristics of accounts they manage on behalf of Clients. Client accounts also are formally reviewed at least semi-annually by the GW & Wade representative responsible for the Client account. Account reviews are intended to confirm that the account is consistent with the Client's investment objectives and any agreed upon guidelines, the investment strategy remains suitable for the Client, and any material changes with respect to the account or Client have been implemented. GW & Wade's Chief Compliance Officer or his/her delegate also reviews accounts periodically to, among other items, assess compliance with a Client's investment objectives and applicable advisory agreement and to confirm investment advisory billing rates and related fees. Accounts may be reviewed more frequently in the event of a material change in the Client's financial condition or adverse market conditions.

Clients receive brokerage account statements at least quarterly from their qualified custodian. If a Client directs the use of GWWAMC, statements are provided by NFS. If a Client selects Fidelity or another custodian, custodian will provide those statements.

Some Clients receive from us written portfolio appraisals and other reports that are generated using a portfolio accounting reporting system. These reports typically include a breakdown of the Client's portfolio by asset class, performance information, and realized and unrealized gains/losses over the reporting period. GW & Wade urges our Clients to carefully review such reports and to compare them to the statements provided by the firm(s) that they have selected for brokerage/custodial services. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Clients who use a third-party manager should refer to the individual manager's Form ADV, Part 2A or relevant offering or subscription documents for information on the nature and frequency of reports they are to receive as a participant in such program.

Financial Planning Clients do not receive regular reporting from GW & Wade.

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

#### *Benefits from others*

*NFS.* We receive from NFS, which provides execution and custodial services to Clients through our brokerage affiliate GWWAMC, certain benefits. In particular, NFS provides to us on an unsolicited basis some research in the form of market reports and analysis. GWWAMC's commissions, charges and expenses paid by Clients are not affected by our receipt of the market



reports. The market reports and analysis are a benefit to us because if NFS did not provide them without charge and we wished to obtain them, we would need so spend our own resources. In addition, GW & Wade has negotiated with NFS to waive certain fees for Clients with IRA accounts at GWWAMC which, if GW & Wade or GWWAMC were to waive for Clients and bear the costs ourselves, would cost GW & Wade money. These benefits create an incentive for us to cause GWWAMC to continue to use the services of NFS, but GWWAMC is in the process of winding down. We expect that Fidelity, which is affiliated with NFS, will continue to provide us with market reports and analysis as discussed below.

*Fidelity.* As also set forth above, we have an arrangement with Fidelity to receive certain transition-related payments and benefits arising in connection with Clients using Fidelity's custodial and brokerage/custodial services. Those benefits and payments are set forth above in Items 5.G., Payments and Benefits to GW & Wade Provided by Fidelity. They benefit us because if Fidelity did not provide them and we wished to use them, we would need to use our resources to pay for these products and services. As also set forth above, our receipt of those benefits and payments give rise to a conflict of interest because they create an incentive for us to recommend that Clients use Fidelity's brokerage/ custodial services. See Items 5.G., Payments and Benefits to GW & Wade Provided by Fidelity. To help mitigate this conflict, in part, we call it to the attention of Clients in this Brochure and we allow Clients to contract to receive our advisory services, but select another broker-dealer for custodial and execution services if they so choose in light of our conflict of interest.

#### *Conference sponsorship fees*

From time to time, our parent company Focus holds partnership meetings and other industry and best-practices conferences, which typically include GW & Wade, other Focus partner firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including GW & Wade. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including GW & Wade. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause GW & Wade to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including GW & Wade. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement. The following entities have provided conference sponsorship to Focus in the last year:

Charles Schwab & Co., Inc.  
Orion Advisor Services, LLC

### *Other compensation*

*Mutual Funds and Affiliates.* GWWAMC receives 12b-1 fees from mutual funds or their affiliates as a result of Clients purchasing certain share classes of those mutual funds. Receipt of 12b-1 fee from mutual funds generates compensation for GW & Wade and/or its personnel. Our affiliated broker-dealer GWWAMC also receives compensation from Clients for brokerage services. See Item 4, Advisory Business; Item 5, Fees and Compensation, and Item 12, Brokerage Practices, for a discussion of the fees, expenses, conflicts and mitigating factors applicable to Clients' advisory arrangements with us including, without limitation, our receipt of indirect compensation for investment management services through GWWAMC's receipt of 12b-1 fees and GWWAMC's receipt of compensation for its brokerage services. A discussion of the implications of entering into directed brokerage arrangements including using GWWAMC to execute transactions appears in Item 12.B., Directed Brokerage.

GW & Wade and its employees also receive benefits from mutual fund companies or other vendors such as: provision of their employees to speak at events for GW & Wade Clients, prospective clients and firm employees; provision of training and educational meetings and associated meals, lodging and transportation; and provision of meals at in-office meetings with company representatives shared among attendees. A conflict exists in these circumstances because they create an incentive for GW & Wade to recommend securities based on benefits received rather than a client's needs. These conflicts are mitigated by the procedures set forth in GW & Wade's Code of Ethics that place restrictions on gifts and entertainment our employees are permitted to receive and by our Investment Committee's mutual fund and advisor selection process. Please see Item 8.A. Methods of Analysis and Item 11, Code of Ethics.

Clients invested in the Envestnet separate account program pay a wrap fee to Envestnet as more fully described in the applicable Envestnet wrap fee program brochure. From that amount, we are paid by Envestnet an annual adviser fee between 0.50% and 0.75% of assets under management. Please see Item 5.I. for a description of the conflicts and mitigating factors relating to receipt of advisory compensation from Envestnet.

### *Referrals*

Certain principals and employees of GW & Wade are compensated for Client referrals. Additionally, we sometimes provide gifts valued at less than \$100 to Clients or other referral sources as thanks for referring new Clients to us.

### *DKBIM*

We expect that Debra K. Brede will join GW & Wade at the end of 2020. Ms. Brede was solicited by Forbes, Inc. to author a book on retirement financial literacy. Ms. Brede receives payments from Forbes, Inc. in connection with sales of the book. At her prior firm, Ms. Brede also received client referrals from a website that Forbes sponsored, which we expect will inure to the benefit of GW & Wade.

## **Item 15 – Custody**

Client assets are held at unaffiliated qualified custodians. Although GW & Wade does not hold these assets, it is deemed to have custody of some accounts by operation of the SEC's Custody Rule, Rule 206(4)-2 under the Investment Advisers Act of 1940.

A Client receives a brokerage account statement at least quarterly through the firm(s) that the Client selected to provide custody services. If a Client elects the use of GWWAMC, account statements are provided by National Financial Services, LLC, which serves as the clearing broker for GWWAMC. If a Client elects the use of Fidelity or another broker-dealer, the Client will receive that statement from Fidelity or that other broker-dealer. GW & Wade urges you to carefully review brokerage account statements and compare them with any account statements and related reporting that we provide to you. Reports provided by GW & Wade may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 - Investment Discretion**

GW & Wade provides both discretionary and non-discretionary advisory services to our Clients, in each instance under a written advisory agreement. Please see Item 4, Advisory Business.

Clients may impose reasonable restrictions or limitations on the management of their accounts. Any such restrictions or limitations typically are provided to GW & Wade in writing.

## **Item 17 - Voting Client Securities**

GW & Wade does not have any authority to and does not vote proxies on behalf of Clients. Clients retain the responsibility for voting proxies for all securities maintained in their accounts. Clients receive proxies and other solicitations directly from the custodian.

## **Item 18 - Financial Information**

GW & Wade has no financial condition that impairs its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy proceeding.