

# WealthShield LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of WealthShield LLC. If you have any questions about the contents of this brochure, please contact us by email at Justine Kidwell at [justine@wealthshield.co](mailto:justine@wealthshield.co). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.*

*Additional information about WealthShield LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). WealthShield LLC's CRD number is: 288875.*

*WealthShield LLC is registered with the SEC as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act"). Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

Below is a summary of the material changes that WealthShield LLC has made to this Form ADV Brochure since its last annual Form ADV filing in March 2023. Please be aware, WealthShield doesn't have any material changes to report since our last ADV update.

## Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes .....	ii
Item 3: Table of Contents .....	iii
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation .....	6
Item 6: Performance-Based Fees and Side-By-Side Management.....	7
Item 7: Types of Clients .....	7
Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss.....	7
Item 9: Disciplinary Information .....	12
Item 10: Other Financial Industry Activities and Affiliations .....	12
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	15
Item 12: Brokerage Practices.....	16
Item 13: Review of Accounts .....	17
Item 14: Client Referrals and Other Compensation .....	18
Item 15: Custody.....	19
Item 16: Investment Discretion.....	19
Item 17: Voting Client Securities (Proxy Voting) .....	20
Item 18: Financial Information .....	20

## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

WealthShield LLC (hereinafter “WS”) is a Limited Liability Company organized in the State of North Carolina. The firm was formed in April 2017, and the principal owners are Robert Leggett and Clint Sorenson through their ownership of the parent company, Clint and Robert Holdings, LLC.

### **B. Types of Advisory Services**

#### ***Sub-advisory Services***

WS offers its investment strategy and portfolio modeling services to other investment advisers on a sub-advisory basis. In such arrangements, WS enters into a sub-advisory agreement with another investment adviser (referred to herein as the “primary adviser” or “primary investment adviser”) for WS’s investment management services and the use of investment models and asset allocation strategies developed by WS. WS constructs an asset allocation and selects the underlying investments for each investment model portfolio based on information provided by the primary investment adviser. The primary adviser may then use that information in managing the primary adviser’s clients (referred to herein as the “clients”, “underlying clients” or the “primary adviser’s clients”).

Client accounts are generally managed via a third-party investment management platform (“Platforms”). Sub-advisory services may be on a discretionary or nondiscretionary basis depending on the sub-advisory agreement. In a discretionary arrangement, the primary investment adviser selects an investment model portfolio created by WS for a particular investment style, and based on that model, WS will execute transactions to implement the model’s strategies or to rebalance the portfolios for the primary adviser’s clients. In a nondiscretionary arrangement, the investment adviser receives WS’s investment model portfolio for a particular investment style, and based on that model, the investment adviser exercises investment discretion over the transactions in the underlying client accounts and WS will execute a transaction only upon explicit instruction from the investment adviser to do so. WS does not enter into investment management or other agreements with the underlying clients of a primary investment adviser utilizing WS’s sub-advisory services.

#### ***Unified Management Account Programs***

WS offers its investment strategy and portfolio modeling services to Unified Management Account (“UMA”) programs. The primary investment adviser selects an investment model portfolio created by WS based on client investment objectives. The UMA program sponsor receives WS’s investment model portfolio for a particular investment style and is responsible for effecting transactions in client accounts.

## *Signaling Services*

WS provides investment advisers with a subscription to certain investment selection models. WS creates and provides signaling services models to the investment advisers based on parameters they set forth.

## *Services Limited to Specific Types of Investments*

WS generally limits its investment advice to mutual funds, real estate funds (including REITs), equities, fixed income, ETFs (including ETFs in the gold and precious metal sectors) and non-U.S. securities. WS may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

WS offers the same suite of services to all investment advisers that are WS clients. However, specific investment strategies and their implementation are dependent upon the direction of the investment adviser. WS assists the primary investment adviser in the development and preparation of an Investment Policy Statement that describes their overall investment policies, objectives and guidelines, including, without limitation, asset allocation guidelines and investment restrictions and preferences. WS creates custom models/sleeves for the primary adviser based on the parameters set forth by the adviser. The primary investment advisers may impose restrictions on investing in certain securities or types of securities. WS reserves the right to end any sub-advisory relationship in accordance with the terms of its agreement with the primary adviser and may end the relationship for a variety of reasons, including in response to an investment adviser's imposition of additional restrictions.

### **E. Assets Under Management**

WS does not directly manage any client assets. All assets under the firm's advice are offered through "sponsor" firms who should provide their firm's ADV Brochure at the time of opening your account.

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

WS offers its investment strategy and portfolio modeling services to other investment advisers, including UMA programs, and WS receives a share of the fees the primary investment adviser collects from its underlying clients. The notice of termination requirement and payment of fees for sub-advisory services will depend on the terms of the WS agreement with the primary investment adviser. The fees received by WS will not exceed .60% annually. These fees are generally negotiable.

### **B. Payment of Fees**

The primary advisers may request that WS' advisory fees be withdrawn from the underlying client accounts through the Platform or the investment adviser may be invoiced for such fees. The primary adviser will pay WS its portion of such advisory fees in accordance with the applicable sub-advisory contract between WS and the primary investment adviser, on a monthly or quarterly basis based on the terms of the agreement.

### **C. Client Responsibility for Third Party Fees**

WS' client, the primary investment adviser, and the primary adviser's underlying clients will be responsible for the payment of all third-party fees (including, without limitation, any custodian fees, brokerage fees, mutual fund fees, distribution fees, shareholder servicing fees, transaction fees, Platform fees, taxes, fees of other service providers or consultants engaged by the primary investment adviser, etc.). Those fees are separate and distinct from the fees and expenses charged by WS. WS, or our affiliate, receives a portion of fees charged by Platforms. Item 10 further describes this arrangement and the conflicts of interest presented.

Please see Item 12 of this brochure regarding brokerage practices.

### **D. Prepayment of Fees**

WS generally collects fees in advance on a quarterly basis. Certain primary advisers may be billed monthly or quarterly in arrears. Refunds for fees paid in advance will be returned to the primary adviser.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in

the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

### **E. Outside Compensation for the Sale of Securities to Clients**

Some supervised persons of our firm are registered representatives of a broker-dealer and, in this role, accept transaction-based compensation, such as commissions, for the sale of investment products. This presents a conflict of interest as these supervised persons have an incentive to recommend investment products based on the compensation received rather than a client's needs. However, supervised persons do not receive any commissions or other transaction-based compensation as a result of securities transactions in accounts managed by WS. All investment products recommended by WS are transacted through a broker-dealer that is unaffiliated with WS.

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

WS does not offer performance-based fees for investment advisory services.

### **Item 7: Types of Clients**

WS offers its investment strategy, portfolio modeling and signaling services to other investment advisers.

WS does not impose a minimum account size requirement or other requirements with respect to the primary investment advisers to which it provides sub-advisory services, but an investment adviser may impose restrictions with respect to its client accounts.

### **Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss**

This section provides an overview of methods of analysis and investment strategies WS may utilize in providing services to primary investment adviser clients and certain related material risks that the primary adviser's underlying clients may face in connection with these services. Investing in securities involves a risk of loss that any investor should be prepared to bear. It is not possible to identify all of the risks associated with investing, and this section does not attempt to discuss all risks that may affect WS' model portfolios. Rather, this section discusses certain material risks of the investment activities of WS. Different risks will impact different investment strategies to different degrees, and the degree to which a particular risk is applicable will depend on a variety of factors, including which investment strategy(ies) are employed with respect to the primary adviser's client accounts.

We do not guarantee that an investment objective or planning goal will be achieved or that any of the investment strategies will create their intended results. Each client of the primary adviser must be able to bear the risk of loss that is associated with the client's account, which may include the loss of some or all principal invested. No single investment strategy, or combination thereof, is necessarily diversified or intended to provide a complete investment program.

## **A. Methods of Analysis and Investment Strategies**

### *Methods of Analysis*

WS's methods of analysis include, but are not limited to, Charting analysis, Fundamental analysis, Quantitative analysis and Technical analysis. We may use one or more of the following methods of analysis or investment strategies, among others, when providing sub-advisory services to other investment advisers:

**Charting analysis** involves the use of patterns in performance charts. WS uses this technique to search for patterns used that are intended to help predict favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Technical analysis** involves the analysis of past market data, primarily price and volume data.

### *Investment Strategies*

WS uses either or both long term trading and short term trading with respect to certain sub-advisory services.

**Investing in securities involves a risk of loss that you, as a client of the primary adviser, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. A risk involved in using this method is that only past performance data is considered without using other methods to cross-check data. When using charting analysis, WS may make the assumption that past performance



will be indicative of future performance. This may not be the case and may result in losses for a client.

**Fundamental analysis** is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions, as well as the financial condition and the quality of the company's management. WS considers earnings, expenses, assets, and liabilities important in determining the value of a company. We then compare our value of the company to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

One of the primary risks of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for WS's valuation of a security. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical analysis is a form of fundamental analysis that involves the process of making investment decisions based on the different stages of an industry at a given point in time. One of the primary risks of cyclical analysis is the lengths of economic cycles may be difficult to predict with accuracy, which leads to difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Quantitative analysis** is a method of determining the value of a security by examining its numerical, measurable characteristics such as revenues, earnings, margins and market share. One of the primary risks of quantitative analysis is that empirical data may not necessarily be the best indicator of the value of a certain investments, and purely mathematical approaches may not reveal significant security specific developments.

Charting involves identifying patterns that can suggest future activity in price movements. A chart pattern is a distinct formation on a stock chart that creates a trading signal or a sign of future price movements. Chartists use these patterns to identify current trends and trend reversals to trigger buy and sell signals. Some of the chart types WS utilizes are Line Charts, Bar Charts, Candlestick, Point and Figure, etc. One of the primary risks of charting analysis is that it may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Technical analysis** is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. One of the primary risks of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Management Risk:** Judgements about the value and potential appreciation of a particular security may be wrong and there is no guarantee that securities will perform as anticipated. The value of a security can be more volatile than the market as a whole or our approach may fail to produce the intended results, which can result in losses for a client.

**Market Risk:** There is a possibility that the value of securities may decline due to daily fluctuations in the markets. Stock prices change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. In a declining stock market, prices for all companies may decline regardless of their long-term prospects.

**Business, Terrorism and Catastrophe Risks:** Investments are subject to the risk of loss arising from the occurrence of various events, including hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on WS's business and clients' portfolios.

**Investing in securities involves a risk of loss that you, as a client of the primary adviser, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus investors may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. Mutual funds are also subject to extensive regulatory regimes, which may restrict their investments and result in lower investment returns than less-regulated investments.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed Income Securities:** Investments in fixed income securities are subject to credit, liquidity, prepayment, and interest rate risks, any of which may adversely impact the price of the security and result in a loss. The municipal market can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks, and their price can fluctuate during the day. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of

aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors. The returns on ETFs can be reduced by the costs to manage the funds. During time of extreme market volatility ETF pricing may lag vs. the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day) however there is no guarantee this relationship will always occur. In addition, for certain ETFs recommended by WS, there may be little or no public market due to trading volumes or other factors. Accordingly, clients may not be able to sell the ETFs as desired.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client of the primary adviser, should be prepared to bear.**

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Some supervised persons of our firm are registered representatives of a broker-dealer and in this role, accept compensation for the sale of investment products. This presents a conflict of interest as these supervised persons have an incentive to recommend investment products based on the compensation received rather than a client's needs. However, supervised persons do not receive any commissions or other transaction-based compensation as a result of securities transactions in accounts managed by WS.

Some supervised persons of our firm are insurance agents/brokers. In addition, Clint and

Robert Holdings, LLC is the owner of an insurance company, WealthShield Insurance LLC. WealthShield Insurance LLC is an affiliate of WS and is utilized in connection with the sale of insurance products. Robert Leggett is a registered agent of WealthShield Insurance LLC. Supervised persons and WealthShield Insurance LLC offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest arises as these insurance sales create an incentive to recommend products based on the compensation WealthShield Insurance LLC and/or our supervised persons earn and may not necessarily be in the best interests of the client. Insurance commissions/fees (paid to WealthShield Insurance LLC or supervised persons who are insurance agents/brokers) are in addition to amounts payable to WS by a client described in Item 5. You are not obligated, contractually or otherwise, to purchase any insurance product.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither WS nor its representatives are registered as, or have pending applications to become registered as, a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of such entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Clint and Robert Holdings, LLC own both WSP and WS. Robert Leggett is an investment adviser representative with WSP and may also offer or provide clients the advisory services of WSP in such role. Robert Leggett must determine the amount of time to dedicate to WSP and WS, and conflicts of interest may arise in making such determination. WSP has engaged WS as the sub-adviser for its client accounts. WS always seeks to act in the best interest of the client, and clients are in no way required to use the services of any representative of WS in connection with such individual's activities outside of WS.

WS has also entered into agreements to provide algorithms, certain data, research, methodology and other services to investment advisers. WS receives a flat fee from such investment advisers as compensation for its services. These services are used by investment advisers in certain ETFs and Mutual Funds ("Model Funds"). In addition, WS creates other products such as model investment portfolios ("Model Products"). WS receives an asset-based fee for certain Model Products so the more assets in the Model Product, the more compensation WS will receive. We recommend investment in the Model Funds and Model Products. In addition, WS includes Model Funds as investments in Model Products. All fees received by WS for Model Funds and Model Products are in addition to the

compensation we receive for our advisory services described in Item 5. WS's compensation for Model Funds is not directly dependent on the amount of assets invested in the Model ETF. However, if the asset level in Model ETF decreased the investment adviser for the ETF may close the ETF and terminate its agreement with WS. As a result, this creates a conflict of interest as WS has an incentive to recommend Model Funds. Since WS's compensation for Model Products increases as there are more assets in such products, this creates a conflict of interest as WS has an incentive to recommend the Model Products based on the fees received for the Model Products rather than the best interests of the client. WS only recommends the Model Funds and Model Products when WS believes it is in the best interest of the client and consistent with the client's investment objectives. You may obtain the current list of Model Funds and Model Products by contacting us at the number on the cover page of this Brochure.

Clint and Robert Holdings, LLC owns a controlling interest in CRDJ LLC, a holding company that owns a non-controlling interest in ORG Private Advisor Group, LLC ("ORG").

Client and Robert Holdings, LLC owns a controlling interest in IGM, LLC, a limited scope broker-dealer currently under review for membership in FINRA. IGM provides commission payments to certain advisers of WSP under a separate registered representative agreement. Information about an Investment Advisor's individual registrations and qualifications can be found on [brokercheck.finra.org](http://brokercheck.finra.org) and in the advisor's supplemental brochure.

#### **D. Selection of Other Advisers or Managers and WS is Compensated for Those Selections**

WS recommends other investment advisers for clients through the selection of mutual funds, ETFs, and separate account strategies. WS does not generally receive compensation related to its recommendation of other investment advisers with the exception of Model ETFs and Model Products described above and the receipt of a portion of Platform Fees described below.

Client accounts are generally managed via third-party investment management platforms ("Platforms"). Platforms are paid a fee based on the amount of client assets on the Platform ("Platform Fee"). WS, or our affiliates, receives a portion of the Platform Fee. The Platform Fee is higher as a result of our receipt of a portion of the Platform Fee and clients may be able to access Platforms through other investment advisers at a lower fee. Clients May be responsible for paying the Platform Fee as described in the investment management agreement with their primary investment adviser. Clients should review the investment management agreement with their primary investment adviser to determine if they are responsible for paying the Platform Fee. This fee is in addition to the compensation we receive for our advisory services described in Item 5. Fees reduce returns over time. This creates a conflict of interest as we have an incentive to recommend Platforms based on our receipt of a portion of the Platform Fee rather than the best interests of the client. We have reviewed and periodically review Platforms that we recommend and believe that the use

of such Platforms is in the best interest of clients. As of the date of this Brochure, WS models and products are available on multiple platforms including Adhesion, Envestnet and SMARtX as Platforms.

Clint Sorenson provides services to the management committee and fund boards of Sealy Investment Securities, LLC and receives compensation for these services. These events are not for the broad public. This creates a potential conflict of interest, as this compensation creates an incentive to recommend Sealy investments.

As a result of common ownership, WS is affiliated with DIO Management, LLC (“DIO”), an investment advisory firm that is exempt from registration. Certain personnel, including Robert Leggett and Clint Sorenson, have roles at DIO and must determine the amount of time to dedicate to DIO and WS, and conflicts of interest may arise in making such determinations. All such activities are subject to WS’s code of ethics reporting requirements. DIO manages a hedge fund, Dynamic Income Opportunities, LP (“DIO Fund”). WS recommends the DIO Fund to certain clients. This presents a conflict of interest as WS has an incentive to recommend investment in the DIO Fund as a result of fees paid to DIO, which include a mix of management fees and/or performance fees. However, the fees paid to DIO are higher than the fees paid to WS for advisory services in certain instances, so compensation received by WS personnel may be higher as a result of a client investing in the DIO Fund when compared to investing in another product. We only recommend the DIO Fund to clients when we believe it is in the best interest of the client and consistent with the client’s investment objectives. The client must consent to invest in the DIO Fund and we provide disclosures to the client regarding the conflicts of interest prior to investing.

WS is affiliated with the Mercato platform. When a client is invested with the Mercato platform, the Adviser receives compensation in the form of a fee, this fee is not shared with the advisor.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **A. Code of Ethics**

WS has adopted a Code of Ethics pursuant to Advisers Act Rule 204A-1. A basic tenet of WS’s Code of Ethics is that the interests of clients are always placed first. The Code of Ethics includes standards of business conduct requiring Access Persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its clients. The Code of Ethics also requires that all Access Persons comply with ethical restraints relating to clients and their accounts, including restrictions on gifts and provisions intended to prevent violations of laws prohibiting insider trading. You may obtain a copy of WS’s Code of Ethics by contacting the firm at (919) 948-4452.



## **B. Recommendations Involving Material Financial Interests**

As a matter of policy, WS does not engage in principal transactions, cross transactions or agency cross transactions. Any exceptions to this policy must be approved in advance by the Chief Compliance Officer or his designee.

WS has also entered into agreements to provide algorithms, certain data, research, methodology and other services to investment advisers. WS receives a flat fee from such investment advisers as compensation for its services. These services are used by investment advisers in certain ETFs and Mutual Funds (“Model Funds”). In addition, WS creates other products such as model investment portfolios (“Model Products”). WS receives an asset-based fee for certain Model Products so the more assets in the Model Product, the more compensation WS will receive. We recommend investment in the Model Funds and Model Products. In addition, WS includes Model Funds as investments in Model Products. All fees received by WS for Model Funds and Model Products are in addition to the compensation, we receive for our advisory services described in Item 5. WS’ compensation for Model Funds is not directly dependent on the amount of assets invested in the Model ETF. However, if the asset level in Model ETF decreased the investment adviser for the ETF may close the ETF and terminate its agreement with WS. As a result, this creates a conflict of interest as WS has an incentive to recommend Model Funds. Since WS’s compensation for Model Products increases as there are more assets in such products, this creates a conflict of interest as WS has an incentive to recommend the Model Products based on the fees received for the Model Products rather than the best interests of the client. WS only recommends the Model Funds and Model Products when WS believes it is in the best interest of the client and consistent with the client’s investment objectives. You may obtain the current list of Model Funds and Model Products by contacting us at the number on the cover page of this Brochure.

## **C. Investing Personal Money in the Same Securities as Clients**

WS has adopted a Code of Ethics to ensure that personal investing activities by WS’ employees are consistent with WS’ fiduciary duty to its clients. The Code of Ethics includes standards of business conduct requiring Access Persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its clients. For purposes of its Code of Ethics, WS has determined that all employees are access persons.

In order to avoid potential conflicts of interest that could be created by personal trading among WS access persons, the Code of Ethics restricts the purchase and sale by access persons for their own accounts of any covered security within a specified time before the execution of a transaction in any such security for clients. All access persons are required to notify WS’s Chief Compliance Officer or his designee in order to pre-clear personal securities transactions in specified securities, including initial public offerings and limited offerings.

All access persons are required to submit quarterly personal securities transactions and

annual holdings reports for review by the Chief Compliance Officer, who will, in turn, review these reports for trading conflicts with client accounts. Access persons are also required to have copies of all brokerage statements sent to the Chief Compliance Officer, directly from the custodian(s), on at least a quarterly basis. The Chief Compliance Officer will maintain documentation of personal securities transactions, including any violations that occur and their resulting actions.

The Code of Ethics also requires that all Access Persons comply with ethical restraints relating to clients and their accounts, including restrictions on gifts and provisions intended to prevent violations of laws prohibiting insider trading.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

Since Access Persons invest in the same securities (or related securities, e.g. warrants, options or futures) that WS or a related person recommends to clients, no Access Person shall buy or sell a Reportable Security before any trades in the security are made for client accounts. The price paid or received by a client account for any security should not be affected by a purchase or sale on the part of an Access Person, or otherwise result in an inappropriate advantage to the Access Person.

## **Item 12: Brokerage Practices**

### **1. Factors Used to Select Custodians and/or Broker/Dealers**

WS does not recommend brokers/custodians. The primary investment adviser that hires WS to serve as sub-adviser or the primary investment adviser's underlying client selects the brokers/custodians that will be used for the underlying client accounts.

#### ***A. Research and Other Soft-Dollar Benefits***

WS receives no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

#### ***B. Brokerage for Client Referrals***

WS receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### ***C. Clients Directing Which Broker/Dealer/Custodian to Use***

The primary investment adviser that hires WS to serve as sub-adviser or the primary adviser's underlying client selects the brokers/custodians that will be used for that client's accounts. Not all advisers require their clients to direct brokerage. Directing brokerage may cost clients more money as WS may be unable to achieve most favorable execution of client transactions. Primary investment advisers that are WS



clients must refer to their sub-advisory agreements for a complete understanding of how they may be permitted to direct brokerage.

## **2. Aggregating (Block) Trading for Multiple Client Accounts**

WS maintains a trade aggregation and allocation policy, which policy is intended to ensure that clients participating in aggregated trading are treated fairly and equitably over time. WS engages in aggregating trading for all investment model portfolios. If WS buys or sells the same securities on behalf of more than one client, it might, but would be under no obligation to, aggregate or bunch, to the extent permitted by applicable law and regulations, the securities to be purchased or sold for multiple clients in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, WS would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. WS would determine the appropriate number of shares to place with brokers and will select the appropriate brokers consistent with WS's duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

WS reviews with investment advisers the Investment Policy Statement of the portfolios identified by the investment adviser on a mutually agreed upon periodic basis, at least annually. The review is conducted by Clint Sorenson, a Managing Partner, and/or David Stefanick, Director of Research.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

In addition to regular review, reviews may be triggered by various factors, including material market, economic or political events, or by changes in the primary adviser's underlying client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

WS provides investment advisers that are WS clients with an annual written portfolio evaluation and review for all portfolios identified by the investment adviser. The evaluation is based on the overall objectives set forth in the portfolio's Investment Policy Statement and performance. WS evaluates potential adjustments to the portfolios, Investment Policy Statement and/or asset allocations. As part of the review, WS reviews each portfolio for alignment with such portfolio's Investment Policy Statement and selected asset allocation.

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

- **Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Client accounts are generally managed via third-party investment management platforms (“Platforms”). Platforms are paid a fee based on the amount of client assets on the Platform (“Platform Fee”). WS, or our affiliates, receives a portion of the Platform Fee. The Platform Fee is higher as a result of our receipt of a portion of the Platform Fee and clients may be able to access Platforms through other investment advisers at a lower fee. Clients May be responsible for paying the Platform Fee as described in the investment management agreement with their primary investment adviser. Clients should review the investment management agreement to determine if they are responsible for paying the Platform Fee. This fee is in addition to the compensation we receive for our advisory services described in Item 5. Fees reduce returns over time. This creates a conflict of interest as we have an incentive to recommend Platforms based on our receipt of a portion of the Platform Fee rather than the best interests of the client. We have reviewed and periodically review Platforms that we recommend and believe that the use of such Platforms is in the best interest of clients. As of the date of this Brochure, we utilize Envestnet and SMArtX as Platforms.

- **Compensation to Non – Advisory Personnel for Client Referrals**

Currently, WS does not maintain any third-party referral arrangements with individuals or entities that may be compensated, directly or indirectly, for the solicitation of clients. If we were to enter into an arrangement with a third-party, it would do so in accordance with Rule 206(4)-3 of the Advisers Act.

## **Item 15: Custody**

WS does not recommend custodians. The primary investment adviser that hires WS to serve as sub-adviser or such investment adviser’s client selects the custodians that will be used for client accounts. WS is deemed to have custody of certain client funds and securities because WSP, a related person, has custody of client funds and securities. Please refer to Item 10 for more information on WSP. Pursuant to Rule 206(4)-2 under the Advisers Act, because the related person may directly deduct advisory fees from client accounts as part of the billing process, WS is deemed to have limited custody of client funds. In addition, WS has custody of client funds or securities due to standing letters of authorization to make transfers to third-parties on behalf of clients who have granted WSP this authority. This authority is granted to WSP by the client through a standing letter of authorization established by the client with their qualified custodian. WS/WSP have adopted and implemented policies and procedures to comply with the SEC’s February 21, 2017 No Action Letter regarding third-party standing letters of authorization. In instances

that WS has custody, client funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. Clients will receive account statements from the independent, qualified custodian(s) holding the funds and securities at least quarterly. The account statements from the custodian(s) will indicate the amount of WS's advisory fees deducted from client account(s) each billing period. Clients should carefully review account statements for accuracy. If a client has a question regarding their account statement or if a client did not receive a statement from their custodian, please contact WS at the number on the cover page of this Brochure.

### **Item 16: Investment Discretion**

WS predominantly provides its sub-advisory services on a non-discretionary basis. With respect to its non-discretionary sub-advisory relationships, WS cannot execute transactions with respect to an account without prior authorization from the primary investment adviser.

WS may accept discretionary authority to implement the initial investment into a model portfolio for the underlying client of a primary adviser, and to make subsequent executions that track the rebalancing of a model portfolio. WS observes investment limitations and restrictions that are outlined in the Investment Policy Statement that describes overall investment policies, objectives and guidelines, including, without limitation, asset allocation guidelines and investment restrictions and preferences. WS assumes discretion over accounts upon the execution of a discretionary sub-advisory agreement with the investment adviser and upon notification from the Platform that the account is ready to trade.

### **Item 17: Voting Client Securities (Proxy Voting)**

WS will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.