

# Canter Strategic Wealth Management, LLC

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This brochure provides information about the qualification and business practices of Canter Strategic Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (858) 729-9943, or by email at [emcmullen@canterwealth.com](mailto:emcmullen@canterwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Canter Strategic Wealth Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Canter Strategic Wealth Management, LLC's CRD number is 167828. Registration does not imply a certain level of skill or training.

08/30/16

# Material Changes

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## Update

Canter Strategic Wealth Management, is providing this information as part of our annual updating amendment which contains material changes from our last annual update. This section discusses only material changes since the last update which most recently occurred on 03/30/2016

1. Canter Strategic Wealth is now a switching from SEC registration to registered with the State of California
2. John Metzger CFP® joined Canter Strategic Wealth Management as a Managing Director, Private Client Group
3. Canter Strategic Wealth no longer offers subadvisory services to mutual funds

## Full Brochure Availability

The Firm Brochure for Canter Strategic Wealth Management, LLC is available by contacting Eric McMullen @ [EMcMullen@canterwealth.com](mailto:EMcMullen@canterwealth.com).

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# Advisory Business

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## Firm Description

Canter Strategic Wealth Management, LLC (“CSWM” or the “Firm”), a California limited liability company, was formed in May, 2013 and is registered as an investment adviser with the State of California”).

## Principal Owners

CSWM is wholly owned by Canter Wealth HoldCo, LLC, which is wholly owned by The Canter Group, LLC, which is wholly owned by Canter Holdings, LLC, which is wholly owned by Andrew Canter through a Trust. Eric McMullen, CFP® joined the firm on January 5, 2015 as a Managing Director.

## Types of Advisory Services

### Manager-of-Manager for Individual Clients

CSWM serves as a manager-of-managers for individual clients and specializes in building multi-manager equity portfolios, utilizing aggressive, moderate and conservative strategies, across domestic and international asset classes, styles and capitalization sizes. In constructing multi-manager portfolios, CSWM uses a goal-based financial planning process delivered by a Certified Financial Planner professional to develop the client’s Investment Policy Statement (“IPS”). Manager and strategy allocations are determined based on the particular goals and objectives of a client, including but not limited to: investment time horizon, risk tolerance, spending and liquidity needs, and, if appropriate, tax considerations. CSWM implements the IPS through the use of independent third-party investment managers (“sub-advisers”). Clients will execute advisory agreements directly with the sub-adviser, whereby accounts are typically managed on a discretionary basis.

As a manager-of-managers, CSWM is responsible for selecting sub-advisers, who, in-turn, purchase and sell securities for the clients’ accounts. The services that CSWM typically includes: (i) identifying and selecting sub-advisers for client portfolios; (ii) allocating client assets among selected sub-advisers; (iii) monitoring the performance and operations of the selected sub-advisers by conducting on-going due diligence on the sub-advisers; (iv) hiring and firing sub-advisers on behalf of the client; and (v) client reporting.

CSWM's manager selection process utilizes eleven separate screening criteria to evaluate and monitor sub-advisers as described in the *Methods of Analysis* section of this Brochure. Portfolios are rebalanced quarterly.

### Financial Planning

Individual clients may engage CSWM on an hourly basis solely to provide financial planning services.

Conflicts of Interest Disclosure: Please note that a conflict of interest exists between the Firm, the investment adviser, and you, the client. You are under no obligation to act on the Firm's financial planning recommendations.

Should you choose to act on any of the Firm's recommendations, you are not obligated to implement the financial plan through any of Firm's other investment advisory services. Moreover, you may act on the Firm's recommendations by placing securities transactions with any brokerage firm.

### **Investment Strategist Services**

CSWM serves as a business development consultant to certain investment advisors and other business entities. This entails providing acting as a solicitor for investment strategist and separate account managers. CSWM will represent investment strategists or asset managers to other RIAs and institutions.

### **Tailored Services**

All client portfolios are customized to the individual needs of our clients based on the client's IPS. Clients may impose restrictions on investing in certain securities or types of securities in accordance with their preferences, values or beliefs. Such restrictions must be submitted to CSWM in writing. However, sometimes the investment structures recommended (e.g., ETFs) will preclude CSWM from controlling the specific outcome requested by the client. In either case, we will discuss the feasibility of the request with the client to ensure that their expectations are met. If the restrictions prevent CSWM from properly servicing the client account, or if the restrictions would require CSWM to substantially deviate from its recommendations, CSWM reserves the right to end the relationship.

### **Wrap Fee Programs**

CSWM does not participate in Wrap Fee Programs.

### **Assets Under Management**

All of CSWM client assets are managed on a discretionary basis. As of August 30, 2016 Canter Strategic Wealth Management's discretionary assets under management totaled \$ 6,313,751 and Assets under administration of \$204,189

## **Fees and Compensation**

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## Description of Advisory Fees

### Individual Clients

CSWM fees are established on a client-by-client basis and set forth in each client's investment management agreement. CSWM generally charges a fee based on a percentage of a client's assets under management. CSWM's fees are typically inclusive of the sub-adviser's fees.

CSWM's annual fee schedule is as follows:

Total Assets Under Management	Annual Fee
\$1 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - \$2,500,000	1.00%
\$2,500,001 - \$5,000,000	0.90%
\$5,000,001 - \$10,000,000	0.80%
Above \$10,000,000	0.70%

## Fee Billing

### Individual Clients

Fees are payable quarterly in arrears, and are calculated based on the value of the account's assets on the last business day of the previous month. Clients may terminate the contract with fourteen days' written notice. If an account commences or terminates on a date other than the first or last business day of a billing period, the fee is pro-rated based upon the portion of the billing period in which CSWM provided services. At CSWM's discretion, assets of related accounts, such as family or business relationship, may be aggregated for purposes of calculating the applicable advisory fee. Management fees are negotiable. To the extent that fees are negotiable, some clients may pay more or less than other clients for the same management services, depending, but not limited to, the account inception date, number of related investment accounts or total assets under management.

Most advisory service fees are withdrawn directly from the client's accounts with client written authorization. For all fees being withdrawn directly from client accounts, CSWM will send a statement to the client showing the amount of the fee being deducted, the value of the client's assets upon which this fee was based, and the specific manner in which the fee was calculated. It is the client's responsibility to verify the accuracy of the fee calculation, as the custodian will not do so. The client should review every statement.



## Other Fees

### Individual Clients

In addition to CSWM's advisory fees, clients may incur certain charges imposed by banks and/or custodians. Such fees may include, but are not limited to custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account (which will be disclosed in the applicable fund's prospectus), wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund fee and expenses are set forth in the applicable fund prospectuses. Additionally, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to our fee. CSWM does not receive any portion of these commissions, fees or costs.

### Financial Planning Services

CSWM provides fee-only financial planning services, to establish the client's Investment Policy Statement, at rates from \$1,000- \$5,000, as agreed upon prior to engagement. The fee is due upon engagement.

### Investment Strategist Services

The compensation for the Firm's investment strategist services will be specific to each engagement and detailed in the written agreement. The fees are based on the size of the relationship and nature and complexity of the services to be provided. The frequency and methodology for payment of fees will also be detailed in each agreement. Fees are generally 0.50% or less per annum, payable monthly or quarterly, in advance. .

### Comparable Services Disclosure

Clients should note that lower fees for comparable services may be available from other sources.

### Conflicts of Interest Disclosure

Pursuant to California Code of Regulations Section 260.238(k), in this Part 2, the Firm, its representatives and employees have disclosed all material conflicts of interests that could reasonably be expected to impair the rendering of unbiased and objective advice. The conflicts of interest may include, but are not limited to: (a) compensation arrangements connected with advisory services which are in addition to the advisory fees, (b) other financial industry activities or affiliations, or (c) participation of interest in Client transactions.

# Performance-Based Fees & Side-by-Side Management

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CSWM does not receive performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Types of Clients

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CSWM provides management supervisory services to individuals and institutions. Individual clients include high-net worth individuals, families and/or trust accounts. Our institutional clients include other registered investment advisers, endowments, foundations, other non-profits, and retirement plans. There is no minimum account size.

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

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### Methods of Analysis

CSWM's method of analysis is fundamental. CSWM provides customized investment recommendations and assists clients in creating an Investment Policy Statement ("IPS") based on each client's specific circumstances, including but not limited to: the client's investment goals, risk tolerance, liquidity requirements, spending needs and any other client-specific constraints. Once an IPS and investment strategy or asset allocation has been determined, CSWM will select sub-advisers within each asset class that have met certain criteria as determined by CSWM's Investment Committee.

CSWM's Investment Committee evaluates the potential sub-advisers by employing both qualitative and quantitative analysis. The goal of this quantitative analysis is to identify the universe of sub-advisers that have demonstrated the ability to produce excess return in different market environments. Our qualitative and quantitative research focuses on evaluating the performance, investment process, portfolio management team, research capabilities, trade execution, business operations, compliance, and risk management.

### Investment Strategies

CSWM has three primary investment strategies or asset allocations: Conservative, Moderate and Aggressive. CSWM specializes in selecting sub-advisers who have attractive risk/return characteristics and the organizational structure to support future growth and combining those sub-advisers in portfolios based on an asset allocation that is appropriate for the Firm's clients. These sub-advisers generally invest in mutual funds, ETFs, and other similar products.

### Conservative Portfolio

This portfolio is designed for the conservative investor whose primary objective is preservation of capital and generation of income with a small allocation to equities for long-term growth. Generally, this model consists of investments in fixed income and equity funds, ETFs and individual securities.

### Moderate Portfolio

This portfolio is designed for the investor looking for a balanced allocation with an objective of equities for long-term growth and a moderate allocation to fixed income securities for current income. Generally, this model consists of investments in equity and fixed income funds, ETFs and individual securities.

### Aggressive Portfolio

This portfolio is designed for the aggressive investor looking for an aggressive allocation with a primary objective of equities for long-term growth. Generally, this model consists of investments in equity funds, ETFs and individual securities.

## Risk of Loss

Although each potential sub-adviser is typically interviewed in person, our quantitative analysis relies in part on the assumption that the databases we utilize and publicly available information is accurate and unbiased. Therefore, there is always a risk that our sub-adviser evaluation process may be compromised by inaccurate or misleading information, which may cause the client to incur losses or miss opportunities.

The success of our investment activities will be affected by global, national and local economic and market conditions. Economic or market conditions may move unpredictably, or with the correlation of market components behaving outside the range of expectations, which may result in material loss.

CSWM does not offer advice with respect to individual securities, except potentially with respect to securities such as mutual funds and ETFs. Selected sub-advisers, however may invest client accounts the following types of securities, and therefore clients may be subject to the below risks.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

Exchange Traded Funds (ETF): Security that tracks an index, a commodity or a basket of assets like an index fund, but trades like a stock on an exchange. ETFs experience price changes throughout the day as they are bought and sold.

Equity Investment: Generally refers to buying shares of stocks by an individual or firm in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Real Estate: Real Estate funds face several kinds of risk that are inherent in this sector of the market. Liquidity risk, market risk, and interest-rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have

a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include, but are not limited to, inflation (purchasing power) risk, interest-rate risk, economic risk, market risk, and political/regulatory risk.

Non-U.S. Investments: Investment in non-U.S. issuers or securities principally traded outside the United States may involve certain special risks due to economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, and imposition of withholding taxes on dividend or interest payments.

***Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.***

## Disciplinary Information

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Neither CSWM nor any of its management personnel have been involved in a disciplinary proceeding. In addition, they have not been involved in any legal proceeding that might reasonably be considered material to a client's evaluation of CSWM's advisory business or the integrity of its management.

## Other Financial Industry Activities and Affiliations

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### **Broker-dealer or Registered Representative**

CSWM's Managing Director, Eric McMullen is pursuing registration with a broker-dealer, in order to distribute registered products to institutions.

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

CSWM is wholly owned by Canter Wealth HoldCo, LLC, which is wholly owned by The Canter Group, LLC, which is wholly owned by Canter Holdings, LLC, which is wholly owned by Andrew Canter through a Trust.

The Canter Group operates a range of businesses through controlled entities, collectively referred to as the Canter Companies, which are described below. The activities of the Canter Companies may be material to the business of CSWM and its clients, particularly if clients of CSWM also use the services of one more of the Canter Companies. CSWM advisory clients should be aware that when they are using the services of affiliated entities of CSWM, such services are not provided by CSWM, are subject to separate contractual arrangements, and are not part of the advisory services provided by CSWM. Moreover, the protections afforded a client under applicable investment advisory laws and regulations generally do not apply to the services provided by non-advisory affiliates. The referral arrangements between CSWM and its affiliates and vice versa may present conflicts of interest since personnel associated with the Canter Companies may have a financial incentive to recommend affiliates over other unaffiliated firms.

CSWM may recommend clients use the services and products of these related entities, and certain persons associated with the Canter Companies may refer their non-advisory clients to CSWM. Through these related entities, employees, management personnel and owners of CSWM may receive additional compensation, including a portion of the advisory fees paid to CSWM. CSWM may recommend related private funds to clients. Investments in private funds may involve certain additional degrees of risk. Offers of investment may only be made to qualified clients with appropriate fund offering documents.

The following are affiliated businesses owned and operated by the Canter Companies.

- Canter Management, a wholly owned subsidiary of The Canter Group, is in the business of Real Estate Management.
- Canter Capital, a wholly owned subsidiary of The Canter Group, seeks investment opportunities related to Venture Capital, Private Equity and Private Real Estate Investments.
- Canter Development, a wholly owned subsidiary of The Canter Group is a real estate developer that is currently active in the San Diego market.
- Canter Brokerage, a wholly owned subsidiary of The Canter Group, is a licensed Real Estate Broker.

In addition, Case Escrow is a full service independent escrow company, licensed and regulated by the California Department of Business Oversight. Case Escrow is not owned by Canter Companies, but is owned and controlled by Andrew Canter.

Isaac Dixon is a Vice President, Portfolio Management of Canter Companies. Isaac underwrites Canter real estate investments and developments. He also manages Canter real estate investments and developments. In the process, he communicates directly with investors, construction managers, and other outside third parties. Isaac underwrites Canter venture capital investments. Approximately 70% of his time is spent involved in these activities in the overall management and day-to-day operations of Canter Companies and its affiliated companies. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. CSWM always acts in the best interest of the client, and clients are in no way required to the use services of any representative of CSWM in connection with such individual's activities outside of CSWM.

## Recommend or Select Other Investment Advisers

As a manager-of-managers, CSWM recommends or selects sub-advisers for the individual clients. CSWM is a member of the Investment Committee for one of its sub-advisers and receives compensation for such services. This may create an incentive for CSWM to recommend this sub-adviser to the Firm's individual clients. Nevertheless, CSWM will make recommendations or select only sub-advisers that it deems appropriate for a client, based on the client's Investment Policy Statement. All sub-advisers are reviewed on a quarterly basis by the Investment Committee of CSWM to ensure they fit the criteria for the CSWM models, as described in the *Methods of Analysis* section of this brochure.

CSWM and certain of its advisory representatives act as solicitors for third-party investment managers, whereby CSWM and its advisory representatives will attempt to place the managers with other registered investment advisers and institutions. Such entities will enter into an advisory agreement with the third-party investment manager. CSWM nor any of its advisory representative will exercise discretion or make investment choices or recommendation in the account. CSWM will receive the third-party investment manager's Disclosure Brochure and a Solicitor's Disclosure Statement, which will describe the relationship between the third-party investment manager and CSWM, and the solicitor's fee paid to CSWM.

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

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## Code of Ethics

CSWM has adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 that sets forth the standards of business conduct required of CSWM's supervised persons, and requires an affirmative commitment that they will comply with federal securities laws. CSWM's Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain outside activities, and personal securities trading procedures for Access Persons, among other things. Our Code is available free upon request to any client or prospective client.

## Recommend Securities with Material Financial Interest

### **CSWM currently does not recommend securities in which CSWM has a material financial interest. Invest in Same Securities Recommended to Clients**

Access Persons may invest in securities that are purchased or held by client accounts. Under the manager-of-managers structure, sub-advisers are responsible for purchase and sell decisions for client accounts. As a result, Access Persons typically are informed about investments for client accounts and the timing of those investments after the transactions have been effected.

## Personal Trading Policies

CSWM requires that all Access Persons report their personal securities holdings annually and transactions at least quarterly.

# Brokerage Practices

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## Selecting Brokerage Firms & Directed Brokerage

Under the multi-manager structure, in general, the sub-advisers will recommend or select a broker or dealer most capable of providing the services necessary to obtain the best execution of that transaction. However, upon request of the client, CSWM may also make recommendations to certain sub-advisers for broker-dealers on behalf of the client. CSWM may also recommend certain brokerage firms for transition services. In such instances, CSWM recommends that its clients custody assets at Schwab Institutional, a division of Charles Schwab & Co., Inc., (CRD # 5393), a registered broker-dealer, member SIPC (“Schwab.”). The client is not required to effect transactions through any broker-dealer recommended by CSWM. CSWM and the sub-adviser may, but is not required to, accept clients who instruct us to execute all transactions through a particular broker-dealer.

## Best Execution

As a matter of policy and practice, CSWM conducts initial and on-going due diligence on sub-advisers’ policies, procedures and practices regarding soft dollars, best execution and directed brokerage. CSWM seeks to ensure that each sub-adviser complies with the clients Investment Policy Statement and observes best practices.

The sub-advisers should act in accordance with their duty to seek “best execution.” However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where a sub-adviser determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, financial strength, commission rates and responsiveness. While the sub-advisers will seek competitive rates, they may not necessarily obtain the lowest possible commission rates for client transactions.

## Directed Brokerage

A client may direct sub-advisers and/or CSWM in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and neither CSWM nor the sub-adviser will seek better execution services, better prices or be able to aggregate client transactions for

execution through other broker-dealers with orders for other accounts managed by CSWM or the sub-adviser. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, the sub-adviser and/or SCWM may decline a client's request to direct brokerage if, in the sub-adviser's or our discretion, such directed brokerage arrangements would result in additional operational difficulties.

## Review of Accounts

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### Periodic Reviews

Periodically, but no less frequently than annually, CSWM's Investment Committee will review each account. On a quarterly basis, the Investment Committee formally conducts sub-adviser due diligence meetings and reviews portfolio exposures. In addition, at a minimum, client accounts are reviewed on a quarterly basis by the sub-advisers.

### Review Triggers

More frequent reviews may be triggered by a request from a client, material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### Regular Reports

Each client will receive, monthly or quarterly account statements and trade confirms from the custodian showing all activity during the reporting period, including transactions and account holdings as well as the deduction of any fees, expenses or other charges from the account.

CSWM may provide additional written reports on at least a quarterly basis as requested by clients. This report package may include such items as:

- Performance,
- Holdings,
- Transactions,
- Other pertinent information as deemed appropriate, and
- Documents necessary for tax preparation.

## Client Referrals and Other Compensation

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## Economic Benefits

CSWM does not receive any economic benefit, directly or indirectly, from any third party for investment advice or other advisory services that CSWM renders to clients.

## Third Party Solicitors

CSWM pays referral fees to solicitors, who are generally non-advisory personnel associated with affiliates of CSWM. Each prospective client referred by a solicitor is furnished with a written statement that includes pertinent information about the referral arrangement. Solicitors are paid 20% -35% the fee paid by each client they refer to CSWM. CSWM does not charge solicited clients fees greater than those charged to new CSWM clients with similar portfolios managed by CSWM who were not introduced by a solicitor, subject to fee negotiations described in the *Fees and Compensation* section of this brochure. Compensated person(s) are properly registered as solicitors and follow the requirements under CCR 260.236(c)(2).

# Custody

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CSWM does not have physical custody of client assets; all client assets are held by third-party qualified custodians. Under applicable custody rules, CSWM is deemed to have custody as a result of its ability, pursuant to written instructions from the clients, to directly debit advisory fees from the client's custodial account. The qualified custodian, selected by the client, sends account statements directly to the clients at least quarterly. CSWM urges clients to compare the account statements they receive from the qualified custodian with those reports they may receive from CSWM. The reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

# Investment Discretion

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As a manager-of-managers, CSWM allocates client assets on a discretionary basis among sub-advisers for the active management of those assets, based upon the stated investment objectives of the client. The sub-advisers have full discretion and trading authority over client accounts, subject to the client's stated IPS. CSWM will not place any trades in the client's accounts.

# Voting Client Securities

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As a matter of policy, CSWM generally does not vote client securities. Clients either retain the responsibility to vote proxies or delegate such authority to the underlying sub-advisers. When clients retain proxy voting responsibility, clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

## Financial Information

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### Balance Sheet

CSWM does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### Financial Conditions & Bankruptcy

CSWM has never been the subject of a bankruptcy petition, and it is not aware of any financial condition that is reasonably likely to impair its ability to meet any contractual commitments to clients.

## ITEM 19: REQUIREMENT FOR STATE-REGISTERED ADVISERS

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### Principal Executive Officers and Management Persons; Their Formal Education and Business Background

CSWM currently has two management personnel/executive officers: John D Metzger & Eric McMullen. John D. Metzger's & Eric McMullen's education and business background can be found on the Supplemental ADV Part 2B forms.

### Outside Business Activity

John D. Metzger & Eric McMullen's other business activities can be found on the Supplemental ADV Part 2B form.

### Performance Based Fees

CSWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Material Disciplinary Disclosures for Management Persons**

No management person at CSWM or CSWM has been found liable in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

## **Material Relationships That Management Persons Have with Issuers of Securities**

Neither CSWM, nor its management persons, has any relationship or arrangement with issuers of securities.