

Form ADV Part 2A Brochure

Canter Strategic Wealth Management, LLC

(Firm CRD # 167828 / SEC # 801-107048)

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As of June 1, 2017

Form ADV, Part 2; our “Disclosure Brochure” or “Brochure” as required by the Investment Advisers Act of 1940, is a very important document between Clients (“you”, “your”) and Canter Strategic Wealth Management, LLC (“Canter Strategic Wealth Management, LLC,” “CSWM,” “us,” “we,” “our”). This brochure provides information about the investment advisory services, qualifications and business practices of Canter Strategic Wealth Management, LLC, an investment advisor firm registered with the State of California. In accordance with federal and state regulations, this Disclosure Brochure is on file with the appropriate securities regulatory authorities, as required.

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. The information provided within this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States, or by the United States Securities and Exchange Commission. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information which you may use to determine whether to hire or retain an Advisor.

Please contact Andrew E. Canter, Managing Member and Chief Compliance Officer, directly at 858.454.2238 if you have any questions about the contents of this Brochure.

Additional information about Canter Strategic Wealth Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

*(Click on the link, select “Investment Advisor Firm,” and type in the firm name.
Results will provide you both Part 1 and 2 of the firm's Form ADV.)*

Material Changes

Update

Canter Strategic Wealth Management, LLC is providing this information as part of an updating amendment. The last update to Form ADV Part 2A was the firm's annual amendment filed on March 27, 2017. This amendment filing contains material changes since the last annual amendment update.

- Andrew E. Canter, Managing Member, assumed the position of Chief Compliance Officer as of May 22, 2017.
- Eric R. McMullen resigned from his position of Managing Director and Chief Compliance Officer effective May 22, 2017.
- Babak Gahvari, CFP® joined the firm as Managing Director effective May 22, 2017.
- Todd A. Buchner joined the firm as Managing Partner on June 1, 2017.
- Upon the expected implementation of the Department of Labor's Fiduciary Rule, the "ERISA" sections of our Advisory Business and Brokerage Practices disclosed herein will be effective. This addition includes, among other things, important procedures defining CSWM as a level-fee fiduciary and our compliance with the Impartial Conduct Standard.

Full Brochure Availability

We may, at any time, update this Brochure and either send you a copy of the amended document or offer to send you a copy (either by electronic means [email] by hard copy). If you would like another copy of this Brochure, you may download it directly from the SEC website at www.adviserinfo.sec.gov, or may obtain a copy by contacting Andrew E. Canter, Managing Member and Chief Compliance Officer at 858.729.9943.

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Advisory Business

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 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 E. Canter through a Trust. Andrew E. Canter, Managing Member and CCO of CSWM, is a 90% owner of CSWM. Isaac G. Dixon, Managing Member of CSWM, is a 10% owner of CSWM.

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 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 client 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.

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.

Financial Planning

Individual clients may engage CSWM solely to provide fee-only financial planning services. CSWM provides these 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.

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.

ERISA Accounts

Our firm provides investment advice to advisory clients that are employee benefit plans or other retirement accounts (i.e., IRAs) for a level fee; assets affected by the Department of Labor ("DOL") Fiduciary Rule. As such, we are considered fiduciaries pursuant to the Employee Retirement Income and Securities Act ("ERISA") and regulations under the Internal Revenue Code of 1986 (the "Code"), which requires that we abide by the Impartial Conduct Standards as defined by ERISA. To comply with these standards, our firm and our advisors give advice that is in our clients' best interest, charge no more than reasonable compensation [within the meaning of ERISA Section 408(b)(2) and Internal Revenue Code Section 4975(d)(2)], and make no misleading statements about investment transactions, compensation, conflicts of interest, and any other matters related to investment decisions.

In accordance with our business practices outlined above, we believe that we are considered a 'Level Fee Fiduciary' under the DOL's Rule. As a level-fee fiduciary, we maintain a non-variable compensation structure that is provided on the basis of a fixed percentage of the value of assets or a set fee that does not vary with the particular investment recommended, as opposed to a commission or other transaction based fee. As a "Level Fee Fiduciary", we are held to the DOL fiduciary standards of care, but are subject to fewer disclosures and reporting requirements than advisors operating under a different business model.

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.

Institutional Capital Introductions

Our extensive relationship network, knowledge base, and industry experience make us seasoned professionals adept at the introduction of qualified institutional investors to institutional investment opportunities. These services are only offered to qualified institutions and not individual investors.

Wrap Fee Programs

CSWM does not participate in Wrap Fee Programs.

Assets Under Management

As of June 1, 2017, Canter Strategic Wealth Management's assets under management total \$5,999,309.

Fees & Compensation

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 (14) 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 on 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.

Institutional Capital Introduction

The compensation for the firm's Institutional Capital Introduction 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 payable upon transfer of capital to the receiving institution.

Investment Strategist Services

The compensation for the firm's investment strategist services is 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 is also be detailed in each agreement. Fees are generally 0.50% or less per annum of AUM, 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 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

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

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

Methods of Analysis, Investment Strategies & Risk of Loss

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.

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: 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: 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

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 & Affiliations

Broker-dealer or Registered Representative

Currently, no CSWM Advisors are registered with any broker-dealer.

Material Relationships or Arrangements with Financial Industry

CSWM is 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. Andrew E. Canter, Managing Member and CCO of CSWM, is a 90% owner of CSWM. Isaac G. Dixon, Managing Member of CSWM is a 10% owner of CSWM.

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 recommends 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 receive additional compensation, including a portion of the advisory fees paid to CSWM. CSWM recommends related private funds to clients. Investment in private funds involves 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 E. Canter.

Isaac G. 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 is a conflict of interest as CSW recommends 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 representatives 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 & Personal Trading

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 of Ethics 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

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 will also make recommendations to certain sub-advisers for broker-dealers on behalf of the client. CSWM also recommends 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.

Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Review of Accounts

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 respective sub-adviser.

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 provides 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
- Documents necessary for tax preparation

Client Referrals & Other Compensation

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 & Compensation* section of this brochure. Compensated person(s) are properly registered as solicitors and follow the requirements under CCR 260.236(c)(2).

Custody

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

CSWM recommends allocations in models provided by sub-advisers or allocations directly managed by sub-advisers for the active management of those assets, based on 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. CSWM does not manage client assets on a discretionary basis.

Voting Client Securities

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

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.

Requirements for State-Registered Advisors

Principal Executive Officers & Management Persons; Formal Education & Business Background

CSWM currently has four (4) management personnel/executive officers:

- Andrew E. Canter, Managing Member & Chief Compliance Officer
- Todd A. Buchner, Managing Partner
- Isaac G. Dixon, Managing Member
- Babak Gahvari, Managing Director

Outside Business Activity

Advisors' outside business activities can be found on the Supplemental ADV Part 2B forms.

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.