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Form ADV Part 2A
Firm Brochure

Date of Brochure:
March 31, 2023

This brochure provides information about the qualifications and business practices of AE Wealth Management, LLC (also referred to as we, us, AEWM, and AE Wealth Management throughout this brochure). If you have any questions about the contents of this brochure, please contact AE Wealth Management Compliance by telephone at (866) 363-9595 or by email at compliance@ae-wm.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 AE Wealth Management is also available on the SEC's website at www.adviserinfo.sec.gov.

***Registration as an investment adviser does not imply a certain level of skill or training.**

Item 2 – Material Changes

This section discusses material changes that have been made to this Brochure since the last annual amendment. Throughout the brochure, all of the various named entities, advisers, and managers have been shortened to acronyms in an attempt to make the document easier to read. The last amendment was on December 12, 2022, and since that time, the following material changes have been made:

Item 4 - Advisory Business

- Language was added describing that modeled cash is included in the billing of fees for services but non-modelized cash is not.
- Client Assets Managed by AEWM has been updated to reflect our current regulatory assets under management, our current assets under administration, and our current total platform assets.
- Added new program language and amended the previous language regarding AEWM's ERISA Retirement Plan Services.
- Added a disclosure for Rollover Recommendations.
- Added clarifying language regarding AEWM's responsibilities for Client-Directed Accounts.

Item 10 – Other Financial Industry Activities and Affiliations

- Language was added regarding the separate capacities that investment adviser representatives also work in when engaging with the client as a registered representative or an insurance agent.
- Adding disclosure language for AEWM IARs who are also Certified Public Accountants

Item 14 – Client Referrals and Other Compensation

- Amended client referral language to be consistent with the recent rule change for marketing.

Item 3 – Table of Contents

Item 4 – Advisory Business

General Description of Our Firm

AE Wealth Management ("AEWM") is an investment adviser registered with the United States Securities and Exchange Commission ("SEC") and is a limited liability company formed under the laws of the State of Kansas. AEWM filed its initial application to become registered as an investment adviser on February 17, 2016.

The principal owners of AEWM are DDC Holdings, LLC, the Karlun M. Callanan 2016 Irrevocable Trust A, and the Jennifer A. Foster 2016 Irrevocable Trust A. David Callanan and Cody Foster are the primary owners of DDC Holdings LLC. David Callanan is the trustee of the Karlun M. Callanan 2016 Irrevocable Trust A and Cody Foster is the trustee of the Jennifer A. Foster 2016 Irrevocable Trust A.

Description of Advisory Services

The AEWM investment advisory services disclosed in this brochure are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative ("IAR"). Your IAR typically is not an employee of AEWM; rather, they are typically an independent contractor of AEWM. Your IAR is typically limited to providing services and charging investment advisory fees in accordance with the descriptions detailed in this brochure. Your IAR is generally allowed to set AEWM's investment management fees within the range prescribed by AEWM. As a result, the rates actually charged by two different IARs of AEWM may vary for similar services.

AEWM offers multiple types of advisory services designed to meet the unique needs of our clients. Below are descriptions of the primary advisory services we offer. A written investment advisory services agreement detailing the exact services we will provide to you and the fees you will be charged will be executed prior to the commencement of any services.

Model Portfolio Solutions

AEWM offers model portfolio selection services, which allows us to exercise discretion to implement a specialized investment strategy that is managed either by AEWM, a third-party portfolio provider (individually, a "Strategist" and collectively "Strategists"), or a third-party investment managers(individually, a "Third-Party Manager" and collectively "Third-Party Managers"). Additionally, IARs that meet certain requirements are allowed to develop their own model portfolios (individually, an "Adviser Managed Model" and collectively "Adviser Managed Models") and offer them to clients or other independent advisers. These models are approved by the AEWM Chief Investment Officer prior to being available and are reviewed on a periodic basis. An IAR will assist you in completing a client profile questionnaire and review the information you provide. We will then select the model portfolio(s) that aligns with your disclosed financial circumstances, risk tolerance, and investment objectives. AEWM will exercise its discretionary authority to implement the selected model portfolio(s) and to trade your account based on information and/or signals provided by the manager(s) of the model portfolio(s). In some instances, we will recommend a Third-Party Manager that has discretionary authority for the day-to-day management of the assets allocated to it by AEWM or by you in separately managed accounts. The Third-Party Manager will directly trade the securities it selects for the account based on the applicable investment strategy. These managers also consider each client's investment objectives, financial situation, and/or reasonable restrictions placed on the investment of the client's assets when implementing the trades.

We will be available to answer questions that you have regarding your account. We will have the ability to select the model portfolio(s) as well as the ability to reallocate funds from or to the model portfolio(s) and funds in other accounts over which you have granted us discretionary authority. There are other model portfolios not recommended by our firm, that could be appropriate for you and that are less costly than models recommended by our firm. No guarantees can be made that your financial goals or objectives will be achieved through the Model Portfolio Solutions program or by a recommended/selected model portfolio. Further, no guarantees of performance can ever be offered by our firm. Please refer to *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more details.*

Direct Asset Management Services

When direct asset management services are utilized, AEWM, in coordination with your IAR, will individually select the securities held in your account on a discretionary basis. We will have the ability to buy or sell securities on your behalf without your prior permission for each transaction. Nevertheless, you will have the ability to impose restrictions on the management of your account, including the ability to instruct us not to purchase certain securities.

We will manage your account based on your financial situation, investment objectives, and risk tolerance. Accordingly, we will need to obtain certain information from you to determine your financial situation, investment objectives, and risk tolerance. As part of this process, an IAR will assist you in completing a client profile questionnaire and review the information you provide. You will be responsible for notifying us of any updates regarding your financial situation, investment objectives, or risk tolerance and whether you wish to impose or modify any existing investment restrictions.

The financial situation, investment objectives, and risk tolerance for each client of AEWM is unique. As a result, advice to another client or actions taken for them or for our personal accounts can differ from the advice we provide to you or actions taken for you. We are not obligated to buy, sell, or recommend to you any security or other investment that we may buy, sell, or recommend for any other clients or for our own accounts.

Conflicts can arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer, we may not lawfully use or disclose this information. We will also not allow our clients to use this information.

Third-Party Adviser Program

AEWM also provides services to other registered investment advisory firms (each, a "Third-Party Registered Investment Adviser" or "TPRIA") as a subadviser pursuant to a written agreement under our Third-Party Registered Investment Adviser Program ("TPRIA Program"). TPRIA Program accounts are not managed by AEWM. Rather, TPRIA Program accounts are managed by one or more third-party investment advisers with which you have a discretionary investment advisory services agreement.

AEWM acts in a subadviser capacity to the TPRIA when making TPRIA Programs available. If you are an investment advisory client of a TPRIA "(TPRIA Program Client") based on a written investment advisory services agreement between you and your TPRIA, you will typically complete a form or otherwise provide information to your TPRIA to enable the identification of your financial situation, risk tolerance, and investment objectives. You will typically provide to your TPRIA information regarding your investment experience, anticipated need for liquidity, potential timing of the need for retirement funds, and other investment needs and parameters. This information will assist you and your TPRIA in selecting which risk and/or return strategy or strategies is/are most closely aligned with your investment goals. For example, you and your TPRIA may choose to invest in one or more model portfolios or other investment products managed by your TPRIA, AEWM, or other Third-Party Managers, or Strategists. As part of the TPRIA Program, AEWM provides related administrative services including, but not limited to, account opening, fund transfers, and securities trading as directed by the TPRIA; access to services that facilitate the management and administration of model portfolios offered by a Third-Party Manager; access to various financial planning, account monitoring and reporting tools; and conducting client billing/fee deduction on the TPRIA's behalf.

Your TPRIA remains responsible for providing advice, monitoring your selected strategy, and recommending any changes to you throughout the duration of your relationship. AEWM's responsibility is to implement the strategy chosen by you and your TPRIA. AEWM does not advise you about potential changes to your strategy.

In these cases, AEWM does not make investment decisions on behalf of these accounts but may provide a portfolio or strategy that your TPRIA may use to invest your accounts. Your TPRIA is solely responsible for their investment advisory relationship with you in accordance with your investment advisory services agreement and your TPRIA's disclosure documents. Your TPRIA is responsible for ensuring that it complies with all applicable statutes, regulations, and rules. Furthermore, your TPRIA is solely responsible for assessing whether any instructions provided to AEWM regarding the selection of a model portfolio or strategy administered by or through AEWM, the purchase of a security, or the sale of a security meet the appropriate standards.

In our role as a subadviser, AEWM will not provide you individualized investment advice or recommendations or review any advice or recommendation made to you by your TPRIA. AEWM does not review your financial situation, risk tolerance, or investment objective information when implementing a strategy you and your TPRIA have selected.

Your TPRIA may provide additional or other services to you which are not described in this brochure. You should read and review your TPRIA's investment advisory services agreement and your TPRIA's ADV Part 2A Brochure for information regarding services provided by your TPRIA.

Products available to TPRIAs through AEWM require discretionary authority to trade securities, cash, or other investment vehicles. These products include, and are not limited to, model portfolios managed by AEWM or by a Third-Party Manager or Strategist and administered by AEWM. If you are a client of a TPRIA and you have instructed your TPRIA to invest in one of these products, your TPRIA must have discretionary authority to conduct these transactions. In addition, your TPRIA must have discretionary authority sufficient to carry out transactions required to administer your account in accordance with your agreement with the TPRIA. These transactions include, but are not limited to, fee billing, trade correction, and other general account maintenance. Your TPRIA must delegate this authority to AEWM such that we can administer your account in accordance with its agreement with your TPRIA. In all other circumstances, we will execute trades on your account only upon instructions provided by your TPRIA.

From time to time, the Third-Party Manager or Strategist of a model portfolio may add, remove, or change the composition and relative allocation of the individual securities or other investment vehicles within a model portfolio to maintain consistency with the stated discipline or strategy for the model portfolio (a “Rebalancing Event”). Rebalancing Events generally require the trading of such securities or other investment vehicles for all accounts invested in the model portfolio and do not constitute individual investment advice or a recommendation to you. AEWM will utilize discretion, as described above, to administer a Rebalancing Event.

Co-Adviser Program

AEWM provides services to other registered investment advisory firms (each, an “Adviser”) as a co-adviser with the Adviser pursuant to a written agreement between AEWM and the Adviser. In this context, AEWM may provide services to certain clients of the Adviser as a co-adviser to the client (a “Co-Adviser Program Client”) pursuant to a written agreement among AEWM, the Adviser, and the Co-Adviser Program Client (the “Co-Adviser Program”). Adviser and AEWM share responsibilities to manage Co-Adviser Program accounts.

AEWM acts in a co-adviser capacity to the Adviser when making Co-Adviser Programs available. If you are a Co-Adviser Program Client, you will typically complete a form or otherwise provide information to your Adviser to enable the identification of your financial situation, risk tolerance, and investment objectives. You will typically provide information regarding your investment experience, anticipated need for liquidity, potential timing of the need for retirement funds, and other investment needs and parameters to your Adviser. This information will assist you and your Adviser in selecting which risk and/or return strategy or strategies is/are most closely aligned with your investment goals. For example, you and your Adviser may choose to invest in one or more model portfolios or other investment products managed by your Adviser, AEWM, or other Third-Party Managers or Strategists. As part of the Co-Adviser Program, AEWM provides related administrative services including, but not limited to, account opening, fund transfers, and securities trading as directed by the Adviser; access to services that facilitate the management and administration of model portfolios offered by a Third-Party Manager; access to various financial planning, account monitoring and reporting tools; and conducting client billing/fee deduction on the Adviser’s behalf.

Your Adviser remains responsible for providing advice, monitoring your selected strategy, and recommending any changes to you throughout the duration of your relationship. AEWM’s responsibility is to provide investment products and implement the strategy chosen by you and your Adviser. AEWM does not advise you about potential changes to your strategy.

In these cases, AEWM does not make investment decisions on behalf of these accounts but may provide a portfolio or strategy that your Adviser may use to invest your accounts. Your Adviser is responsible for ensuring that it complies with all applicable statutes, regulations, and rules. Furthermore, your Adviser is solely responsible for assessing whether any instructions provided to AEWM regarding the selection of a model portfolio or strategy administered by or through AEWM, the purchase of a security, or the sale of a security meet the appropriate standards.

In our role as a co-adviser, AEWM will not provide you individualized investment advice or recommendations, or review any advice or recommendation made to you by your Adviser. AEWM does not review your financial situation, risk tolerance, or investment objective information when implementing a strategy you and your

Adviser have selected.

Your Adviser may provide additional or other services to you which are not described in this brochure. You should read and review your Adviser's ADV Part 2A Brochure for information regarding services provided by your Adviser.

Products available through AEWM require discretionary authority to trade securities, cash, or other investment vehicles. These products include, but are not limited to, model portfolios managed by AEWM or by a Third-Party Manager or Strategist and administered by AEWM. If you are a Co-Adviser Program Client, your Adviser and AEWM have discretionary authority to conduct these transactions. In addition, your Adviser and AEWM have discretionary authority sufficient to carry out transactions required to administer your account in accordance with your co-advisory agreement, including but not limited to fee billing, trade correction, and other general account maintenance. In all other circumstances, AEWM will execute trades on your account only upon instructions provided by your Adviser.

From time to time, the Third-Party Manager or Strategist of a model portfolio may add, remove, or change the composition and relative allocation of the individual securities or other investment vehicles within a model portfolio to maintain consistency with the stated discipline or strategy for the model portfolio (a "Rebalancing Event"). Rebalancing Events generally require the trading of such securities or other investment vehicles for all accounts invested in the model portfolio and do not constitute individual investment advice or recommendation to you. AEWM will utilize discretion, as described above, to administer a Rebalancing Event.

Financial Planning & Consulting Services

AEWM offers financial planning services, which involves preparing a written financial plan that can cover specific or multiple topics. We provide full, written financial plans, which typically address one or more the following topics: investment planning, retirement planning, insurance planning, tax planning, education planning, portfolio review, and asset allocation. However, our tax planning services are not a substitute for working with a Certified Public Accountant (individually, a "CPA" and collectively "CPAs"). When providing financial planning and consulting services, the role of your IAR is to find ways to help you understand your overall financial situation and help you set financial objectives. Your IAR will rely on information provided by you. Therefore, issues and information not provided will not be taken into consideration when your IAR develops his or her analysis and recommendations under a written financial plan.

We also offer consultations in order to discuss financial planning issues when you do not need a written financial plan. We offer a one-time consultation, which covers mutually agreed upon areas of concern related to investments or financial planning. We also offer "as-needed" consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an "as-needed" consultation, it will be incumbent upon you to identify those particular issues for which you are seeking our advice or consultation on.

Our financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. To the extent that you would like to implement any of our investment recommendations through AEWM or retain us to actively monitor and manage your investments, you must execute a separate written investment advisory services agreement with AEWM.

ERISA Retirement Plan Services

The Employee Retirement Income Security Act of 1974 ("ERISA") is the law governing the operation of employee benefit plans. AEWM provides investment advisory and consulting services to Plan Sponsors of ERISA plans under Sections 3(21) and 3(38) of ERISA ("3(21) Service" and "3(38) Service," respectively, collectively the "Services"). When providing services to a Plan Sponsor, the Plan Sponsor is the client. We provide services only to the Plan Sponsor or to the Plan Sponsor with respect to the Plan Sponsor's responsibilities to the Plan and not, as part of these services, to any Plan Participant(s). Services provided to Plan Sponsors will be outlined in a separate written agreement between AEWM and the Plan Sponsor.

Under the 3(21) Service, AEWM acknowledges that, to the extent the services to a Plan, subject to ERISA, constitute "investment advice" to the Plan for compensation, AEWM will be deemed a "fiduciary" as such term is defined under Section 3(21)(A)(ii). AEWM provides ongoing investment monitoring and investment recommendation services or other agreed upon services in the agreement with the Plan Sponsor. Accordingly, we acknowledge our fiduciary status only with respect to the provision of services described in the agreement. Under the 3(21) Service, AEWM does not have investment discretion and does not have the power to manage, acquire, or dispose of any plan assets and is not an "investment manager" as defined in Section 3(38) of ERISA. Additionally, the Plan Sponsor retains ultimate decision-making authority for the investments and may accept or reject the recommendations of AEWM under this service.

Under the 3(38) Service, the AEWM Investment Department selects a diverse line-up of investment options across a range of asset classes to be offered to Plan Participants in accordance with Section 3(38) of ERISA. The AEWM Investment Department provides asset allocation risk-based model portfolios for the Plan. The AEWM Investment Department will manage the model portfolio development, construction, and maintenance, and make updates as needed. Under the 3(38) Service, AEWM's IARs may provide general enrollment and investment education to Plan Participants, but do not provide specific individualized investment advice within the meaning of ERISA to Plan Participants with respect to their Plan assets. Additionally, AEWM offers the 3(38) Service to Plan Sponsors as a standalone service.

In accordance with Section 3(38) of ERISA, AEWM has discretion to choose a "Qualified Default Investment Alternative" ("QDIA"). A QDIA is a default investment option chosen by a plan fiduciary for Plan Participants who fail to make an election regarding investment of their account balances. Unless unavailable with the recordkeeper, AEWM will utilize target-date asset allocation investment options for the 3(38) Services QDIA. Under the 3(21) Services, AEWM may recommend, but does not choose, a QDIA to the Plan Sponsor.

Under either Service, AEWM may assist the Plan Sponsor with Plan participant enrollment and Plan education. If the services selected by the Plan Sponsor include enrollment and investment education to Plan Participants, the services do not include any individualized investment advice within the meaning of ERISA to Plan Participants with respect to their Plan assets. AEWM does not select the recordkeeper, but merely recommends the funds or investment vehicles offered by, or available through, the recordkeeper selected by the Plan Sponsor. Additionally, as it pertains to these Services, AEWM does not offer qualified tax or legal advice. Additionally, AEWM does not hold itself out as a tax advisor and does not provide such services, therefore AEWM recommends consulting with a tax advisor if you have tax-related questions.

Disclosure Regarding Rollover Recommendations

When a client or prospect leaves an employer, they typically have five options regarding their existing retirement plan: (i) leave the money in the former employer's plan, if permitted; (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted; (iii) rollover to a brokerage (self-directed) Individual Retirement Account ("IRA"); (iv) roll over the assets to an advisory IRA; or (v) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Clients contemplating rolling over retirement funds to an IRA for us to manage are encouraged to first speak with their CPA or tax attorney.

There is a financial incentive for your IAR to recommend that you roll over your assets into one or more accounts, because the enrollment will generate compensation based on the increase in your IAR's total assets under management. We address these financial compensation conflicts by including the disclosure of the conflicts in this brochure and by requiring your IAR to recommend investment advisory programs, investment securities, and services that are in the best interest of each client based upon the client's investment objectives, risk tolerance, financial situation, and cost. As fiduciaries of the Investment Advisers Act of 1940, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way AEWM makes money creates some conflicts with your interests. You are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if you do complete the rollover, you are under no obligation to have the assets in an account managed by us.

Tailor Advisory Services to Individual Needs of Clients

AEWM's advisory services are always provided based on your individual needs. IARs will assist clients in determining their objective(s), investment strategy, and investment suitability prior and subsequent to opening an asset management account. Accordingly, we will need to obtain certain information from you to determine your financial situation, investment objectives, and risk tolerance. As part of this process, your IAR will assist you in completing a detailed client profile questionnaire and review the information you provide. When we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. You will be responsible for notifying us of any updates regarding your financial situation, investment objectives, or risk tolerance and whether you wish to impose or modify any existing investment restrictions.

Our financial planning and consulting services are always provided based on your individual needs. When providing financial planning and consulting services, we work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment advisory relationship with a prospective client whose investment objectives are considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

Participation in Wrap Fee Programs

Our model portfolio solutions and direct asset management services are only provided on a wrap fee basis. Therefore, you will generally only pay fees based on assets under management and, in most circumstances, you will not pay a separate commission, ticket charge, or custodian fee for the execution of transactions in your account. AEWM and certain service providers, including the custodian and model portfolio manager (if applicable), will receive a portion of the fee as compensation for services. There are certain fees charged by the custodians, such as alternative investment fees, that are not covered as part of the wrap pricing agreement and are charged to you in addition to the investment management fee you pay.

If you are a TPRIA Program Client, your TPRIA will determine whether AEWM's services are provided to you on a wrap fee or non-wrap fee basis. If services are provided on a non-wrap fee basis, you will pay separate commissions, ticket charges, and custodian fees for the execution of transactions in your account. These charges will be in addition to the investment management fee that you pay us and your primary adviser. If a non-wrap fee account is utilized, the execution of our investment strategies at times results in significant fees for small-dollar transactions and/or short-term mutual fund redemptions.

Financial Planning and Consulting Services are offered outside of a wrap fee program. Therefore, you pay separate commissions, ticket charges, and custodian fees if you implement recommended transactions away from AEWM.

Client Assets Managed by AE Wealth Management

As of February 28, 2023, we have regulatory assets under management in the amount of $19,248,840,448.79 which we manage on a discretionary basis. We currently do not manage any client assets on a non-discretionary basis. Additionally, we have $2,268,704,189.20 in assets under administration. While we provide administrative services regarding these assets under administration, we are not currently providing continuous investment management services to these assets. Accordingly, we have total platform assets of $21,517,544,637.99.

Item 5 – Fees and Compensation

This section provides detail regarding the fees and compensation we receive for the services that we offer. Lower fees for comparable services may be available from other sources. AEWM allows your IAR to set fees within a range that we provide. As a result, your IAR may charge more or less for the same service than another AEWM IAR. The exact fees and other terms will be outlined in the investment advisory services agreement between you and AEWM.

Model Portfolio Solutions and Direct Asset Management Services

Fees charged for our model portfolio solutions and direct asset management services are charged based on a percentage of assets under management, billed in arrears (at the end of the billing period) on a monthly calendar basis and calculated based on the average daily balance of the account(s) for the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. Under the average daily balance method, each day's balance for the month is summed then divided by the number of days in the month, to compute the average daily balance. The average daily balance is then multiplied by the monthly portion of the annual fee to determine the monthly fee due. Cash placed in a model will be included in the billing; non-modelized cash will not.

Fees charged for our model portfolio solutions and direct asset management services are negotiable by each of our IARs based upon the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the IAR, the total amount of assets under management for the client, and the portfolio(s) chosen. AEWM may offer and make available an advisory fee discount for IARs, employees of IARs, employees of AEWM, and employees of Advisors Excel when accounts are managed by AEWM. Advisors Excel, an insurance marketing organization under common control and ownership with AEWM, is further described in *Item 10 - Other Financial Industry Activities and Affiliations*.

Based upon the above negotiability factors, each IAR is allowed to set AEWM's investment advisory fee up to a maximum amount of 2.5% annually. For model portfolio solutions, the fee charged to each client includes a portion attributable to AEWM and a portion attributable to the manager of the selected model portfolio. A typical distribution for an annual fee of 1.75% would include an allocation of 1.35% to AEWM (including the asset based custodial fee) and an allocation of 0.01% to 0.50% to the manager of the selected model portfolio (Strategist). The proceeding is for illustrative purposes only. The actual annual fee charged by AEWM will be specified in your investment advisory services agreement. When your IAR manages his/her own model portfolios, a portion of your investment advisory fee is not allocated to a Strategist. However, AEWM does not require your IAR to lower your overall fee in such circumstance. As a result, your IAR is incentivized to select model portfolios that he/she manages in lieu of model portfolios managed by Third-Party Managers. The rationale for not requiring your IAR to lower your fees is that your IAR incurs expenses related to the management of these Adviser Managed Models.

Additionally, your IAR has an incentive to use certain models when using certain AEWM Direct Indexing products since AEWM waives account fees charged to the IAR for accounts exclusively using those models in their benchmarking. These fee waivers are not available when choosing AE Direct Flex with Tax Harvesting, one of the AEWM Direct Indexing products. AEWM does not require your IAR to lower your overall fee in such circumstances.

AEWM believes that its annual fee is reasonable in relation to services provided and the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other registered investment advisers offering similar services/programs.

In most circumstances, investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to AEWM. If more convenient for you, you have the authority to require that AEWM charge your IAR's investment advisory fees to a single, designated account. However, keep in mind that your custodian will rely on AEWM's instructions to charge the designated account and will have no responsibility to confirm those instructions with you or verify the amount or timing of investment advisory fees charged to the designated account. Additionally, collecting a fee for a taxable account out of a non-taxable account typically constitutes a taxable event and may be subject to a penalty. Please consult with a tax adviser in the event you wish to charge all fees to a single advisory account.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted. AEWM has discretion to bill you for fees incurred instead of deducting the fees from your account.

Either AEWM or you may terminate the investment advisory services agreement immediately upon written notice to the other party. If services are terminated at any time other than the last business day of the month, fees for the final billing period will be determined on a pro rata basis using the number of days services are actually provided during the final period. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of a client's death or disability, AEWM will continue management of the account until we are notified of the client's death or disability, at which point we will then freeze the account until we have received the appropriate documentation to update the account or transfer it to the client's beneficiaries. If at some point the account is again in good order, we will resume management.

If you are an investment advisory client of AEWM or a Co-Adviser Program client, asset management services are only offered through a wrap fee program. Therefore, you will generally only pay fees based on assets under management and, in most circumstances, you will not pay a separate commission, ticket charge, or custodial fee for the execution of transactions in your account. If there is a low number of trades/transactions in your account(s) that is managed by AEWM, it is likely that the wrap fee will accrue more expenses than an account that is charged on a transactional basis.

If you are a TPRIA Program Client, your TPRIA will determine whether its services are provided on a wrap fee or non-wrap fee basis. If services are provided on a non-wrap fee basis, you will pay separate commissions, ticket charges, and custodian fees for the execution of transactions in your account, in addition to your investment advisory fee. A portion of your investment advisory fee is paid to AEWM as compensation for AEWM's TPRIA Program services. For more information about your TPRIA's investment advisory fee, please review your TPRIA investment advisory services agreement.

In addition to the fees described above, you may incur certain charges imposed by third parties other than AEWM in connection with investments made through your account including, but not limited to, mutual fund sales loads, periodic mutual fund fees (e.g. 12b-1 trails) and surrender charges, IRA and qualified retirement plan fees, regulatory fees assessed by the SEC and/or FINRA, and charges imposed by the qualified custodian(s) of your account. AEWM management fees are separate and distinct from fees and expenses charged by investment company securities recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

Treatment of Mutual Fund Share Classes

Mutual funds often offer multiple share classes with differing internal fee and expense structures. AEWM endeavors to identify and utilize the share class with the lowest internal fee and expense structure for each mutual fund. However, instances occur in which the lowest cost share class is not used. These instances include but are not limited to:

> Instances in which a certain custodian has a share class available that has a lower internal fee and expense structure than is available for the same mutual fund at other custodians. In such instances, AEWM will select the lowest cost share class available at the custodian that holds your account even though a lower cost share class is available at another custodian.
>
> Instances in which the custodian that holds your account offers others a share class with a lower internal fee and expense structure than what is available to AEWM at the same custodian. In such instances, AEWM will select the lowest cost share class that the custodian makes available. This situation sometimes occurs because the custodian places conditions on the availability of the lower

cost share class that AEWM has determined are not appropriate to accept due to additional costs imposed by said conditions.

Instances in which a share class with a lower internal fee and expense structure becomes available after the share class you hold was purchased. AEWM periodically monitors for this circumstance. However, a share class with a lower internal fee may become available between the time of your purchase and AEWM's next review.

Instances in which a share class with a lower internal fee and expense structure than the share class you currently hold is available at your custodian, but where AEWM is prevented by either the custodian or the fund sponsor from converting to the lower cost share class. Additionally, AEWM does not convert to a share class with a lower internal fee and expense structure if the conversion will cause a taxable event or other expense/cost to you that negates the advantage of the lower cost share class.

Instances in which a Strategist selects a share class for inclusion in a model that is not the lowest cost share class available. Whenever possible, AEWM works with Strategists to ensure they are selecting the lowest cost share class available for inclusion in their model portfolios. However, certain Strategists make their investment selections without any input from AEWM. In such cases, AEWM implements the models as directed by the Strategist and does not screen for the lowest mutual fund share class available.

Instances in which you are a TPRIA Program Client or a Co-Adviser Program Client. In such circumstances, AEWM implements the mutual fund selection instructions provided by your TPRIA or Co-Adviser Program Adviser and does not screen for the lowest mutual fund share class available.

Instances in which you make your own investment selections in a Client-Directed Account. In such circumstances, AEWM does not screen for the lowest mutual fund share class available.

Treatment of No Transaction Fee Securities

As described in Item 12 below, certain securities qualify for no transaction fee pricing (i.e., $0.00 commissions) with our custodians. If you receive services on a wrap fee basis and participate in transactions that qualify for no transaction fee pricing, please know that AEWM does not require your IAR to lower his or her fee. AEWM may receive favorable pricing on specific securities offered at our custodians for the trading of ETFs and individual equities. For services you receive through our wrap fee programs, we may compensate the custodian for its custodial services with a portion of the fee that we charge you. AEWM does not always incur custodial service fees from the custodian depending on the products you hold in your account. In the event AEWM does not incur custodial fees, no additional discounts are applied to the fees you pay AEWM.

Financial Planning & Consulting Services

AEWM provides financial planning and consulting services under hourly fee and fixed fee arrangements. The hourly fee typically ranges from $0 (or waived fee) up to a maximum of $500 per hour. Based on the type of client, the services requested, the IAR providing advice, the complexity of the client's situation, the composition of the client's account, other advisory services provided, and the relationship of the client and the IAR, each IAR is allowed to set the hourly rate within this range. The hourly rate for your engagement will be specified in your financial planning and consulting agreement with AEWM.

Before commencing financial planning and consulting services, your IAR will provide an estimate of the approximate hours needed to complete the requested services. If your IAR anticipates exceeding the estimated number of hours required, he/she will contact you to receive authorization to provide additional services. At the sole discretion of your IAR, you will pay in advance a mutually agreed upon retainer to AEWM that will be available for AEWM to bill hourly fees against for financial planning and consulting services. However, under no circumstances will AEWM require you to pay fees of more than $1,200 more than six months in advance.

AEWM also provides financial planning and consulting services under a fixed fee arrangement. The fixed fee typically ranges from $0 (or waived fee) up to a maximum of $10,000. Based on the type of client, the services requested, the IAR providing advice, the complexity of the client's situation, the composition of the client's account, other advisory services provided, and the relationship of the client and the IAR, each IAR is allowed to set the fixed fee within this range. The amount of the fixed fee for your engagement will be specified in your financial planning and consulting agreement with AEWM. The fixed fee is due upon completion of the financial planning and consulting agreement and delivery of the deliverables. However, under no circumstances will AEWM require you to pay fees of more than $1,200 more than six months in advance. Upon completion and delivery of the financial plan, the fixed fee is considered earned by AEWM and any unpaid amount is immediately due.

If you terminate the financial planning and consulting services after entering into an agreement with us and your IAR did not waive your fees, you will be responsible for immediate payment of any financial planning and consulting services performed by AEWM prior to our receipt of your notice of termination. For financial planning and consulting services performed by AEWM under an hourly arrangement, you will pay us for any hourly fees incurred at the rates described in the client agreement. For financial planning and consulting services performed by AEWM under a fixed fee arrangement, you will either pay us (i) a pro-rated fixed fee equivalent to the percentage of work completed by AEWM as determined by us or (ii) an early termination fee for the hours worked by AEWM multiplied by the hourly rate specified in the client agreement. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, we will refund those remaining proceeds to you.

If your IAR engages an outside professional (i.e., attorney, independent investment adviser, or accountant) while providing financial planning and consulting services to you, he/she will be responsible for the payment of the fees for the services of such outside professional, and you will not be required to reimburse AEWM for such payments. To the extent that you personally engage an outside professional, you will be responsible for the payment of the fees for the services of such outside professional, and the fees of the outside professional will be in addition to and separate from the fees charged by AEWM. In no event will the services of an outside professional be engaged without your express approval.

All fees paid to AEWM for services are separate and distinct from the commissions, fees, and expenses charged by insurance companies associated with any disability insurance, life insurance, and annuities subsequently acquired by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you may also pay a commission and/or deferred sales charges in addition to the financial planning and consulting fees paid to AEWM and any commissions, fees, and expenses charged by the insurance company for subsequently acquired insurance and/or annuities.

All fees paid to AEWM for advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

If you retain AEWM to implement the recommendations provided under this service, we may recommend load or no-load mutual funds that charge you periodic mutual fund fees (e.g. 12b-1 trails).

All fees paid to AEWM for financial planning and consulting services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

ERISA Retirement Plan Services

AEWM provides Retirement Plan Services to retirement Plan Sponsors. Fees for retirement plan services, provided to ERISA Plan Sponsors, are negotiated by the IAR and the Plan Sponsor and may not exceed 2.5%. A Plan Sponsor's agreement with the recordkeeper will determine the frequency at which fees are paid. For example, fees may be calculated and billed quarterly; however, some recordkeepers may calculate and bill more frequently. If you are a Plan Sponsor and have questions about your recordkeeper's pay schedule, please refer to your IAR or your agreement with the recordkeeper.

AEWM also receives a flat fee from any TPRIA that subscribes to AEWM's retirement plan investment services.

Client-Directed Accounts

As an administrative convenience to you, you may designate one or more accounts to hold investment products that you desire not to be managed by AEWM but be visible to AEWM for reporting purposes ("Client-Directed Account"). To open a Client-Directed Account, you must have an online trading account with the Custodian and direct your IAR to establish the account as a Client-Directed Account.

AEWM's services related to the Client-Directed Account are limited to including investment products in reporting provided to you by AEWM or the Custodian and processing account maintenance requests such as, but not limited to, money movement requests, address changes, and systematic distributions, at your direction, with the custodian. AEWM will not make recommendations, direct trades, or utilize investment discretion on the Client-Directed Account. You shall provide all direction for trades directly to the Custodian subject to the terms of your agreement with the Custodian. You are solely responsible for monitoring and directing trades in the Client-Directed Account, including, but not limited to, the choice of mutual fund share class and the fees associated with such share class choice. Client-Directed Accounts are not subject to the supervision, management, or oversight practices AEWM provides in relation to its managed accounts as otherwise set forth in this Agreement or AEWM's disclosure documents.

The Client-Directed Account is neither managed nor advised by AEWM. The investment products available to a Client-Directed Account are limited to those made available by AEWM for non-managed accounts. Certain investment products are only available in AEWM-managed accounts and are not available in a Client-Directed Account. As a result, if, for example, you own mutual funds in a Client-Directed Account you may pay more for those mutual funds than you would if the fund was held in an AEWM-managed account.

Your accounts with the Custodian, including the Client-Directed Account, are cash trading accounts. Cash trading accounts are subject to certain laws, rules and regulations that generally require that the account have sufficient cash available to pay for any trade on the settlement date. Failure to have sufficient cash in the account on the settlement date can result in one or more of the following violations: a good faith violation, a freeriding violation, and a cash liquidation violation. Such violations in any of your accounts, including the Client-Directed Account, could result in a temporary or long-term trading restrictions on all of your accounts, including your accounts managed by AEWM. Other situations can also result in trading or account restrictions being placed on your accounts, including but not limited to potential fraud, violation of anti-money laundering rules or regulations, or OFAC sanction control laws, or an incorrect mailing address on file for you.

The existence of any trading restriction on any of your accounts will render both you and AEWM unable to trade any of your accounts. As such, AEWM will be unable to initiate trades or conduct other activities that may be required to manage your managed accounts according to your advisory plan and/or instructions. If this occurs, your managed accounts may be converted to non-managed.

Because the Client-Directed Account is not managed by AEWM, you will be solely responsible for the consequences of any violation and for remediating any violation, if remediation is available. AEWM does not assume any obligation to notify you of a violation or trading restriction caused by you, or to execute any transaction in the Client-Directed Account to remediate a violation or restriction. However, AEWM may under certain circumstances undertake to remediate a violation or restriction subject to a separate written agreement between you and AEWM.

You will not pay asset-based investment advisory fees for Client-Directed Accounts. You will pay an annual administrative fee, paid in monthly installments, as set forth in the Fee Schedule. This annual administrative fee is independent from transactional fees initiated by the Custodian. Transactions directed by you in the Client-Directed Account may be subject to transaction and other fees in accordance with your agreement with the Custodian.

Compensation for Sale of Securities

Our IARs can sell securities in their separate capacities as registered representatives of a broker-dealer, if appropriately registered. In addition, they can sell insurance products in their capacities as independent insurance agents for sales commissions, if appropriately licensed. Please refer to *Item 10 – Other Financial Industry Activities and Affiliations* to read more about our IARs' ability to offer strictly commission-based services through broker-dealers and their insurance activities.

When managing accounts through programs outlined in this disclosure brochure, some of the advice offered by our IARs may involve investments in mutual fund products. Load and no- load mutual funds may pay annual distribution charges sometimes referred to as 12b-1 fees. However, our IARs generally do not receive any portion of the 12b-1 fees paid and other compensation such as commissions, loads, trails, etc. when holding mutual funds in our Direct Asset Management Services program or Model Portfolio Solutions program.

You are never obligated to the broker-dealer(s) affiliated with our IARs and you are never obligated to purchase investment products through our IARs. You have the option to purchase investment products through other brokers or advisers that are not affiliated with AEWM.

Third-Party Registered Investment Adviser and Co-Adviser Program Fees and Compensation

If you are an investment advisory client of a TPRIA, investment advisory fees charged by your TPRIA are set forth in your TPRIA's Form ADV Part 2A, investment advisory services agreement, and fee schedule. If you participate in a TPRIA Program, your TPRIA will pay a portion of your fees to AEWM as compensation for its services. TPRIAs that provide financial planning and consulting services may charge their fees for such services through your account in the TPRIA Program.

If you are a Co-Adviser Program Client, investment advisory fees charged by your Adviser are set forth in your Advisers' Form ADV Part 2A, your Co-Adviser Program Client investment advisory services agreement and fee schedule. The maximum investment advisory fee you will pay will be the lowest maximum fee set forth in either your Adviser's Form ADV Part 2A or AEWM's Form ADV Part 2A. If you are a Co-Adviser Program Client, your Adviser will pay a portion of your fees to AEWM as compensation for its services. Advisers participating in the Co-Adviser Program that provide financial planning and consulting services may charge their fees for such services through your account subject to terms as set forth in Adviser's Form ADV Part 2A and any agreement for such services you enter with your Adviser.

Item 6 – Performance-Based Fees and Side-By-Side Management

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. AEWM does not charge or accept performance-based fees.

Item 7 – Types of Clients

AEWM generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Trusts, estates, or charitable organizations
- Retirement and profit-sharing plans
- Corporations and other business entities

You are required to execute a written investment advisory services agreement with AEWM specifying the particular advisory services in order to establish a client arrangement with us.

The TPRIA Program is offered exclusively through TPRIAs, and as such AEWM accepts any Client for whom the TPRIA deems the TPRIA Program appropriate.

Minimum Investment Amounts Required

AEWM's guidelines typically require a minimum per account balance of $10,000. Exceptions may be granted to this minimum if approved by both your IAR and AEWM.

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

Methods of Analysis

AEWM uses the following methods of analysis in formulating investment advice:

Cyclical – The Cyclical Method analyzes investments which are sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Direct Indexing -- Direct indexing is the process by which an investor invests in an investment portfolio comprised of individual securities intended to replicate the performance of one or more investment indexes, strategies, or models (individually a "Benchmark" and when the portfolio contains securities that reference more than one Benchmark, a "Blended Benchmark"). The inputs include but are not limited to preferences, which may include individual or lists of companies chosen for the portfolio; a desired Benchmark or a relative allocation between Benchmarks ("Blended Benchmark"); and investment strategy constraints, such as security exposure, turnover, and trade thresholds and tax considerations.

Direct Indexing Products do not contain all constituent securities of the Benchmark, may contain alternative securities, or may contain securities in different weights or allocations than the Benchmark. As a result, the portfolios will not track the Benchmark exactly and the gains or losses of the portfolio may be greater or less than the gains or losses experienced by the Benchmark. This difference is known as "tracking error." AEWM will take reasonable efforts to mitigate tracking error within a set target range by rebalancing the portfolio through the purchase and sale of constituent securities but cannot guarantee that it will always be able to successfully mitigate tracking error. Any restrictions placed by the client on (i) securities that may be held in a portfolio and (ii) the budget for realized capital gains on transactions in the account may increase tracking error and decrease the effectiveness of rebalancing. AEWM cannot guarantee that the dividend yield in any portfolio will accurately track the benchmark.

In taxable accounts, a strategy of tax loss harvesting is often employed in direct indexing accounts. But tax-loss harvesting involves certain risks, including that the new investment could have higher costs or perform worse than the original investment and could introduce portfolio tracking error into accounts. There may also be unintended tax implications. AEWM does not hold itself out as an accountant or tax adviser and does not provide such services, therefore AEWM recommends consulting with a tax adviser before engaging in direct indexing for the purpose of tax loss harvesting.

Fundamental – The Fundamental Method evaluates a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

Technical – The Technical Method evaluates 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. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the portfolio manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

Charting is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends. Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

To conduct analysis, AEWM gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, investment research software, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases. There are risks involved with any method of analysis that may be used.

Investment Strategies

AEWM may employ the following investment strategies when managing client assets and/or providing investment advice:

Options Trading. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. The two types of options are calls and puts. A call gives the holder the right to buy an asset at a certain price within a specific period of time. A put gives the holder the right to sell an asset at a certain price within a specific period of time. AEWM contracts with a Strategist to utilize this strategy. Options are complex securities that involve risks and are not suitable for everyone. Individual options contracts outside of a model are not available through AEWM.

Strategic asset allocation. A strategic asset allocation strategy calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

Structured Notes. A structured note is a debt obligation that contains an embedded derivative component that adjusts the security’s risk-return profile. There are both principal-at-risk and principal-protected types of structured notes. Principal-protected notes offer full principal protection, even if the market is down at the note’s maturity. Principal-at-risk notes offer no principal protection and an investor can lose some or all of their invested principal at maturity. A structured note will result in loss of principal if the reference asset declines by more than the stated buffer or barrier level, either at maturity, or on a scheduled observation date. Structured notes are classified as senior unsecured debt. Certain notes may be callable automatically or at the option of the issuer. If a note is called, the investor will not receive any interest payments that would have been payable for the remainder of the term of the note. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, or market volatility. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.

Style-based investing. There are various "style-based" investing strategies. Value investing strategy selects stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, under performance relative to major benchmarks, macro-economic risks, investing in value traps i.e. businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation. Growth investing is a strategy focused on increasing an investor's capital by typically investing in young or small companies whose earnings are expected to increase at an above-average rate compared to their industry sector or the overall market. This can be a popular strategy, but because these companies are still new, investing in them imposes a fairly high risk.

Tactical asset allocation. A tactical asset allocation strategy allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Certain tactical strategies may also trade frequently, which may cause tax implications. However, AEWM does not hold itself out as an accountant or tax advisor and does not provide such services, therefore AEWM recommends consulting with a tax advisor as it relates to this investment strategy.

Model Manager Selection

AEWM reviews each third-party model manager, or Strategist, before selecting them to be included in our program. We conduct initial and ongoing reviews to ensure that the model manager is suitable for our programs. We call these processes "due diligence." In order to assist us in conducting our due diligence and selection of model managers, we may utilize an outside firm. For more information about our process and criteria, please reference *Item 6 - Performance-Based Fees and Side-By-Side Management* in AEWM's ADV Appendix I Wrap Fee Brochure.

Risk of Loss

Investing in securities (including stocks, mutual funds, and bonds, etc.) always involves risk of loss Depending on the different types of investments utilized, there are varying degrees of risk. Accordingly, you should be prepared to bear investment loss including the loss of your original principal. Further, past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

Alternative Investments Risk – Alternative investments typically do not correlate to the stock market, which means they can be used to add diversification to a portfolio and help mitigate volatility. Alternative Investments can be illiquid due to restrictions on transfer and lack of a secondary trading market. These investments may lack transparency as to share price, valuation, and portfolio holdings. Complex tax structures often result in delayed tax reporting. Compared to mutual funds, private funds are subject to less regulation and often charge higher fees. Alternative investments encompass a broad array of strategies, each with its own unique return and risk characteristics to be considered on a case-specific basis.

<u>Company Risk</u> – When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company's stock may be reduced.

<u>Cybersecurity Risk</u> – With the increased use of technologies to conduct business, AEWM is susceptible to operational, information security, and related risks. In general, information and cyber-incidents can result from deliberate attacks or unintentional events and arise from external or internal sources. Cyber-attacks include unauthorized access to digital systems (such as through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial of service attacks on websites (making network services unavailable to intended users). Cyber-incidents may cause disruptions and affect business operations, potentially resulting in financial losses, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. AEWM follows its security protocol in its Information Security Management System Policies in the event a cybersecurity event occurs.

<u>Emerging Markets Risk</u> – The risks associated with foreign investments are heightened when investing in emerging markets. The governments and economies of emerging market countries may show greater instability than those of more developed countries. Such investments tend to fluctuate in price more widely and to be less liquid than other foreign investments.

<u>ETF, Closed-end Fund, and Mutual Fund Risk</u> – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. If the ETF, closed-end fund or mutual fund fails to achieve its investment objective, the account's investment in the fund may adversely affect its performance. Because the value of ETF shares depends on the demand in the market, your IAR may not be able to liquidate the holdings at the most optimal time, adversely affecting performance. Closed-end funds not publicly offered provide only limited liquidity to investors. And, generally, closed-end funds are not required to buy back their shares from investors upon request.

<u>Equity (Stock) Market Risk</u> – Common stocks are susceptible to general stock market fluctuations

and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

Fixed Income Risk – When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. For some fixed-income products, investors receive set, regular payments that face the same inflation risk. Fixed income instruments purchased by a client are subject to the risk that as interest rates rise, market values of bonds decline. This results in a more pronounced effect on the securities with longer durations. Fixed income securities are also subject to reinvestment risk, which refers to the possibility an investor will be unable to reinvest cash flows (i.e., coupon payments or interest) in a new security at a rate comparable to their current rate of return.

International Investing Risk – International investing, especially in emerging markets, involves special risks, such as currency exchange and price fluctuations and political and economic risks.

Interval Fund Risk – Interval funds are classified as closed-end funds, but they are distinct because the shares do not trade on the secondary market, but instead periodically the fund offers to buy back a percentage of outstanding shares at net asset value. This results in the funds being largely illiquid. There is no guarantee that investors will be able to sell their shares at any given time or in the desired amount. Additionally, repurchase is done on a pro-rata basis; therefore, there is no guarantee you can redeem the number of shares you want during a given redemption.

Lack of Diversification Risk – Concentrated portfolios, including portfolios with a concentration in one asset class, typically result in increased risk and volatility and decreased diversification, which could result in losses.

Liquidity Risk – Liquidity is how easily an asset or security can be bought or sold in the market and converted to cash. Generally, the less liquid an asset is, the greater the risk that if an investor needed to sell the asset quickly, the asset will be sold at a loss. Simple assets tend to be more liquid than complex assets. An asset tends to be more liquid if it represents a standardized product or security and there are many traders interested in making a market in that product or security.

Management Risk – Your investment with a registered investment adviser varies with the success and failure of its investment strategies, research, analysis, and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Margins Risk – A margin transaction occurs when an investor uses borrowed assets by using other securities as collateral to purchase financial instruments. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. Margin trading involves interest charges and risks, including the potential to lose more than deposited or the need to deposit additional collateral in a falling market.

Non-Investment Grade Bonds – Commonly known as "junk bonds," non-investment grade bonds are "below investment grade quality" (rated below Baa3 by Moody's Investors Service, Inc. or below BBB- by Standard & Poor's Ratings Group and Fitch Ratings or, if unrated, reasonably determined by the Firm to be of comparable quality). Junk bonds represent bonds issued by companies that are financially struggling and have a higher risk of defaulting or not paying their interest payments or repaying the principal to investors. Investing in non-investment grade bonds can be speculative.

<u>Options Risk</u> – Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks. Options, like other securities, carry no guarantees, and investors should be aware that it is possible to lose all of your initial investment, and sometimes more. Since options derive their value from an underlying asset, which may be a stock or securities index, any risk factors that impact the price of the underlying asset will also indirectly impact the price and value of the option.

<u>REITs and Real Estate Risk</u> – Real estate investment trusts (REITs) are popular investment vehicles that pay dividends to investors. The value of an investment in REITs may change in response to a change in the real estate market. REITs may subject an investment to additional risks such as decline in the value of real estate, changes in interest rates may result in lack of available mortgage funds or other capital and financing limits, extended vacancies of properties, increases in property taxes and operating expenses, and changes in zoning laws and regulations. When traded like shares of stock on exchanges, REITs can give exposure to diversified real estate holdings.

<u>Small- and Medium-Capitalization Companies</u> – Publicly traded companies are often segmented by their market capitalization—the total value of their shares in the market. Small-cap investing is often used when an investor is focused on growth opportunities. Though they historically outperform large-cap stocks, small-cap stocks are riskier. Prices of small-cap stocks are often more volatile than prices of large-cap stocks. The same can be said for some medium-cap stocks. Additionally, the risk of bankruptcy or insolvency for smaller companies is higher than for larger companies.

<u>Structured Notes Risk</u> – Structured notes are complex instruments consisting of a bond component and an imbedded derivative. Principal-protected notes offer full principal protection, even if the market is down at the note's maturity. Principal-at-risk notes offer no principal protection, and an investor can lose some or all of their invested principal at maturity. Additionally, structured notes lack liquidity, are not listed on securities exchanges, and you may be unable to sell the note prior to maturity. Investors who sell structured notes prior to maturity are subject to secondary market risk, including the risk of loss, as the market price may be less than the initial principal or face value. Structured notes are also subject to credit and call risks. The credit risk involves a situation where, if the issuer were to default on its payment obligations, you may not receive any amount owed under the structured note and you could lose your entire principal investment. A call risk involves the risk of losing the opportunity to receive interest payments that would have been payable had the issuer not called the note prior to its maturity.

Item 9 – Disciplinary Information

On September 1, 2021, AEWM entered into a consent order with the Securities Division of the Arizona Corporation Commission settling an administrative action. In this matter, the Arizona Corporation

Commission found that AEWM violated A.R.S. § 44-3241(A)(2). In particular, the Arizona Corporation Commission found that AEWM failed to disclose to 240 investment advisory clients (households) that their co-adviser's IAR had various unreported disclosures, and misled clients regarding the reason for the co-adviser's rebranding of their firm. AEWM consented to cease and desist from committing or causing future violations, to an administrative penalty of $150,000, and to return investment advisory fees in the amount of $1,159,400.97 to the co-adviser's clients.

Item 10 – Other Financial Industry Activities and Affiliations

Registration of Management Persons with a Broker-Dealer

David Callanan, our Chief Executive Officer, is a registered representative of Madison Avenue Securities, a broker-dealer affiliated with AEWM. Additionally, Mr. Callanan; Christopher Radford, our President; and Shawn Scholz, our Chief Compliance Officer, are registered representatives of AE Financial Services, LLC, a broker-dealer that is under common control with AEWM.

Related Broker-Dealers

AEWM is under common control and ownership with two registered broker-dealers, AE Financial Services, LLC ("AEFS"), and Madison Avenue Securities, LLC ("MAS"). While we do not typically utilize these affiliated broker-dealers when conducting our asset management services, there are instances when your IAR recommends products that are not available through our traditional asset management accounts or make recommendations that can be implemented directly with a broker-dealer. In these instances, our principal owners will benefit when the recommended securities are purchased through either AEFS or MAS. We address this conflict of interest by: (1) disclosing it to you in this brochure; (2) not requiring you to purchase the recommended securities through AEFS and/or MAS (you may make the purchase through any broker-dealer you choose); and (3) prohibiting the collection of a retail commission from an affiliated broker-dealer and the assessment of an ongoing management fee by AEWM on the same security. When products are purchased through AEFS or MAS, those entities are responsible for assessing whether such purchases meet the best interest standard.

Your IAR may recommend investment products that AEWM accesses through AEFS or MAS. In such instances, AEWM will receive its normal investment management fee and AEFS/MAS will also receive a wholesaling fee for the same product. We address this conflict of interest by disclosing it to you in this brochure and requiring securities recommendations for products that are managed by AEWM to be in your best interest.

Registered Representative of a Broker-Dealer

Some of AEWM's IARs are also registered representatives of a securities broker-dealer, such as AEFS or MAS. If you elect to utilize the services of your IAR in his or her separate capacity as a registered representative of a broker-dealer, you should be aware that he or she can sell, for commissions, general securities products to you. Your IAR can suggest that you purchase securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment advisory account. The commissions charged by your IAR's broker-dealer may be higher than commissions charged by other broker-dealers. Customarily, the registered representative will also receive periodic payments from a mutual fund company related to purchases of the mutual fund's shares during the period that you maintain the mutual fund investment. Consequently, the objectivity of the advice rendered is biased due to the receipt of commissions and other standard brokerage compensation. We address this conflict of interest by: (1) disclosing it to you in this brochure; (2) not requiring you to purchase any recommended security from a broker-dealer associated with your IAR or AEWM (you may make the purchase through any broker-dealer you choose); and (3) prohibiting the collection of a commission/mutual fund fee and the assessment of an ongoing management fee by AEWM on the same security. When you purchase products through a broker-dealer, that broker-dealer is responsible for assessing whether such purchases meet the best interest standard.

Related Investment Advisers

MAS (one of the broker-dealers described above) is also an SEC registered investment adviser. As previously stated, AEWM and MAS are under common control and ownership. MAS utilizes AEWM's platform to assist in providing investment advisory services to clients of MAS. MAS compensates AEWM for such services. We do not consider our investment advisory affiliation with MAS to create a material conflict of interest for our AEWM clients. Clients of MAS should refer to its Firm Brochure for a description of conflicts of interest related to MAS.

AEWM is under common control and ownership with Impact Partnership Wealth, LLC ("IPW"), a separate investment adviser registered with the SEC. IPW utilizes our platform to assist in providing investment advisory services to clients of IPW. IPW compensates AEWM for such services. We do not consider our affiliation with IPW to create a material conflict of interest for our AEWM clients. Clients of IPW should refer to its Firm Brochure for a description of conflicts of interest related to IPW.

AEWM is under common control and ownership with Veta Investment Partners, LLC ("VIP"), a separate investment adviser registered with the SEC. AEWM utilizes VIP as both a Third-Party Manager and a Strategist. When AEWM places a client in a model portfolio managed by VIP, the principal owners of AEWM benefit. We address this conflict of interest by: (1) disclosing it to you in this brochure; (2) subjecting VIP to the same initial and ongoing due diligence processes that we use to evaluate all third-party Strategists; (3) not incentivizing IARs to recommend VIP over other third-party Strategists; (4) not allowing VIP to compensate AEWM or its personnel for client referrals; (5) ensuring that the compensation provided to VIP by AEWM is comparable to the fee provided to similar third-party Strategists; and (6) requiring IARs to make investment recommendations that are in each client's best interest.

Related Insurance Marketing Organizations

AEWM is under common control and ownership with Advisors Excel, LLC ("AE") and Asset Marketing Systems Insurance Services, LLC ("AMSIS"). AE and AMSIS are insurance agencies that market/wholesale life insurance and fixed annuities to third-party insurance agents in exchange for a marketing and/or override fee from the issuer of such insurance/annuity products. AEWM IARs, in a separate capacity as insurance agents, utilize the marketing and wholesaling services of AE and AMSIS. When your IAR sells you a life insurance/fixed annuity product through AE or AMSIS, the principal owners of AEWM benefit. We address this conflict of interest by disclosing it to you in this brochure and ensuring no advisory fee is charged on insurance products/fixed annuities, which are held outside of the advisory relationship, in addition to the commission the representative earns from the sales of those same product(s).

AEWM is under common control and ownership with Innovation Design Group, LLC "("IDG"), an insurance agency that provides services to insurance companies concerning the product design and distribution of annuities. IDG has participated in the design of a number of annuities issued by insurance companies that are either distributed exclusively by AE or distributed by a small group of insurance marketing organizations of which AE is a member. When your IAR, in his/her separate capacity as an insurance agent, sells you an annuity that was designed by or distributed through IDG, the principal owners of AEWM benefit. We address this conflict of interest by disclosing it to you in this brochure and ensuring no advisory fee is charged on an annuity, which are held outside of the advisory relationship, in addition to the commission the representative earns from the sale of those same annuity products.

Insurance Agents

Many of AEWM's IARs serve, in a separate capacity, as insurance agents. When acting in a separate capacity as an insurance agent, your IAR will sell, for commissions, life insurance, annuities, and other insurance products to you. IARs are also eligible to receive incentives and other compensation based on and related to insurance transactions. These incentives include, but are not limited to: gifts, meals, entertainment, participation in bonus programs, forgivable loans, reimbursement for training, marketing assistance, educational efforts, advertising, and travel expenses to conferences and events. Consequently, your IAR is incentivized to recommend that you purchase insurance products due to the receipt of commissions and other compensation. As a result, the objectivity of the advice rendered to you is biased. We address this conflict of interest by disclosing it to you in this brochure and ensuring no advisory fee is charged on insurance products, which are held outside of the advisory relationship, in addition to the commission the representative earns from the sale the same insurance. When acting in their capacity as an insurance agent, your IAR is not subject to the fiduciary standards under the Investment Advisers Act of 1940. You are under no obligation to implement any insurance or annuity transaction through your IAR in his or her capacity as an insurance agent. When you purchase insurance products, the insurance carrier is responsible for assessing whether such purchases meet the best interest standard. Because this is activity involving insurance, AEWM does not supervise or conduct oversight of this activity.

Certified Public Accountants

Some of AEWM's IARs serve, in a separate capacity, as a CPA by providing tax services to individuals and corporations. As a CPA, these IARs may receive compensation for the tax services they provide their clients. Any fees received through the tax services do not offset advisory fees the client may pay for AEWM's advisory services. Clients have the right to decide whether or not to engage in services with the CPA firm. As a result, a conflict arises between your interests and AEWM's interest. However, at all times AEWM and our IARs will act in your best interest and act as a fiduciary in carrying out advisory services to you. Because this is not an advisory service, AEWM does not supervise or conduct oversight of this activity. Any CPA activity performed is separate and distinct and not affiliated with AEWM in any way.

Item 11 – Code of Ethics, Participation in Client Transactions, and Personal Trading

Code of Ethics Summary

AEWM has established a Code of Ethics that applies to all of its supervised persons. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. This fiduciary duty is considered the core underlying principle for our Code of Ethics which also covers our Personal Securities Transactions Policies and Procedures. AEWM has the responsibility to make sure that the interests of all clients are placed ahead of AEWM's own investment interests. AEWM will disclose material facts along with potential and actual conflicts of interest to clients. AEWM seeks to conduct business in an honest, ethical, and fair manner and will take reasonable steps to avoid circumstances that might negatively affect our duty of loyalty to clients. This section is intended to provide clients with a summary of AEWM's Code of Ethics. Clients may receive a complete copy of the Code of Ethics upon request.

Affiliate and Employee Personal Securities Transactions Disclosure

At times, AEWM or associated persons of the firm will buy or sell for their personal accounts, investment products identical to those recommended to clients. In some instances, such transactions by AEWM or associated persons of the firm will be at the same time a transaction in the identical investment product is recommended to clients. This creates a conflict of interest. It is the express policy of AEWM that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. AEWM and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

To mitigate conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees, and their immediate family members (collectively, "Associated Persons").

Any Associated Person not observing our policies is subject to sanctions up to and including termination.

Item 12 – Brokerage Practices

If AEWM assists in the implementation of any recommendations, we are responsible to ensure that the client receives best execution for transactions. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we consider a number of factors other than prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

Brokerage Recommendations

To utilize our asset management services, AEWM will require that you establish or maintain a brokerage account with TD Ameritrade/Charles Schwab through their Institutional Platforms or with Fidelity Institutional Wealth Services and/or its affiliate, National Financial Services LLC (collectively "Fidelity"). TD Ameritrade/Charles Schwab and Fidelity are members of FINRA/SIPC/NFA. TD Ameritrade/Charles Schwab and Fidelity are independent and unaffiliated registered broker-dealers and are recommended by AEWM to maintain custody of clients' assets and to effect trades for their accounts.

The primary factor in suggesting a broker-dealer or custodian is that the services of the recommended firm are provided in a cost-effective manner. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. The trading process of any broker-dealer and Third-Party Manager suggested by AEWM must be efficient, seamless, and straight-forward. Overall custodial support services, trade correction services, and statement preparation are some of the other factors determined when suggesting a broker-dealer.

TD Ameritrade/Charles Schwab

TD Ameritrade/Charles Schwab provides us with access to their institutional trading and custody services, which are typically not available to retail investors. We compensate TD Ameritrade/Charles Schwab for their custodial services with a portion of the fee that we charge you. TD Ameritrade/Charles Schwab offers certain securities, including specified equities, mutual funds and exchange traded funds, on a no transaction fee basis. To the extent purchases/sells of securities in your account qualify for no-transaction fee pricing, TD Ameritrade/Charles Schwab reduces the fee assessed to AEWM for custodial services. However, AEWM does not lower the investment advisory fee charged to you in a corresponding manner.

Services that we receive from TD Ameritrade/Charles Schwab include, but are not necessarily limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.

TD Ameritrade/Charles Schwab also make available to us (or offsets the cost of) other products and services that benefit our firm but have no impact on clients' accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that:

- Provide access to client account data (such as trade confirmation and account statements).
- Provide research, pricing information, and other market data.
- Facilitate payment of the firm's fees from its clients' accounts.
- Assist with back-office functions, record keeping, and client reporting.

Many of these services are generally used to service all or a substantial number of our accounts, including accounts not maintained at a recommended custodian. TD Ameritrade is also providing other services intended to help our firm manage and further develop our business enterprise. These services may include:

- Consulting.
- Publications and conferences on practice management.
- Information technology.
- Business succession.
- Regulatory compliance.
- Marketing.

The President of AEWM serves on the TD Ameritrade Institutional Advisor Panel ("Panel"). The Panel consists of a number of independent investment advisers who inform and provide feedback to TD Ameritrade Institutional ("TDAI") on issues relevant to the independent adviser community. Adviser has been appointed to serve on the Panel for a three-year term by TDAI. TD Ameritrade, Inc. ("TD Ameritrade") does not compensate adviser for serving on the Panel but TDAI pays or reimburses adviser for travel, lodging, and meal expenses adviser incurs in attending in person Panel meetings. The potential benefits received by adviser or its personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to TDAI.

Fidelity Institutional Wealth Services

Fidelity provides us with access to their institutional trading and custody services, which are typically not available to retail investors. The services from Fidelity include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

We compensate Fidelity for its custodial services with a portion of the fee that we charge you. Fidelity offers certain securities, including specified equities, mutual funds and exchange traded funds, on a no transaction fee basis. To the extent purchases/sells of securities in your account qualify for no-transaction fee pricing, Fidelity reduces the fee assessed to AEWM for custodial services. However, AEWM does not lower the investment advisory fee charged to you in a corresponding manner.

Fidelity also makes available other products and services that benefit us but have no impact on clients' accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that:

- Provide access to client account data (such as trade confirmation and account statements).
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts).
- Provide research, pricing information and other market data.
- Facilitate payment of our fees from client accounts.
- Assist with back-office functions, recordkeeping and client reporting.

Many of these services are generally used to service all, or a substantial number, of our accounts, including accounts not maintained at Fidelity. Fidelity also makes available other services intended to help us manage and further develop our business. These services may include:

- Consulting, publications and conferences on practice management.
- Information technology.
- Business succession and transition assistance.
- Regulatory compliance.
- Marketing.
- Assistance with client paperwork and other items related to transitions to AEWM.

In addition, Fidelity may make available, arrange and/or pay for these types of services rendered to us by independent or related third parties. As a fiduciary, we endeavor to act in your best interest. Our recommendation that you maintain your assets in accounts at Fidelity will be based in part on the benefit to us in the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity. This creates a conflict of interest.

Directed Brokerage

Clients should understand that not all IARs require the use of a particular broker-dealer or custodian. Some IARs allow their clients to select whichever broker-dealer the client decides. By requiring clients to use a particular broker-dealer, AEWM may not achieve the most favorable execution of client transactions. Requiring the use of specific broker-dealers may cost clients more money than if the client used a different broker-dealer or custodian. However, for compliance and operational efficiencies, AEWM has decided to require our clients to use broker-dealers and other qualified custodians chosen by AEWM.

Soft Dollar Benefits

Except as described above in the TD Ameritrade and Fidelity sections, AEWM does receive “soft dollar” benefits, which are research products or services in exchange for commissions generated by transactions in client accounts.

Training Assistance Received from Service Providers

AEWM receives payments from certain service providers to partially offset the costs of providing training events related to investment products, investment management, and compliance topics for IARs associated with AEWM. Such service providers include (but are not limited to) custodians, such as TD Ameritrade/Charles Schwab and Fidelity, as well as mutual fund, exchange traded fund, and unit investment trust providers, such as Wisdom Tree and First Trust. Investment products offered by such mutual fund, exchange traded fund, and unit investment trust providers may be directly recommended or included in model portfolios recommended to clients of AEWM.

Block Trading Policy

With respect to our asset management services, we may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading, or block trading and is used by our firm when AEWM believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

AEWM uses the average price allocation method for transaction allocation. Under this procedure AEWM will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Accounts subject to our asset management services are reviewed at least annually. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by the IAR of record, with reviews performed in accordance with your investment goals and objectives.

Generally, our financial planning services terminate upon the presentation of the written plan. Our financial planning and consulting services do not include monitoring the investments of your account(s), and therefore, we do not provide an ongoing review of your account(s) under such services.

Statements and Reports

For our asset management services, you will be provided with transaction confirmation notices and regular quarterly account statements in writing directly from the qualified custodian. Additionally, AEWM may provide you periodic performance reports.

Financial planning clients do not receive any report other than the written plan originally contracted for and provided by AEWM.

You are encouraged to compare any reports or statements provided by us, a sub-adviser, or Third-Party Manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

Item 14 – Client Referrals and Other Compensation

AEWM compensates certain non-employee persons and/or entities (individually, a "Promotor" and collectively "Promotors") for client referrals. If a Promotor refers a client to AEWM, the Promotor must abide by the requirements of the jurisdiction in which they operate. The Promotor will provide the client with a document describing AEWM's relationship with the Promotor, the compensation that AEWM is providing the Promotor, and any material conflicts of interest. You will not pay additional fees because of this referral arrangement. Once an investment management account is established, the Promotor will receive ongoing compensation based on a percentage of the assets under management associated with the account.

Therefore, a Promotor has a financial incentive to recommend our IARs to you for advisory services.

Our IARs, acting in their separate capacities as insurance agents for either AE or outside insurance marketing organizations, receive commissions and other incentive awards for the recommendation/sale of annuities and other insurance products. The receipt of commissions and additional compensation itself creates a conflict of interest. Due to the non-fiduciary capacity the IARs are acting in as insurance agents outside of an advisory recommendation, this can impact the insurance products they select when making recommendations.

AE and AMSIS provide AEWM IARs bonus compensation based on the amount of annuity sales during a specific period of time, which is a conflict of interest. They also provide indirect compensation by providing marketing assistance, business development tools, technology, back office/operations support, business succession planning, business conferences, and incentive trips. These incentive programs do not affect fees paid by the client. Although some of these services can benefit a client, other services obtained by AEWM IARs from AE or AMSIS such as marketing assistance, business development, and incentive trips will not benefit an existing client and is a conflict of interest.

In addition to the compensation discussed above, AEWM and AE have initiated a cash incentive plan. Pursuant to this plan, IARs are eligible to receive cash payments based on a combination of the sale of insurance products through AE and the value of securities that are managed by AEWM. The methodology used to calculate the cash payment is weighted in favor of insurance products. As a result, your IAR is incentivized to recommend insurance products. Furthermore, AEWM and AE offer business loans to IARs on a case-by-case basis. At times, AEWM will forgive a portion or all of such loans based on certain factors such as remaining with AEWM and AE for a specified time period. As a result of the cash incentive plan and business loans described above, your IAR is incentivized to remain associated with AEWM and AE. These incentive programs do not affect fees paid by the client.

AEWM IARs may receive bonus payments from an insurance company for selling a targeted number of annuities during a specified period of time which creates a conflict of interest. AEWM IARs may also receive bonuses based on their overall assets under management during a specific period of time. These bonuses could include cash payments and/or qualification for networking and business trips. These benefits are not a result of achieving sales quotas related to specific product lines. This presents a conflict of interest which AEWM addresses by providing disclosures, following procedures, and applying the firm's fiduciary obligation to each client.

At times, AEWM IARs receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are the result of informal expense sharing arrangements in which product sponsors will underwrite costs incurred for marketing, such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of clients. AEWM attempts to control for this conflict by always basing investment decisions on the individual needs of clients.

Item 15 – Custody

Custody means having access or control over client funds and/or securities. Custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. Authorization to trade in client accounts is not deemed by regulators to be custody.

AEWM is deemed to have custody of client funds and securities as our firm is given the authority to have fees deducted directly from client accounts. AEWM is also deemed to have custody of client funds because we allow Standing Letters of Authorization on client accounts. For accounts in which AEWM is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients, or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address, and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from AEWM. If you have questions about your account statements, you should contact AEWM or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

When providing asset management services, AEWM maintains trading authorization over your Account and provides management services on a discretionary basis. Discretionary authority is granted through the execution of a limited power of attorney contained in the custodian's paperwork and the execution of an investment advisory services agreement with AEWM. We have the authority to determine the type of securities and the amount of securities that will be bought or sold for your portfolio without obtaining your consent for each transaction. Nevertheless, you will have the ability to place reasonable restrictions on the types of investments purchased in your account.

Item 17 – Voting Client Securities

AEWM does not vote proxies on behalf of clients. Therefore, it is your responsibility to vote all proxies for securities held in your Account. You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. Although we do not vote client proxies, AEWM may provide limited clarifications of the issues presented based on AEWM's understanding of the issues presented in the proxy-voting materials. If you have a question about a particular proxy feel free to contact the custodian or transfer agent directly.

In situations when you engage a Third-Party Registered Investment Adviser to manage your portfolio, where permissible, you may grant your TPRIA discretion to vote proxies with respect to any securities purchased or held in your account. In such cases, all proxy and legal proceedings information and documents received by AEWM relating to the securities in a TPRIA Program account will be forwarded to your TPRIA. AEWM will not have or accept the authority to vote proxies on behalf of TPRIA Program Clients.

Item 18 – Financial Information

This Item 18 is not applicable to this brochure. AEWM does not require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, AEWM has not been the subject of a bankruptcy petition at any time.