

## **Brochure – Part 2A of Form ADV**

### **Wealth Science Advisors, LLC**

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**March 26, 2024**

This brochure (“Brochure”) provides information about the qualifications and business practices of Wealth Science Advisors LLC (“WSA”). If you have any questions about the contents of this Brochure, please contact us at (678) 837-5438. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

Additional information about WSA is available on the SEC’s website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

## **Item 2 - Material Changes**

This Brochure is a document which Wealth Science Advisors LLC (“WSA”) provides to its clients as required by the SEC’s rules. The purpose of Item 2 of the Brochure is to provide clients with a summary of new and/or updated information that is contained in the remainder of the Brochure.

Since WSA’s last annual amendment filing on March 27, 2023, this Brochure has been materially updated to reflect that WSA may recommend Charles Schwab & Co., Inc. as a custodian for client assets.

**ANY QUESTIONS:** Our Firm’s Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions regarding the above changes, or any other issue pertaining to this Brochure.

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## Item 4 - Advisory Business

### General Information

Wealth Science Advisors LLC was founded in 2022. WSA is principally owned by Dr. Jim Exley (“Principal”).

WSA primarily provides discretionary investment advisory services on a *fee* basis as discussed at Item 5 below to individuals and families. Before engaging WSA to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with WSA setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. To commence the investment advisory process, WSA will ascertain each client’s investment objective(s) and then allocate the client’s assets consistent with the client’s designated investment objective(s). Once allocated, WSA provides ongoing supervision of the account(s).

Contingent upon the client’s separate engagement of WSA for initial planning services per the terms and conditions of a separate agreement and fee (***See Stand-Alone Financial Planning and Non-Investment Consulting Services*** below), WSA’s annual investment advisory fee shall generally (exceptions can occur - *see below*), to the extent specifically requested by the client, include subsequent financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of WSA), WSA may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client. At its exclusive discretion, WSA may determine to provide stand-alone (i.e., without initial and/or ongoing financial planning) discretionary investment management services, including for engagements by entities that do not require financial planning services that are typically applicable for individuals and families. **Please Note:** In the event an individual or family client declines financial planning services, and WSA determines to proceed with the engagement, that client will generally pay the same investment management fee than those clients who engage WSA for financial planning.

WSA, in its discretion, depending upon the type and/or request of the client, may also determine to provide stand-alone investment advisory services that do not include ongoing financial planning.

WSA offers the following services, each of which is more fully described below:

- Money Happiness™ Services;
- Financial Planning Services;
- Investment Advisory Services;
- Reservoir Cash Flow System Services™
- General Consulting Services; and
- Ancillary Services.

### Money Happiness™

WSA strives to gain a greater understanding of a client’s Money Happiness™ and develops strategies designed with the client’s Money Happiness™ in mind. Money Happiness™ generally means thinking and feeling that your financial life is going well, not badly, and is based on a client’s unique personality, experience, and personal life narrative.

### Stand-Alone Financial Planning and Non-Investment Consulting Services

WSA provides financial planning and related consulting services regarding matters such as tax and estate

planning, insurance, family personality, etc. on a stand-alone basis per the terms and conditions of a separate written agreement and fee. The amount of the planning fee shall generally be based upon the individual providing the service and the scope and complexity of the services to be provided (typically ranging from \$125 to \$1200 on an hourly rate basis, and between \$1,500 and \$100,000 on a fixed fee basis). Prior to engaging WSA to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with WSA setting forth the terms and conditions of the engagement (including compensation and termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to WSA commencing services. **See Limitations of Financial Planning and Non-Investment Consulting/Implementation Services** below.

#### Investment Advisory Services

##### ***Wealth Science Assessment (patent pending) and Investment Plan***

At the outset of each client relationship, WSA spends time with the client, asking questions, discussing the client's Money Happiness™, financial history, investment experience and financial circumstances, views and preferences on risk in the markets, and other topics relevant to WSA's psychological investment process. After gathering the client's information using the Wealth Science Assessment (patent pending), WSA uses the information to design an appropriate financial profile reflective of the client's financial circumstances, goals, and investing-oriented characteristics. The profile is a reflection of the client's current financial picture and a look to the future goals of the client. Based upon the profile, WSA develops an appropriate investment plan. The investment plan reflects the types of investments WSA will make on behalf of the client based on WSA's research and analysis in order to meet those goals. The investment plan generally includes investment management and Money Happiness™ strategies designed to achieve the client's near-term and long-term goals.

The investment plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by WSA based on updates to the client's financial situation or objectives. WSA offers to meet with clients twice per year to assess changes in the client's situation, circumstances and Money Happiness™. It is the responsibility of the client to notify WSA, in writing, of any changes to their financial situation or objectives or any other factors that may impact the client's Financial Profile.

##### ***Portfolio Management***

To implement the client's investment plan, WSA will manage the client's investment portfolio on a discretionary basis pursuant to an *Investment Advisory Agreement* with the client. As a discretionary investment adviser, WSA will have the authority to supervise and direct the portfolio without prior consultation with the client

Notwithstanding WSA's discretionary authority, clients may, in writing, request certain reasonable restrictions on WSA's investment management authority, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions, if accepted by WSA, may adversely affect the composition and performance of the client's investment portfolio.

##### ***Reservoir Cash Flow System Services™***

WSA offers Cash Services, which includes implementation of the Reservoir Cash Flow System™, check writing, accounts payable, accounts receivable, reconciliation, statement production, wire transfers, and may include maintenance of a general ledger, which entails booking and coding expenditures and inflows.

### ***Stand-alone Investment Consulting***

If/when requested, WSA may also determine to provide consulting services regarding various investment-related matters per the terms and conditions of a separate agreement and fee.

## **MISCELLANEOUS**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services** To the extent requested by the client, WSA will generally provide financial planning and related consulting services regarding matters such as tax and estate planning, insurance, family personality, etc. Contingent upon the client's separate engagement of WSA for initial planning services per the terms and conditions of a separate agreement and fee, WSA will generally provide subsequent consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, extraordinary matters, special projects, stand-alone planning engagements, etc. for which Firm may charge a separate or additional fee). **Please Note:** WSA believes that it is important for the client to address financial planning issues on an ongoing basis. WSA's advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with WSA. **Please Also Note:** WSA **does not** serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, WSA **does not** prepare legal documents, prepare tax returns, or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e., attorneys, accountants, insurance, doctors, therapists etc.). The client is not under any obligation to engage any such professional(s). The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from WSA and/or its representatives. If the client engages any professional (i.e., attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional[s] (i.e., attorney, accountant, insurance agent, doctors, therapists, etc.), and **not** WSA, shall be responsible for the quality and competency of the services provided.

### **Please Note: Retirement Rollovers-Potential for Conflict of Interest**

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (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) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If WSA recommends that a client roll over their retirement plan assets into an account to be managed by WSA, such a recommendation creates a **conflict of interest** if WSA will earn new (or increase its current) compensation as a result of the rollover. If WSA provides a recommendation as to whether a client should engage in a rollover or not (**whether it is from an employer's plan or an existing IRA**), WSA is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. **No client is under any obligation to roll over retirement plan assets to an account managed by WSA, whether it is from an employer's plan or an existing IRA. WSA's Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

### **Custodian Charges – Additional Fees**

As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, WSA generally recommends that *Pershing* or *Charles Schwab & Co., Inc.* ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Pershing* and

*Schwab* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds between \$20-\$35 per transaction, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including *Pershing* and *Schwab*, do not currently charge fees on individual equity transactions (including ETFs), others do. **Please Note:** there can be no assurance that *Pershing* or *Schwab* will not change their transaction fee pricing in the future). **Please Also Note:** *Pershing* also assesses fees to clients who elect to receive trade confirmations and account statements by regular mail rather than electronically at a rate of \$2 per page. These fees/charges are in addition to WSA's investment advisory fee discussed at Item 5 below. WSA does not receive any portion of these fees/charges. **ANY QUESTIONS: WSA's Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions that a client or prospective client may have regarding the above.**

### **Portfolio Activity**

WSA has a fiduciary duty to provide services consistent with the client's best interest. WSA will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, Money Happiness™, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when WSA determines that changes to a client's portfolio are unnecessary. Clients remain subject to the fees described in Item 5 below during periods of portfolio inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by WSA will be profitable or equal any specific performance level(s).

### **Use of Mutual and Exchange Traded Funds**

WSA primarily utilizes mutual funds and exchange traded funds for its client portfolios. In addition to WSA's investment advisory fee described at Item 5 below, and transaction and/or custodial fees discussed above and below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses). Some of the mutual funds and exchange traded funds utilized by WSA are generally available directly to the public. Thus, a client can generally obtain the funds recommended and/or utilized by WSA independent of engaging WSA as an investment advisor. However, if a prospective client does so, then they will not receive WSA's initial and ongoing investment advisory services.

### **Mutual Fund Share Classes**

Custodians such as *Pershing* and *Schwab* generally offer multiple share classes of certain mutual funds. Generally, custodians offer both non-transaction fee funds ("NTF Funds") and transaction fee funds. NTF Funds are available without a transaction fee, but typically have higher internal expense charges as referenced above. Transaction fee funds generally have lower internal expense charges, but require that the client pay a transaction fee to purchase these funds. Higher expenses adversely impact account performance. In addition, certain funds require minimum investment amounts to obtain the lower expense share class. As a result of these share class differences and/or minimum investment amounts, WSA will generally purchase NTF Funds for its smaller clients on the premise that the smaller amount invested does not justify incurring a transaction fee (i.e., generally for clients with less than \$100,000 of assets under management) and/or the investment amount required to obtain the lower expense share class would not be prudent. However, this is not an exact process, and there could be, in hindsight, NTF Funds purchases for which the transaction fee fund would have been more beneficial. **ANY QUESTIONS: WSA's Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions that a client or prospective client may have regarding mutual fund share classes. A client can direct WSA, in writing, to purchase transaction fee funds for**

**his/her account.**

**Client Retirement Plan Assets**

If requested to do so, WSA may determine to provide investment advisory services relative to 401(k) plan assets maintained by the client in conjunction with the retirement plan established by the client's employer. In such event, WSA shall recommend that the client allocate the retirement account assets among the investment options available on the 401(k) platform. WSA's ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. WSA will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify WSA of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account.

**Please Note: Cash Positions**

WSA shall treat cash as an asset class. As such, unless determined to the contrary by WSA, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating WSA's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), WSA may maintain cash positions for Money Happiness™ and defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, WSA's advisory fee could exceed the interest paid by the client's money market fund. **ANY QUESTIONS: WSA's Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.**

**Cash Sweep Accounts** Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian's sweep account. The yield on the sweep account is generally lower than those available in money market accounts. To help mitigate this issue, WSA shall generally purchase a higher yielding money market fund available on the custodian's platform with cash proceeds or deposits. For those clients who have a demonstrated history of significant ongoing cash needs/withdrawals, the cash will generally remain in the sweep account pending review during the client six month review. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to, the amount of dispersion between the sweep account and a money market fund, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account. **ANY QUESTIONS: WSA's Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions that a client or prospective client may have regarding the above.**

**Borrowing Against Assets/Risks**

A client who has a need to borrow money could determine to do so by using:

- **Margin**-The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral; and,
- **Pledged Asset Loan**- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral;

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e., custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, WSA does not recommend such borrowing unless it is for specific short-term purposes (i.e., a bridge loan to purchase a new residence). WSA does not recommend such borrowing for investment



purposes (i.e., to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged asset loan, the following economic benefits would inure to WSA:

- by taking the loan rather than liquidating assets in the client's account, WSA continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by WSA, WSA will receive an advisory fee on the invested amount; and,
- if WSA's advisory fee is based upon the higher margined account value, WSA will earn a correspondingly higher advisory fee. This could provide WSA with a disincentive to encourage the client to discontinue the use of margin; and,
- such loans are subject to a separate fee arrangement as outlined in Item 5 below.

**Please Note:** The Client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged asset loan.

### **Client Obligations**

In performing our services, WSA shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, it remains each client's responsibility to promptly notify WSA if there is ever any change in his/her/its financial situation, Money Happiness™ or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

### **Please Note: Investment Risk**

Different types of investments involve varying degrees of risk and volatility, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by WSA) will be profitable or equal any specific performance level(s).

### **Cybersecurity Risk**

The information technology systems and networks that WSA and its third-party service providers use to provide services to WSA's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in WSA's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and WSA are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although WSA has established processes to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always be successful, especially considering that WSA does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

### **Disclosure Brochure**

A copy of WSA's written Brochure as set forth on Part 2A of Form ADV and Form CRS (Client Relationship Summary) shall be provided to each client prior to, or contemporaneously with, the execution of an agreement between the client and WSA.

### **Assets Under Management**

As of February 26, 2024, WSA has \$368,892,811 of assets under management on a discretionary basis.

## **Item 5 – Fees and Compensation**

The WSA wrap fee program ended on September 30, 2022. All clients engage WSA on an unbundled basis.

The advisory fee will be pro-rated, and paid quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. Unless WSA agrees otherwise, in writing, WSA shall debit the account directly for its advisory fee. In the event of termination, WSA shall refund any unearned portion of the advanced fee paid based upon the number of days remaining in the billing quarter. WSA's policy is to treat intra-quarter account additions and withdrawals equally (charging for intra-quarter additions and withdrawals) unless indicated to the contrary on WSA's Investment Advisory Agreement executed by the client.

In the event that a new client desires, the client can engage WSA to provide investment advisory services on a *fee-only* basis. WSA shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by WSA. All clients (subject to modification at the discretion of WSA) shall generally be charged a flat 1.50% fee on all assets under management, payable on a quarterly basis, in advance, based upon the market value of the assets on the last day of the preceding quarter. WSA, at its discretion, can modify the fee arrangement based upon various factors. WSA's fee is generally negotiable for clients with assets under management in excess of \$5,000,000. **See Fee Dispersion** below.

### **Fee Dispersion**

WSA, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge a fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** WSA's Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions that a client or prospective client may have regarding advisory fees.

Financial Planning Services Fees-as indicated above, WSA provides financial planning and related consulting services regarding matters such as tax and estate planning, insurance, etc. on a stand-alone basis per the terms and conditions of a separate written agreement and fee. The amount of the planning fee shall generally be based upon the individual providing the service and the scope and complexity of the services to be provided (typically ranging from \$125 to \$1,200 on an hourly rate basis, and between \$1,500 and \$100,000 on a fixed fee basis).

### **Pledged Asset Loan Agreement**

As outlined above in Item 4, clients must enter into an agreement with WSA to obtain pledged asset loans. Such arrangement is subject to a separate negotiable flat fee. WSA receives a fee on assets pledged as part of a pledged asset loan.

### **Reservoir Cash Flow System™ Services**

Reservoir Cash Flow System™ Services fees are individually negotiated with each client and are generally 1.50% of cash being managed. Fees may be higher or lower based on the nature of the engagement. Factors considered in determining the fees charged generally include, but are not limited to: the service level being provided, the client's net worth and annual income, the complexity of the client's financial situation and cash flow, the client's past history with WSA, and the client's overall business relationship with WSA. The specific fee schedule will be identified in the agreement between the client and WSA.

Reservoir Cash Flow System™ Services fees are generally payable quarterly, in advance, but WSA may enter into alternate arrangements (such as billing monthly or in arrears). Typically, Reservoir Cash Flow System™ Services are calculated at the close of each calendar quarter (or month, if applicable), but there may be instances where WSA enters into a flat-fee arrangement with certain clients on a case-by-case basis. If management begins after the start of a quarter (or month, if applicable), fees will be prorated accordingly.

#### Investment-related Consulting Services

Fees are negotiated on an individual basis and will vary depending upon the specific needs of each client and the complexity of the services. The specific fee charged for these services will be disclosed to the client in advance, and may be a flat fee or a fee calculated as a percentage of client assets.

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

WSA is not a party to any performance or incentive-related compensation arrangements with its clients.

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

WSA currently primarily serves individuals and families.

#### **Fee Dispersion**

WSA, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge a fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** WSA's Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions that a client or prospective client may have regarding advisory fees.

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

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

WSA's investment approach stresses diversified portfolios tailored to a client's individual personality using the Wealth Science Assessment (patent pending) and is designed to meet each client's individual circumstances and specific goals. WSA incorporates modern portfolio theory implementing mutual funds, exchange traded funds (ETFs), stocks, and bonds that are psychologically appropriate in an effort to maximize Money Happiness™. WSA reviews each client's Investment Plan and develops a customized investment strategy, seeking to optimize the return on each client's portfolio while keeping within the individual's view on risk, time horizon, tax and wealth objectives, and restrictions.

#### ***Modern Portfolio Theory***

While each client's portfolio is separately managed, and invested according to that client's investment objectives, WSA generally incorporates modern portfolio theory as a guide for each client's overall asset allocation. One of the key tenets of modern portfolio theory is that more efficient investment portfolios can be created by diversifying among asset categories with low to negative correlation (i.e., the returns from one investment are not related or inversely related to returns from the other). For example, adding a component of international stocks to a portfolio consisting exclusively of domestic stocks can both increase the portfolio's return and reduce the portfolio's risk (i.e., variability of return).

Modern portfolio theory suggests that asset allocation should include two important criteria:

1. When possible, the various asset classes should have a relatively low correlation with each other.
2. Each component should be profitable in and of itself over extended periods of time.

WSA believes that appropriately diversifying a portfolio across dissimilar investments can lead to an increase in the portfolio's risk-adjusted rate of return.

WSA typically considers a client's financial circumstances, financial psychological evaluation, relevant time horizon, and view on risk when determining whether the client's portfolio should be structured for greater expected principal stability with correspondingly lower expected returns, or alternatively, for expected high growth at the price of more expected volatility. In either case, the goal is to allocate across various asset categories to seek to achieve the desired expected return relative to the risk assumed.

WSA believes that designing a portfolio to a client's documented unique financial psychological profile systematically increases the chances that a client will remain invested during turbulent markets which can lead to an increase in the client's lifetime returns.

### ***Recommended Core Allocation***

Designing an investment portfolio consists of several steps:

1. Deciding which asset categories will be represented in the portfolio; and
2. Determining the "target" percentage of the portfolio to allocate to each of these asset categories consistent with client's unique personality, history, experience and circumstances.

In making portfolio allocations, WSA seeks to tie investments within each asset class to the economic/investment climate that the asset class is meant to cover.

The specific asset classes and sub-asset classes and securities WSA recommends to a client will depend on the client's investment plan, market conditions, and other factors. While WSA's recommendations of funds and other securities are based on the client's investment objectives and appropriateness for the client's investment plan, other factors such as risk premium and parameters, upside and downside capture, asset class correlations, past performance, peer rankings, fees, expenses, and other pertinent investment metrics WSA deems relevant to a particular return source are taken into consideration. WSA bases its recommendations predominantly on public and proprietary research, regulatory filings, press releases, and research it receives from custodians, broker dealers, and other market participants.

### ***Investment Selection***

WSA primarily utilizes mutual funds and exchange traded funds for its client portfolios. Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

### **Risk of Loss**

While WSA seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Market Risks.* Market risk is the risk that the value of securities in a portfolio may decline due to daily fluctuations in the securities markets that are generally beyond WSA's control. In a declining stock market, stock prices for all companies may decline, regardless of their long-term prospects.

*Management Risks.* While WSA manages client investment portfolios, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that WSA allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that WSA's specific investment choices could underperform their relevant indexes. WSA makes no guarantee regarding the investment performance of any client portfolio. Clients should understand that the investment performance and asset value of the client's portfolio can and will fluctuate and that the portfolio may lose money.

*Economic Conditions.* Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws may adversely affect the business prospects or perceived prospects of companies. While WSA performs due diligence on the companies in whose securities it invests, economic conditions are not within the control of WSA and no assurances can be given that WSA will anticipate adverse developments.

*Risks of Investments in ETFs, Mutual Funds, and Other Investment Pools.* As described above, WSA may invest client portfolios in ETFs, mutual funds, and other investment pools ("Funds"). Investments in Funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, Funds' success will be related to the skills of their particular managers and their performance in managing their Funds. Registered Funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940, as amended.

*Risks Related to ETF NAV and Market Price.* The market value of an ETF's shares may differ from its net asset value ("NAV"). This difference in price may be due to the fact that the supply and demand in the market for ETF shares at any point in time is not always identical to the supply and demand in the market for the underlying basket of securities. Accordingly, there may be times when an ETF trades at a premium (creating the risk that a portfolio pays more than NAV for an ETF when making a purchase) or discount (creating the risks that the portfolio's value is reduced for undervalued ETFs it holds and that the portfolio receives less than NAV when selling an ETF).

*Large-Capitalization Company Risk.* WSA may invest a portion of a client's portfolio in large-capitalization companies. Large-capitalization companies are generally more mature and may be unable to respond as quickly as smaller companies to new competitive challenges, such as changes in technology and consumer tastes, and also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

*Small-Capitalization Company Risk.* WSA may invest a portion of a client's portfolio in small-capitalization companies. Investing in small-capitalization companies involves greater risk than is customarily associated with larger, more established companies. Small-capitalization companies frequently have less management depth and experience, narrower market penetrations, less diverse product lines, less competitive strengths, and fewer resources than larger companies. Due to these and other factors, stocks of small-capitalization companies may be more susceptible to market downturns and other events, and their prices may be more volatile than larger capitalization companies. In addition, in many instances, the securities of small-capitalization companies typically are traded only over-the-counter or on a regional securities exchange, and the frequency and volume of their trading is substantially less than is typical of larger companies. Because small-capitalization companies normally have fewer shares outstanding than

larger companies, it may be more difficult to buy or sell significant amounts of such shares without an unfavorable impact on prevailing prices. Therefore, the securities of small-capitalization companies may be subject to greater price fluctuations. Small-capitalization companies are typically subject to greater changes in earnings and business prospects than larger, more established companies and also may not be widely followed by investors, which can lower the demand for their stock.

*Equity Market Risks.* WSA will generally invest portions of client assets directly into equity investments, primarily stocks, or into Funds that invest in the stock market. As noted above, while Funds have diversified portfolios that may make them less risky than investments in individual securities, Funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* WSA may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in Funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through Funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity). WSA may invest portions of client assets into securities that are rated below investment grade (commonly known as "high yield" or "junk bonds"). Securities which are in the lower-grade categories generally offer a higher current yield than is offered by higher-grade securities of similar maturities, but they also generally involve greater risks, such as greater credit risk, greater market risk and volatility, and greater liquidity concerns. These investments are generally considered to be speculative based on the issuer's capacity or incapacity to pay interest and repay principal.

*Foreign Securities Risks.* WSA may invest portions of client assets into securities of foreign issuers or issuers economically tied to countries outside the United States, or Funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices, or requirements comparable to those found in the United States. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

*Emerging Markets Risk.* In addition to the risks generally associated with investing in foreign securities, countries with emerging markets also may have relatively unstable governments, social and legal systems that do not protect shareholders and securities markets that trade a small number of issues. Emerging market economies may be based on only a few industries and security issuers may be more susceptible to economic weakness and more likely to default. Emerging market securities also tend to be less liquid.

*Lack of Diversification.* Client accounts may not have a diversified portfolio of investments at any given time, and a substantial loss with respect to any particular investment in an undiversified portfolio will have a substantial negative impact on the aggregate value of the portfolio.

*Financial Planning Risks.* Financial planning is inherently speculative and WSA makes no guarantee regarding the success or feasibility of any financial plan. The information forming the basis of any financial plan will be derived from sources that WSA believes are reliable, including information provided by the client, and the accuracy of such information is not guaranteed or independently verified by WSA. Certain

Financial Planning Services may include educational information regarding the effect of taxes or recommendations with respect to insurance coverage types and amounts. Clients should understand that this tax and insurance information is general in nature. Nothing recommended or outlined by WSA should be used by a client as a substitute for competent legal, accounting, or tax counsel provided by the client's personal attorney, accountant, and/or tax advisor. Additionally, WSA strongly recommends that each client review each area of potential and/or actual insurance coverage need with the client's insurance agent to ensure that adequate coverage exists.

*Information Risk.* All investment professionals rely on research in order to make conclusions about investment options and select investments. This research is generally a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Particular third party data, or outside research, is utilized, in part, because of its perceived reliability, but there is no guarantee that the data or research will be completely accurate and WSA will not seek to independently verify its accuracy. Failure in data accuracy or research may cause WSA to select investments that perform poorly and fail to help clients meet investment objectives and goals.

*Cybersecurity Risk.* As technology becomes more integrated into WSA's operations, WSA will face greater operational risks through breaches in cybersecurity. A breach in cybersecurity refers to both intentional and unintentional events that may cause WSA to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause WSA to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cybersecurity threats may result from unauthorized access to WSA's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, because WSA works closely with third-party service providers (e.g., administrators, transfer agents, and custodians), cybersecurity breaches at such third-party service providers may subject WSA to many of the same risks associated with direct cybersecurity breaches. The same is true for cybersecurity breaches at any of the issuers in which WSA may invest. While WSA and their third-party service providers have established information technology and data security programs and have in place business continuity plans and other systems designed to prevent losses and mitigate cybersecurity risk, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified or that cyber-attacks may be highly sophisticated.

*Risks Related to Additional Personal Services.* Certain clients may engage WSA to provide additional services, including, without limitation, tax services, Reservoir Cash Flow System<sup>TM</sup> services, trust services, and other related personal or business services. WSA makes no representation or warranty regarding its performance of these services and will have no liability for any loss suffered by a client as a result of such services. No recommendations of WSA should be used by a client as a substitute for competent accounting or tax counsel provided by the client's personal attorney or independent accountant and/or tax advisor (with the exception of certain tax or legal services that a client has expressly contracted with WSA to provide pursuant to a separate agreement). Additionally, WSA will have no responsibility for the acts of any other third party (including affiliates of WSA) providing services to the client, whether in connection with the client's portfolio or otherwise.

## **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of WSA or the integrity of WSA's management. WSA has no disciplinary events to report.

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

WSA is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

WSA will engage three individuals (“Psychology Consultants”), one of whom is WSA’s founder, Dr. Jim Exley, that developed models and tools to test individual personality traits related to financial management. The Psychology Consultants will train WSA personnel on use of the models and tools in order to assist WSA in its investment advisory business and will engage the Psychology Consultants to analyze the data and psychological evaluations on behalf of WSA. The Psychology Consultants will be paid a flat fee for each data analysis.

Professor Ocean Nationwide LLC,

Dr. Exley is also an owner of Professor Ocean Nationwide LLC, a Florida limited liability company (“Professor Ocean”). Professor Ocean Nationwide is a publishing company that publishes articles and books on various psychology subjects.

Wealth Science Family Office LLC

Dr. Exley is also the co-founder of Wealth Science Family Office LLC which provides non-investment related strategic consulting and administrative support services to entities and high-net worth families per the terms and conditions of a separate agreement and fee.

Wealth Science Analytics

Dr. Exley is also the co-founder of Wealth Science Analytics LLC which conducts psychological research at the intersection of money and psychology. Wealth Science Analytics consults with other financial advisors and professionals looking to better understand their clients’ personality and relationship with money.

From time to time, WSA may introduce clients to affiliates of WSA, including, without limitation, Wealth Science Family Office, and Professor Ocean Nationwide. Such introduction presents a conflict of interest. No client is under any obligation to engage the services of any affiliated entity.

As indicated at Item 4 above, WSA does not serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, WSA does not prepare legal documents, prepare tax returns, or sell insurance products. Although some of WSA’s employees maintain their insurance licenses to receive continued compensation on previously sold insurance products, they no longer offer to sell, nor sell, insurance-related products to clients on a commission-compensation basis.

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

- A. WSA maintains an investment policy relative to personal securities transactions. This investment policy is part of WSA’s overall Code of Ethics, which serves to establish a standard of business conduct for all of WSA’s Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, WSA also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by WSA or any person associated with WSA.

- B. Neither WSA nor any related person of WSA recommends, buys, or sells for client accounts, securities in which WSA or any related person of WSA has a material financial interest.



- C. WSA and/or representatives of WSA *may* buy or sell securities that are also recommended to clients. This practice may create a situation where WSA and/or representatives of WSA are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if WSA did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of WSA’s clients) and other potentially abusive practices.

WSA has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of WSA’s “Access Persons”. WSA’s securities transaction policy requires that an Access Person of WSA must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date WSA selects; provided, however that at any time that WSA has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. WSA and/or representatives of WSA *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where WSA and/or representatives of WSA are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, WSA has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of WSA’s Access Persons.

#### **Item 12 - Brokerage Practices**

In the event that the client requests that WSA recommend a broker-dealer/custodian for execution and/or custodial services, WSA generally recommends that investment advisory accounts be maintained at *Pershing* and/or *Schwab*. Prior to engaging WSA to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with WSA setting forth the terms and conditions under which WSA shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that WSA considers in recommending *Pershing*, *Schwab*, or any other broker-dealer/custodian to clients, include historical relationship with WSA, financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers such as *Pershing* and *Schwab* can charge transaction fees for effecting certain securities transactions (*See* Item 4 above). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While certain custodians, including *Pershing* and *Schwab*, generally (with the potential exception for large orders) do not currently charge fees on individual equity transactions (including ETFs), others do. **Please Note:** there can be no assurance that *Pershing* or *Schwab* will not change their transaction fee pricing in the future. **Please Also Note:** *Pershing* and *Schwab* may also assess fees to clients who elect to receive trade confirmations and account statements by regular mail rather than electronically. **ANY QUESTIONS: WSA’s Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions that a client or prospective client may have regarding the above.**

To the extent that a transaction fee is payable, WSA shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where WSA determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into

consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although WSA will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

### **Research and Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, WSA can receive from *Pershing* or *Schwab* (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist WSA to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by WSA can be investment-related research, Wealth Science psychological-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services (including those provided by unaffiliated vendors and professionals), discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support (including client events), computer hardware and/or software and/or other products used by WSA in furtherance of its investment advisory business operations. Certain of the benefits that could be received can also assist WSA to manage and further develop its business enterprise and/or benefit WSA's representatives.

WSA's clients do not pay more for investment transactions effected and/or assets maintained at *Pershing* and/or *Schwab* as the result of this arrangement. There is no corresponding commitment made by WSA to *Pershing*, *Schwab*, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**ANY QUESTIONS: WSA's Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.**

### **Pershing Monetary Transition Assistance**

*Pershing* has offered WSA \$50,000 of monetary transition-related assistance to defer costs and expenses incurred by WSA relative to its ongoing transition as a new SEC WSA (i.e., technology, research/due diligence, marketing, etc.). The offer and acceptance of the transition-related assistance presents a **conflict of interest** (i.e., the \$50,000 transition-related assistance provides WSA with an incentive to recommend that its client's utilize *Pershing* as the account custodian). **ANY QUESTIONS: WSA's Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions that a client or prospective client may have regarding the *Pershing* transition assistance arrangement and the corresponding conflict of interest presented by such arrangement.**

### **Directed Brokerage**

WSA recommends that its clients utilize the brokerage and custodial services provided by *Pershing* and/or *Schwab*. WSA generally does not accept directed brokerage arrangements (but could make exceptions). A directed brokerage arrangement arises when a client requires that account transactions be effected through a specific broker-dealer/custodian, other than those generally recommended by WSA (i.e., *Pershing* and/or *Schwab*). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by WSA. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs WSA to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such

direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through WSA. **Please Also Note:** Higher transaction costs adversely impact account performance. **Please Further Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

### **Order Aggregation**

Transactions for each client account generally will be effected independently, unless WSA decides to purchase or sell the same securities for several clients at approximately the same time. WSA may (but is not obligated to) combine or “batch” such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among WSA’s clients’ differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. In the event that WSA becomes aware that a Firm employee seeks to trade in the same security on the same day, the employee transaction will either be included in the “batch” transaction or transacted after all discretionary client transactions have been completed. WSA shall not receive any additional compensation or remuneration as the result of such aggregation.

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

- A. For those clients to whom WSA provides investment supervisory services, account reviews are conducted on an ongoing basis by WSA’s Co-Managing Members and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise WSA of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with WSA on an annual basis. WSA offers to meet with clients twice per year to assess changes in the client’s situation, circumstances and Money Happiness™. WSA recommends two meetings per year, but two meetings are not mandatory. The Reservoir Cash Flow System™ is best implemented utilizing two meetings per year.
- B. WSA may conduct account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. WSA may also provide a written periodic report summarizing account activity and performance.

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

As indicated at Item 12 above, WSA can receive from *Pershing* and/or *Schwab* (and others) without cost (and/or at a discount), support services and/or products. WSA’s clients do not pay more for investment transactions effected and/or assets maintained at *Pershing* and/or *Schwab* (or any other institution) as result of this arrangement. There is no corresponding commitment made by WSA to *Pershing* or *Schwab*, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as the result of the above arrangement. **ANY QUESTIONS: WSA’s Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangement.**

WSA does not maintain promoter arrangements/pay referral fee compensation to non-employees for new client introductions.

### **Item 15 – Custody**

WSA shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., *Pershing, Schwab*, etc.) at least quarterly. **Please Note:** To the extent that WSA provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by WSA with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of WSA's advisory fee calculation.

In addition, clients may seek to establish asset transfer authorizations that permit the qualified custodian to rely upon instructions from WSA to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017 *Investment Adviser Association* No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination. **ANY QUESTIONS: WSA's Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

Wealth Science Family Office engages in other services and/or practices such as bill paying. WSA **does not** provide these services, only Wealth Science Family Office. **ANY QUESTIONS: WSA's Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

### **Item 16 - Investment Discretion**

WSA provides investment advisory services on a discretionary basis. Prior to engaging WSA to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with WSA setting forth the terms and conditions under which WSA shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Clients who engage WSA on a discretionary basis may, at any time, impose reasonable restrictions, **in writing**, on WSA's discretionary authority (i.e., limit the types/amounts of particular securities purchased for their account, etc.).

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

- A. WSA does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted; and (2) making all elections, decisions, and filings relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, class actions, or other type actions or events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact WSA to discuss any questions they may have with a particular solicitation.

### **Item 18 - Financial Information**

- A. WSA does not require clients pay fees more than \$1,200 in fees more than six months in advance.
- B. WSA is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. WSA has not been the subject of a bankruptcy petition.

**ANY QUESTIONS:** WSA's Chief Compliance Officer, Dr. Jim Exley, remains available to address any questions regarding this Part 2A.