



# WEALTH PLANNING CORPORATION

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This ADV Part 2 Brochure provides information about the business practices and qualifications of Wealth Planning Corporation. If you have any questions about the contents of this brochure, please contact Wealth Planning Corporation at 513-733-1750 or via email at [info@wealthp.com](mailto:info@wealthp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about Wealth Planning Corporation also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Wealth Planning Corporation uses the title of "Registered Investment Advisor" in recognition of its requirement to register and provide detailed information to the SEC and any applicable state securities authorities. This identification does not imply that any certain skill level or training is required for registration. The written and oral communications of an advisor provide you with information about the advisor which you would use for determining whether to hire or retain an advisor.

## **Material Changes as of March 21, 2023**

To promote the operational transparency of registered firms, the SEC requires a notice of material changes to a firm's services or investment advisory fee arrangements, changes in advisory personnel, related persons or relationships with outside entities, or changes to the organization. This section provides information of material changes since the last filed updating amendment.

## **Form ADV Part 2 B – Biographical Information Brochure**

The Form ADV Part 2 B – Biographical Information Brochure is to be provided to prospective and existing clients to share the background of the individuals who formulate investment advice or make discretionary investment decisions on a client's behalf. This brochure is not required to be filed with the SEC but is attached to the firm's ADV Brochure to ensure that prospective and existing clients receive the information either before or at the time an employee begins to provide advice.

Tim Dougherty, who joined WPC in 2022, has successfully completed the CFP® Board required education program and certifying examination. As of April 2022, Tim is a fully credentialed CFP® professional serving as a Financial Advisor for WPC.

Noah Sayre, a Relationship Associate since 2020, is currently a CFP® Candidate and should sit for his comprehensive examination in 2023.

## **Form CRS (Client Relationship Summary)**

The Form CRS has been reviewed and continues to be provided to all prospective clients along with the ADV Part 2 Brochure and Part 2B – Biographical Information Brochure prior to engagement. These documents are also made available to any existing client as required.

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## Item 4 – Advisory Business

Founded in 1984 by C. Michael Johnson, Wealth Planning Corporation (WPC) primarily focuses on providing Investment Advisory Services and Financial Planning Services for individuals. These fee-based services are available to the client independently, but many clients select to engage WPC for both services.

Under Federal and State law, WPC and its employees act as a fiduciary and are required by legal and ethical codes of conduct to disclose all material facts relating to the advisory relationship we have with clients. As a fiduciary, we seek to avoid conflicts of interest with our clients and make full disclosure of any potential conflicts that may arise. This includes providing sufficient specific facts so that a client can understand the conflict of interest and the business practice(s) that could affect the advisory relationship in order for the client to give informed consent to accept or reject such practice or conflict. This obligation extends the requirement to disclose this information in greater detail at any time it arises in the day-to-day activities with clients, regardless, if otherwise included in this Brochure or Advisory Agreements.

**Investment Advisory Services** are provided under the WPC Investment Advisory Agreement and are implemented utilizing an independent, third-party custodian (ex. Charles Schwab & Co.) to house individual investment accounts in the name of the client. WPC and the client complete an Investment Policy Statement stating a targeted asset allocation model based upon several factors including any client specific preferences or restrictions. Via the investment account application with the selected custodian, the client further agrees to give WPC discretionary authority to implement its investment recommendations. Investments in the client's accounts are purchased and sold by WPC using a diversified model portfolio consisting primarily of no-load mutual funds, Exchange Traded Funds (ETFs) and other investment vehicles as deemed appropriate by WPC Investment Committee. WPC currently manages investments of approximately \$400 million within its client accounts.

WPC does not maintain minimum account size requirements, but Investment Advisory fees vary dependent upon the aggregate size of the client's market value of assets under direct management. WPC does permit the aggregation of family accounts to reach a lower fee tier or reduce the overall fee under special client circumstances. See Item 5 for further discussion of fees.

**Financial Planning Services** are provided under a separate agreement and may encompass a number of activities related to providing analysis and recommendations in the areas of retirement planning, education funding, life and long-term care insurance, estate planning, tax planning, and cash flow management. WPC engages in the review and analysis of the pertinent data supplied by the client and prepares a written report which may include tabulations, illustrations, and other working documents to address certain concerns and opportunities as they relate to the overall financial picture of a client.

Fees for Financial Planning Services will vary dependent upon the scope of work and complexities unique to each situation. Total cost will be provided to the client at the time of engagement. Fees may be discounted for clients utilizing WPC Investment Advisory Services. For more information on fees, see Item 5.

Implementation of the recommendations resulting from the analysis is entirely at the client’s discretion. The recommendations may require working closely with an attorney, accountant, insurance agent and/or investment broker for implementation. Expenses related to the implementation of any recommendations are the responsibility of the client. If the client requests WPC assist in the implementation of recommendations, any fees, costs or compensation associated with implementation will be fully disclosed prior to action.

## Item 5 – Fees and Compensation

**Investment Advisory Fees** for all discretionary individual, trust and corporate accounts will be charged based upon the schedule below. All included accounts are managed at the same fee rate based upon the total assets under management. No other compensation is received for Investment Advisory Services as WPC does not share in any custodian charges for transactions, nor accept commissions or fees from any investment providers (ex. mutual fund companies).

| <u>Total Assets Under Management (AUM)</u> | <u>Annual Fee %</u>            | <u>Quarterly Fee Rate</u> |
|--|--------------------------------|---------------------------|
| \$ 0 - \$ 500,000                          | 1.25%                          | .3125                     |
| \$ 500,001 - \$ 1,000,000                  | 1.10%                          | .275                      |
| \$ 1,000,001 - \$ 2,000,000                | 0.95%                          | .2375                     |
| \$ 2,000,001 - \$ 3,000,000                | 0.85%                          | .2125                     |
| \$ 3,000,001 - \$ 5,000,000                | 0.75%                          | .1875                     |
| Deposits in excess of \$5,000,000          | 0.75% on the first \$5,000,000 |                           |
| Amount of AUM in excess of \$5,000,000     | 0.35%                          |                           |

The Investment Advisory Service fee is billed at the beginning of each calendar quarter. The applicable rate is charged based upon each account’s balance at the end of the previous quarter and billed directly to the account. Fees are adjusted for money flows in and out of the account during the previous quarter on a prorated basis according to the number of days under management within the account. The client authorizes payment of the fees directly from the account via the custodian’s account application. A copy of the invoice is delivered each billing period to the client, so they see the fee calculation and total amount being charged.

Accounts outside of those directly under management may be used to reach lower fee brackets if compensation is received for their management. The fee for managing outside accounts must be authorized by the client and debited from a directly managed account.

Investment Advisory Fees for a charitable/non-profit organization’s account will be charged a flat fee equal to 60 basis points (0.60%).

Investment Advisory clients may receive a discount on Financial Planning Service fees based upon their total assets under management (see Financial Planning Services below).

A discount for Family Households (children, grandchildren or parents) of related existing clients with balances greater than \$500,000 will be applied under a discounted fee rate equal to 1.10% (\$500,001 - \$1,000,000) until such time as a Family Household client is eligible for any further bracket reduction based upon their own account size.

**Financial Planning Services** are provided under a fixed-fee arrangement determined in advance and acknowledged by the client via a completed Financial Planning Agreement. Base plan fees begin at \$1,800 and may be adjusted higher based upon the number of services and/or the complexities involved. WPC's hourly rate for additional services not offered under a specified fixed-fee agreement will be \$350 per hour.

One half of the fee is due before work will begin, and the balance is due upon delivery of the final written plan. Clients may terminate the agreement at any time by written notice and request a refund of any unearned fees based upon time expended by WPC advisors or planners. If outside advisors are required to supplement areas of expertise and pursued with consent of the client, their fees will be in addition to the WPC fee.

WPC provides a discount for Financial Planning Services when clients are also served under an Investment Advisory Agreement. For clients engaged in both services, Financial Planning fees may be waived, discounted and/or applied over an alternative quarterly fixed-fee billing method. One quarter of the Financial Planning Fee will be charged against an account each quarter during the first calendar year.

Implementation of non-investment recommendations stemming from any Financial Planning Services may include products offered by various insurance companies for which a WPC advisor may be a licensed brokers or agents, or other services offered by unaffiliated persons or entities. Any transaction resulting in a commission or charges from the purchase of these products or services will be brought to the attention of the client in an effort to adequately disclose any potential conflict of interest.

WPC offers other advisory or client service activities available under separate charges. These include but are not limited to:

401(k)/403(b) Account Guidance

Estate Administration

Trust Administration/Trustee Advisory

Tax Preparation Services

A separate client agreement/addendum outlining the scope of service and fee associated with any selected activities is provided and acknowledged prior to commencement of these services.

## **Item 6 – Performance-Based Fee and Side-by-Side Management**

Advisory fees are limited to those detailed above, and WPC does not structure fees similar to those found in the hedge fund industry. As such, there are no performance-related fees (fees charged based on a share of interest income, capital gains or appreciation), nor does WPC engage in side-by-side management of funds (performance accounts alongside traditional fee accounts where one may benefit more).

WPC's Investment Advisory fee may increase based upon the appreciation of the client account(s), but the applicable fee percentage is based upon total assets under management. As total assets under management increase, lower rate brackets may be reached; and the client will automatically qualify for the reduced rate calculation at the next billing cycle.

## **Item 7 – Types of Clients**

WPC provides its services to individuals, families, trusts, estates, small business owners and not-for-profit/charitable organizations. As previously stated, there are no minimum asset or income requirements, but some services may not apply or be economically beneficial to all potential clients.

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

WPC considers a client's financial goals, risk tolerance and time horizon, along with assets, income, and other factors in an effort to determine the appropriate investment allocation suited to the client's needs. Based upon the allocation mutually selected within the Investment Policy Statement, WPC implements the targeted allocation through a model portfolio of investments constructed by WPC. Any unique preferences detailed in the Investment Policy Statement may affect the degree to which an individual's portfolio resembles the WPC specific asset allocation model portfolio.

WPC's model portfolios are constructed principally of mutual funds and ETFs using a broad asset allocation strategy. Asset allocation seeks to achieve an efficient distribution among a number of asset classes (large, mid and small capitalization companies, US and non-US holdings, corporate and government bonds, etc.). The risk "of having all of your eggs in one basket" is thereby lessened through the principle of diversification.

Diversification is first achieved using multiple asset classes and then within asset classes through use of mutual funds and/or ETFs which inherently offer more diversification than a limited number of individual holdings. WPC does not generally recommend individual securities, select highly concentrated positions, or engage in option strategies, derivatives, or other speculative investments. Additionally, WPC does not attempt to "time" the market by buying into or selling out of portfolios based upon market movements.

The model portfolio construction is developed and maintained by the Investment Committee, which is formed by the principal advisors of WPC. The Investment Committee is responsible for setting the broad asset allocation parameters, identifying the specific allocation among asset classes, and selecting investments within each class. Investments will include long-term purchases, short-term purchases and/or those securities designed to hedge or protect the portfolio given certain economic factors. WPC generally utilizes no-load mutual funds or ETFs that represent either a managed portfolio of individual securities diversified within the targeted asset class or a representative index. As deemed appropriate for growth, income or desired hedging strategies, WPC may consider an investment in a “non-traditional,” “alternative,” or non-publicly traded investment vehicle which may include Real Estate Investment Trusts (REIT), limited partnerships (LP), or other publicly registered investment structures. Only those investments that can be in custody and reported with a client’s existing portfolio will be considered. Fixed income investments may also include an array of cash or demand deposits as deemed appropriate.

When recommending a specific investment for inclusion in the model portfolio, our criteria includes; load, style, relative performance, price/earnings ratio, volatility rating, expense ratio, manager tenure, turnover ratio and other factors as may be important in a particular asset class.

Recommendations for inclusion in our model portfolio will be based on publicly available reports and analysis. The analysis may include reports from the sponsoring investment manager, independent third-party research providers, financial news media or other services. The Investment Committee must unanimously select all investments and individual client accounts are invested per the Investment Committee model or direction, and not at the discretion of an individual advisor.

WPC considers a client’s investable assets as a single integrated portfolio and applies the model allocation across all accounts. Tax efficiency is important, but not the sole consideration in implementing investment strategy. Exceptions to this approach in individual accounts may be implemented if goals, timelines, or other factors deem it appropriate to alter or maintain different allocation strategies. However, WPC does not create or use third-party Separately Managed Accounts (SMA) or charge additional “wrap fees” to achieve these results for clients.

WPC encourages and actively pursues the strategy of regular portfolio rebalancing in conjunction with the targeted asset allocation. Periodic rebalancing is a disciplined way to over time buy (relatively) lower and sell (relatively) higher as asset classes appreciate or experience volatility. Rebalancing does not ensure lower risk but maintains a disciplined approach for maintaining the targeted balances designed to meet the long-term goals established in the Investment Policy Statement. In periods where there may be no portfolio adjustment, WPC is monitoring accounts for client cash flows and regularly evaluating individual investments for volatility, suitability, or other impact on desired portfolio attributes.

For smaller account portfolios, WPC has implemented a portfolio management option in conjunction with Schwab Intelligent Investor™ to provide cost-effective, targeted strategies with automated rebalancing. The use of this service does not alter the advisory fee; however, with the use of an all-ETF portfolio, investors may realize lower internal expenses as compared to traditional portfolios.



***Investing in securities involves the risk of loss. The Prudent Investor Rule is analogous to the common expression “no risk, no reward”, and investors must understand that risk is associated with the investment process. In WPC’s fiduciary capacity, WPC will make reasonable efforts to limit risk, but cannot eliminate risk. WPC in no way guarantees portfolio performance or individual results.***

## **Item 9 – Disciplinary Information**

Registered Investment Advisors are required to disclose all material facts or disciplinary events that would be important for your consideration of WPC or the integrity of WPC’s management. WPC’s advisors and staff have no current or past record of disciplinary action meaning: no criminal or civil complaints, no administrative proceedings before the SEC or other Self-Regulatory Organization (SRO) or dispute over any other designation, license, etc.

Todd Steinbrink, President of WPC, is the Chief Compliance Officer for the firm. The Chief Compliance Officer has direct supervisory responsibilities for the advice provided to clients and is the authority to respond to a client’s question or complaint on any action undertaken by WPC or its employees.

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

WPC is engaged in both Investment Advisory and Financial Planning Services as described above. WPC may engage in other financial activities for the benefit of its clients or others.

WPC may provide hourly fee services to individuals that do not engage in Investment Advisory or Financial Planning Services or as consultants to legal or accounting practitioners.

For interested clients, WPC provides a tax return preparation service via an arrangement with FRANZ CPAs. WPC will assist in the compilation of data from the client, work with FRANZ CPAs on all information requests, and deliver completed returns to the client. A separate fee is charged for this service and the fee schedule is provided to clients in advance. Other tax planning assistance may include calculation of estimated tax payments and reminders. WPC and FRANZ CPAs assume no responsibility for accuracy of tax filings for data not supplied by the client, for timely payment of taxes or estimated payments due, or filings not properly executed by the client.

At times, WPC may advise on the use of insurance-related products as deemed appropriate for the client. This may include the purchase of life insurance, long-term care insurance, or fixed annuity products which is referred to outside insurance specialists/agents or may be subsequently sold by insurance licensed individuals of WPC. Clients are informed that such products may be commission-based and may represent a conflict of interest as a result.

WPC has arrangements with other third parties for the transaction of its business but receives no “hard dollar” compensation from these parties. For example, WPC has an arrangement with Charles Schwab and others periodically to provide custodial services. WPC does not receive compensation from Charles Schwab or other custodians. See Item 12 for more information on brokerage selection and other “soft dollar” disclosures.

WPC has entered into a limited number of solicitor arrangements with other organizations or professionals. Under such agreement, the solicitor may receive a stated portion of the investment advisory fees for those referred clients that utilize WPC’s services. This information is disclosed by WPC to the client and acknowledged by the client within the Investment Advisory Agreement prior to engagement of services. Compensation for the referral is paid by WPC and has no effect on the fee paid by the client.

WPC is an independent advisor and has no direct affiliation with any third party.

## **Item 11 – Code of Ethics**

Under Rule 204A-1, WPC maintains Code of Ethics policies and procedures to insure proper reporting and review of all personal securities transactions for employees. The purpose of the Code of Ethics and related policies and procedures is to protect clients’ account transactions from any potential conflict of interest with employee or related individual’s account trades or other actions. The prior policies have been updated to include the requisite reporting and review functions to be performed routinely by the Chief Compliance Officer.

Employees are required to comply with the Code of Ethics by either maintaining all investment accounts within WPC’s reporting system or provide statements as needed for quarterly and annual compliance review. Often employee or related person’s accounts are held under the same custodian as our client accounts and invested in the WPC model portfolios. The resulting investment may coincide with the interest of client’s accounts. All mutual fund transactions are by design executed simultaneously at the end of the trading day for a common price and are among other transactions considered exempt by the SEC.

Any non-mutual fund transaction must be executed in a way that does not create a conflict of interest by trading in close proximity to client accounts. At no time may any employee or related person receive added benefit or advantage over clients with respect to transactions. Employees are required to provide a request for personal securities transactions which are reviewed by the Chief Compliance Officer for conflicts of interest.

In addition to the SEC Code of Ethics for investment activities, WPC utilizes the Code of Ethics and Standards of Conduct as adopted by the Certified Financial Board of Standards, Inc. (CFP Board) for its financial planning services. Among the principal tenants are: Fiduciary Care, Integrity, Competence, Diligence, Disclosure/Management of Conflict, Objective Advice, and Professionalism. To comply with the CFP Board’s requirements, all CFP® registrants are required to complete bi-annual continuing

education requirements and Code of Ethics training and certification. In addition, all WPC employees acknowledge, in writing, their acceptance of the firm's general policies and procedures, compliance requirements and Code of Ethics on an annual basis. A copy of these materials is available for inspection by any interested client.

## **Item 12 – Brokerage Practices**

WPC is not a qualified custodian; therefore, has made arrangements with third-party custodians to establish brokerage accounts for clients. WPC currently recommends its clients establish accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab). WPC is independently owned and is not affiliated with Schwab.

Schwab provides WPC with access to its institutional trading and custody services, which are not typically available to Schwab retail investors. The services are generally available to independent advisors on an unsolicited basis at no charge so long as a total of at least \$10 million in advisor's client's assets are maintained in accounts at Schwab.

Schwab does not generally charge separately for its custody services but is compensated by account holders through commissions or other transaction-related fees for securities trades.

Schwab has negotiated with many mutual fund companies for reimbursement of transaction fees so that clients may buy and sell mutual funds through Schwab without transaction costs. WPC does not receive compensation for opening accounts with Schwab, does not share in any fees or compensation received by Schwab or receive any compensation from any mutual fund or other investment providers.

Schwab also makes available other products and services that assist WPC in managing and administering client's accounts. These include software and other technology that provide access to client data; facilitate trade executions; provide research, pricing information and other market data; facilitate payment of fees from client accounts; and assist with back-office functions, recordkeeping, and client reporting. Additional services are intended to help WPC manage and further develop its enterprise. These may include consulting, studies, publications, conferences, regulatory guidance, and marketing from Schwab directly, or other third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay part or all the fees a third party providing these services may charge.

From time to time, WPC may work with TD Ameritrade, Fidelity, and Vanguard under similar arrangements.

### **Item 13 – Review of Accounts**

Clients receive standard account statements from the selected brokerage firm and/or other investment sponsors quarterly, monthly and as transactions occur, not from WPC. Each quarter, WPC sends along with its quarterly billing statement an independent report of portfolio balances from its reporting system for purposes of calculating fees. Clients are encouraged to compare WPC's reporting and the custodian's account values for accuracy.

WPC recommends regular reviews and updates with clients. As described in our Investment Advisory Agreement, we initiate reviews with Investment Advisory clients at a minimum of once annually but may occur more frequently as needed to review their current allocation mix, performance, and portfolio attributes. It is at the client's discretion to meet with WPC for periodic reviews. Clients may receive reviews by mail, consent to electronic delivery or be shared in person.

Discussions with Investment Advisory or Financial Planning clients may also involve advice on income, cash flow, company sponsored retirement accounts, financial independence, college funding, estate planning, tax saving strategies, risk management or other related topics. The advice given may include recommendations for new or additional actions that would be the client's responsibility to initiate. These may involve engaging additional services from WPC or other entities; and any cost for considering such actions will be discussed prior to implementation.

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

WPC receives the majority of its clients by referral from existing clients and does not disclose its client list to others. On occasion, WPC may provide token gifts of appreciation (limited to \$100) to existing clients for the introductions of new or prospective clients.

WPC does not receive compensation for referring clients to other professionals or share in compensation received by other entities for services provided to WPC clients.

As previously discussed in Item 10, WPC has entered into solicitor arrangements with other entities or professionals to share a portion of WPC's fees from clients referred to WPC. This arrangement is fully disclosed to and acknowledged by affected clients and does not impact the fees they pay.

Occasionally, WPC receives token gifts (under \$100) and/or accepts invitations to sponsored events that include seminars, luncheons, sporting, or other events where meals or tickets have been provided individually or as a part of a larger group. Generally, these gratuities are accepted only from existing business partners, and WPC is mindful of the potential conflict of interest created by doing so. Gratuities are discouraged or held to a minimum for that reason.

## Item 15 – Custody

Custody is defined in SEC Rule 206(4)-2 as “holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.” Through an account application, clients engage the custody services of a third party (such as Schwab) and receive statements from the chosen brokerage, bank or other qualified third-party custodian as required by law.

With the client’s consent on the application, WPC is provided written authority to determine which, and the amount of, securities that are bought and sold within an account (see Item 16), execute preauthorized disbursements to the clients and seek deductions to pay advisory fees directly from the account. This is not deemed to be custody.

There are three areas of WPC services that are potentially deemed as custody:

- 1) **401(k)/403(b) Advisory** - At a client’s request, WPC will engage to manage a client’s employer-provided defined contribution savings plan account (401k, 403b, etc.), providing allocation recommendations, rebalancing activities, and potential inclusion in investment performance reporting packages. To do so, a client agrees to provide custody-related authority with a third-party aggregation software provider and/or by sharing their login credentials to their external custodial accounts with WPC. Under this arrangement, the client agrees to a supplemental charge and to be billed as needed from accounts eligible for debit of the advisory fee.

It has been deemed by the SEC that the access provided by maintaining login information in specific cases may represent custody. Whether or not the access to client’s individual account represents custody under the SEC’s criteria, WPC will assume it has custody. WPC retains those login credentials confidentially and under no circumstances will WPC withdraw, dispense, or distribute funds from savings plans or modify the personal profile belonging to the client without the written consent from the client. Additionally, WPC will follow policies and procedures to capture and review transaction activity on the client’s behalf and be subject to surprise annual examination by a third party.

- 2) **Trust Administration** – Clients may retain WPC as their agent to support and/or execute certain non-custodial administrative activities necessary to accomplish the functions of Trustee. This may include assisting with guidance on the fiduciary duty to beneficiaries, compliance with Trust directives, communication with beneficiaries, and coordination of recordkeeping and tax filing. In the event a Trustee wishes to assign ALL responsibilities including check writing, via power of appointment, WPC has custody of the assets. An additional fee for service will apply and the account(s) will be deemed as custody under SEC Rule 206(4)-2. Where this custody arrangement exists, WPC will maintain policies and procedures for the safe keeping of assets and facilitate surprise examinations performed by a third party under the rule.
- 3) **Successor Trustee** - In select cases, WPC’s principals may be named by clients to act as Successor Trustee to provide disbursement services in cases of aging or death. If supervised persons are named as a Successor Trustee and succeed the client as Trustee, this is deemed custody by the

SEC and appropriate safeguards must be in place. To meet its regulatory and fiduciary obligation in such circumstances, WPC maintains policies and procedures which require regular reporting and accounting transparency and facilitates surprise examinations to be performed by a third party as required by SEC Rule 206(4)-2.

Each of these offerings have policies and procedures designed to safeguard clients' assets from misappropriation or improper use. A separate disclosure document highlighting the responsibilities of both parties for these activities is provided to and acknowledged by all clients requesting one or more of these additional services.

WPC urges clients to carefully review statements of all accounts, in order, to ensure all account transactions are accurate and to promptly notify WPC's Chief Compliance Officer if any questions or concerns arise.

## **Item 16 – Investment Discretion**

WPC maintains investment discretion on all client accounts under the Investment Advisory Agreement. As a fee-based advisor no additional fee or compensation is made by WPC when individual holdings are bought or sold. As such, WPC's investment discretion does not subject the client to the conflict of interest present in the discretionary accounts of commission or transaction-based compensation structures.

The client appoints WPC as the Advisor/Agent; and via the account application with the custodian, authorizes the Limited Power of Authority for WPC's ability to place trades in the account, request disbursement on behalf of the client and debit fees. WPC will implement at its discretion any and all investment changes as determined by the Investment Committee for the model portfolios and as individually preferred by the client in the Investment Policy Statement.

In cases where clients do not authorize complete portfolio discretion, a separate Wealth Management Agreement will be completed between client and advisor.

## **Item 17 – Voting of Proxies**

WPC maintains Proxy Voting Policies and Procedures and shall execute voting on behalf of its clients. In general, WPC may vote in accordance with the recommendation of corporate management, unless their recommendation does not appear to maintain or strengthen the best interest of the shareholders. Clients interested in voting their own proxies are encouraged to do so.

## **Item 18 – Financial Information**

Registered Investment Advisors are required to provide clients with certain financial information or disclosures about their financial condition. WPC does not require prepayment of fees for more than six months in advance, so certain financial reporting requirements are not applicable. However, WPC is required to attest to its ability to meet current contractual and fiduciary commitments.

At present, WPC has no financial commitment or indebtedness that impairs its ability to meet its obligations and is not the subject of any legal suit, judgment or bankruptcy proceeding.

## **Item 19 – Requirements for State-Registered Advisors**

Investment Advisors with less than \$100 million in assets under management are required to maintain registration with the applicable state regulatory body, while those with greater than \$100 million must be registered federally with the SEC. WPC is federally registered with the SEC and maintains informational filings in states where it has five or more clients.

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