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WMS Advisors, LLC

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**Form ADV Part 2A – Firm Brochure**

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Dated February 5, 2024

This Brochure provides information about the qualifications and business practices of WMS Advisors, LLC, “WMS.” If you have any questions about the contents of this Brochure, please contact us at (301) 294-7804. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

WMS is registered as an Investment Adviser with the Securities and Exchange Commission. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about WMS is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the firm’s identification number 122224.

## Item 2: Material Changes

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Since the last annual filing of the Form ADV Part 2A, dated March 2, 2023, the following material changes has occurred:

Effective January 2024, WMS Advisors, LLC is now domiciled in North Carolina and moved its principal office location to Charlotte, NC.

Please note that this section only includes changes we consider material.

## Item 3: Table of Contents

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# Item 4: Advisory Business

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## **Description of Advisory Firm**

WMS Advisors, LLC is registered as an Investment Adviser with the Securities and Exchange Commission. We were founded in December of 2006. TWG-Advisor Grp, Inc., solely owned by David R. Williams, and TGM Capital, LLC, solely owned by Thomas MacLennan, are principal owners of WMS. As of December 31, 2023, WMS manages approximately \$192,454,299 on a non-discretionary basis and \$3,659,395 on a discretionary basis.

## **Types of Advisory Services**

### **Investment Advice through Consultations**

We provide advice on areas such as company sponsored retirement plans, tax favored investment strategies, retirement projections and goal planning.

### **Advice on Matters Not Involving Securities**

We provide advice on areas such as business management operations, business continuation, cash flow analysis, major purchase analysis, tax planning, and related strategies.

### **Portfolio Monitoring and Management**

We are in the business of managing individually tailored investment portfolios on a non-discretionary basis. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with asset allocation targets and create and manage a portfolio based on that policy and allocation targets. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income) as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

### **Financial Planning**

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analyses will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

The client is under no obligation to act upon our recommendations. If the client elects to act on any of the recommendations, the client is under no obligation to affect the transactions through our firm.

In general, the financial plan will address any or all of the following areas of concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **College Savings:** Includes projecting the amount that may be needed to achieve college or other post-secondary education funding goals, along with advice on ways to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or other implications.
- **Financial Goals:** We will help identify financial goals and develop a plan to reach them. We will identify areas to accomplish, what resources are needed to make it happen, how much time is needed to reach the goal, and how much budgeting is required for the goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **Retirement Planning:** Our retirement planning services typically include projections of the likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

For those near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of exposure to major risks that could have a significantly adverse effect on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).

### **Client Tailored Services and Client Imposed Restrictions**

We offer the same suite of services to all of our clients. However, specific client plans and their implementation are dependent upon a client’s New Account Form, Risk Tolerance Questionnaire and Investment Policy Statement, which outlines each client’s current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

### **Wrap Fee Programs**

We do not participate in wrap fee programs.

# Item 5: Fees and Compensation

Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees and without penalty. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

	Level 1	Level 2	Level 3
Portfolio Value:	\$5M+	\$1M - \$5M	< \$1M
<b>Relationship Management - Primary Advisory Team</b>			
Dedicated Team of Client Advisor(s) and Client Service Associates	X	X	X
<b>Portfolio and Investment Management:</b>			
Portfolio Design / Maintenance	X	X	X
Annual Review of Investment Policy Statement and Risk Profile	X	X	X
<b>Reporting and Communications:</b>			
Quarterly Performance Reports	X	X	X
Household Aggregate of Outside Investment Accounts - Annually	X	X	X
Meeting Frequency	Quarterly	Semi-Annually	Annually
<b>Financial Planning:</b>			
Goal Planning and Projections	X	X	X
Insurance Analysis - Disability, Life, and Long-Term Care	X	X	
Income and Cash Flow Planning	X	X	
Other Planning Services (see below) <sup>i</sup>	X		
<b>Tax and Estate Planning:</b>			
Tax Loss Harvesting	X	X	X
Tax Planning Assistance	X	X	
Estate Planning Assistance	X	X	
Other Wealth Planning Services (as requested and agreed upon) <sup>i</sup>	X	X	
<b>Relationship Coordination/Partnerships</b>			
Tax and Accounting	X	X	
Insurance Specialist	X	X	
Estate Attorneys	X	X	
Other Professionals (as requested and agreed upon)	X	X	

## Portfolio Monitoring and Management

The type of revenue is broken down below:

- Fee based accounts, with portfolio management services offered by a third-party asset manager
- Managed accounts wherein WMS acts as portfolio manager
- Commission based

We offer three distinct levels of service known as our Service Offerings. Services provided are based on total assets under management per client household. The three Service Offerings levels are defined below:

WMS generates revenue by several compensation methods. These options include:

1. Percentage of assets under management
2. Hourly charges for financial planning engagements
3. Commissions – primarily for alternative investments, payable to Associated Persons

### **Percentage of assets under management:**

For clients on our Service Offerings platform, fees are deducted directly from the clients' brokerage accounts. Fees are billed quarterly in advance based on the value of the clients' account balances as of the final day of the previous calendar quarter. Fees cover all services listed in the Service Offerings model appropriate for each client. Billing typically occurs by the 15<sup>th</sup> of the month following the end of the calendar quarter. Our fee schedule is detailed below and only on rare occasions is this fee schedule negotiable. If your portfolio is greater than \$10 million, we develop a custom fee schedule. The platform fee is only applicable if funds are managed by a third-party manager.

Portfolio Value		WMS Fee
\$		
-	\$ 500,000	1.25%
\$ 500,000	\$ 1,000,000	1.00%
\$ 1,000,000	\$ 2,000,000	0.90%
\$ 2,000,000	\$ 5,000,000	0.80%
\$ 5,000,000		0.70%

Services can be terminated at any time by either party. If a client wishes to terminate their advisory relationship or WMS deems it necessary to terminate an advisory relationship, fees will be adjusted pro-rata and refunded within 30 days of termination.

### **Commissions:**

Associated Persons of WMS are registered representatives with Grove Point Investments, LLC ("Grove Point") a registered broker/dealer. Through this affiliation, clients also have the option to maintain a traditional, commission-based brokerage account or outside accounts with various fund companies. These accounts may hold stocks, bonds, ETFs or mutual funds; revenue is generated when trades are placed within the accounts.

WMS may recommend that the trades be affected through Grove Point. These services are offered on a best execution basis and a client is under no obligation to implement trades through the registered representatives of Grove Point. If the client chooses to implement through Grove Point a commission will be earned by the registered representative in addition to the fees already paid to the representative for advisory services. WMS does not execute commissioned based transactions in fee-based accounts. All FINRA, SEC and other regulatory agencies disclosure requirements and policies are observed for

all transactions. Commission rates may be found at other broker/dealers that may be higher or lower than those charged at Grove Point.

### **Conflicts of Interest**

At WMS we are of the opinion that a commission-based account creates a conflict of interest as generating commissions requires trading within an account and trading in a client account may or may not be in the best interest of the client. In addition, when acting as a registered representative, our associated persons will receive 12b-1 fees, in addition to commissions, for the sale of investment company products. WMS does not charge advisory fees on commission-based accounts and does not mark-up commissions on trades. Whenever we feel it is in the best interests of the client, we will suggest a fee-based advisory account model.

WMS has established and follows strict guidelines when recommending trades in client accounts. We analyze the overall portfolio, compare it to the asset allocation model deemed appropriate for that client and only recommend trades when the allocation has shifted and maintains a variance of more than a specific, pre-determined percentage for that client in any asset class or the investment selection no longer fits our criteria for suitable investments.

### **Financial Planning Hourly Fee**

Clients who are not part of our Service Offerings platform can obtain these additional services on a per hour basis. These services may include:

- ✓ Employer retirement plan analysis
- ✓ Investment analysis
- ✓ Retirement projections
- ✓ Full financial plans
- ✓ Insurance analysis
- ✓ New business analysis
- ✓ College projections and planning
- ✓ Estate planning
- ✓ Cash flow review and monitoring

Hourly rates presently range from \$75 - \$350 per hour and are not negotiable. Hourly fees are billed monthly based on time expended with payment expected upon receipt of the invoice. Interest at the rate of 6% per annum is assessed on balances outstanding for over 30 days.

WMS requires a \$500 advance retainer for hourly engagements.

### **Other Types of Fees and Expenses**

In addition to the fees listed above, the client may be subject to additional costs associated with the management of their portfolios. These fees vary depending on the security, program expenses, and custodial fees assessed by the brokerage firm holding the client accounts. More information can be found in the Item 12 of this brochure.

WMS offers clients the opportunity to maintain margin accounts. When clients pay an asset under management fee based on assets under management versus the net value of an account (1) they will pay additional fees for securities bought on margin and (2) the advisor has a conflict of interest when securities are bought on margin because this will increase advisory fees.

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

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We do not offer performance-based fees.

## Item 7: Types of Clients

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WMS offers investment advice to the following types of clients:

- Individuals and families
- Pension and profit-sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

The firm maintains a minimum investment level by household, depending on the service level, of \$250,000 for all clients except for 529 plan clients where the investment minimum is \$15,000. These minimums may be waived in certain circumstances.

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

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### **Methods of Analysis:**

WMS bases investment selection and recommendations on fundamental and technical analysis. The tools used within the firm include the following:

- Various investment analysis services including Morningstar<sup>TM</sup>, Schwab Institutional<sup>®</sup>, and other comparable services.
- Financial newspapers and magazines
- Research materials prepared by others
- Corporate rating services
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Company press releases

**Investment Strategies:** The firm's core portfolio strategy method includes investing in the entire stock market primarily through the use of Asset Class funds, ETFs, individual stocks and bonds and index mutual funds. Portfolios are supplemented with other investments when appropriate. These may include Private Real Estate Investment Trusts (REITs), stocks, bonds, non-index mutual funds, commodities funds, futures contracts, variable annuities, fixed annuities, cash/cash equivalents, CDs, and oil and gas programs. This list may not be all-inclusive, and the firm reserves the right to suggest other investment options.

Portfolio rebalancing occurs when the asset class allocations have a variance of more than a specific, pre-determined percentage in either direction as defined by the core portfolio strategy models.

The types of investments offered include:

- Equity securities including exchange-listed securities and securities traded over the counter (stocks)



- Corporate debt securities (other than commercial paper) (bonds)
- Certificates of Deposit (CDs)
- Municipal securities
- Investment company securities including variable life insurance, variable annuities, mutual fund shares
- United States government securities
- Options contracts on securities
- Futures contracts on tangibles and intangibles
- Partnerships investing in real estate and oil and gas interests

For clients with accounts that do not fit the core portfolio strategy method, the firm uses mutual funds, stocks, bonds, and ETFs, balancing an account in an allocation that is consistent with the client's overall risk tolerance levels, as determined by a Risk Profile Questionnaire, which the client completes. These accounts are reviewed monthly, quarterly, semi-annually, or annually based on the client's service model.

The review process with regard to portfolios that do not fit the core portfolio strategy include a review of the following factors:

- Overall risk
- Manager tenure
- Asset class and sector exposure
- Expense ratios
- Alpha (manager value compared to all funds within that class of security)
- Beta (turnover of the assets in the portfolio)
- Stock overlap

The types of investment strategies used to implement any investment advice given to clients may include:

- Structured Investing – includes: investing in large numbers of stocks in selected asset classes resulting in portfolios with thousands of stocks, emphasizing small and value companies, diversifying globally, investing in high-quality, short-term fixed income, and periodic rebalancing to maintain selected asset class ranges
- Long term purchases of stocks, bonds, and mutual funds (securities held at least one year)
- Short term purchases of stocks, bonds, and mutual funds (securities held less than one year)
- Trading of stocks, bonds, mutual funds (securities sold within 30 days)
- Margin transactions (borrowing against securities positions currently held in client accounts)
- Option writing, including covered options, uncovered options or spreading strategies

WMS uses several data gathering tools to collect information on all clients. In addition to extensive dialog with each client, these tools include, but may not be limited to, a Financial Planning Organizer and Risk Profile Questionnaire. Our tools assist the firm in tailoring advisory services to a client's individual needs. Some clients may not be comfortable investing in certain industries or holding a specific security or type of security. Other clients may wish to plan for a specific need or goal. Regardless of the need, the firm will work within the parameters established by the client.

## Material Risks Involved

**Investments in securities involve risk of loss that clients should be prepared to bear.** Each client is given a risk assessment and recommendations are based on the risk tolerance levels determined by answers provided in the assessment. By diversifying client portfolios, the firm attempts to reduce risk with asset allocation. The firm discusses the associated risks with all clients and strives to help the client understand that a portfolio may lose value.

Stock investing involves risk including loss of principal. Securities of small companies are often less liquid than those of large companies. As a result, small company stocks may fluctuate more in price. International and emerging market investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

Bonds (fixed income) are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise, issuer's creditworthiness declines, and are subject to availability and changes in price. Past performance does not guarantee future results and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more, or less, than their original cost. Some investments recommended by the firm may be illiquid. When an investment is deemed to be illiquid, special attention is given to the long-term nature of such a product. Illiquid investments may not be suitable for all clients and will not be recommended to clients who do not qualify. Diversification does not assure a profit or guarantee against loss in a declining market.

## Item 9: Disciplinary Information

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Neither the firm, nor any associated person has been subject to any form of disciplinary action.

## Item 10: Other Financial Industry Activities and Affiliations

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David R. Williams, CFP® is a Registered Principal, Registered Representative and Investment Advisor Representative of Grove Point Investments, LLC and Grove Point Advisors, LLC. . Thomas MacLennan, CFP®, Tim Paschall, CFP® and Henry Meadows are Registered Representatives of Grove Point Investments, LLC. Grove Point Investments, LLC is a registered broker/dealer and is located at 2440 Research Blvd., Suite 500, Rockville, MD 20850.

### **Grove Point Investments, LLC**

For clients who wish to hold commission-based securities, accounts will be established with Grove Point utilizing Pershing, LLC as custodian, see Section 12, Brokerage Practices for costs and compensation associated with commission-based securities.

### **Schwab Institutional®**

WMS may recommend/require that clients establish brokerage accounts with the Schwab Institutional® division of Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets with Schwab. WMS is independently owned and operated and not affiliated with Schwab. Schwab provides WMS with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional. If total assets are less than \$10 million, the independent investment advisor will be subjected to quarterly fees to utilize the Schwab Institutional platform. These services are not contingent upon WMS committing to Schwab any specific amount of business (assets in custody or trading commission). Schwab Institutional's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For WMS client accounts maintained in its custody, Schwab Institutional generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to WMS other products and services that benefit WMS but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of WMS accounts, including accounts not maintained at Schwab.

Schwab Institutional's products and services that assist WMS in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of WMS fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help WMS manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefit providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to WMS. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to WMS. Schwab Institutional may also provide other benefits such as education events or occasional business entertainment of WMS personnel. In evaluating whether to recommend or require that client's custody their assets at Schwab, WMS may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost, or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### **Investigo (A Broadridge Company) and Black Diamond (An Advent Company)**

WMS subscribes to Investigo, a Broadridge Company, and Black Diamond, an Advent Company to provide data aggregation services for the purposes of report preparation and billing. Data is provided to Investigo and Black Diamond by way of electronic data feeds from various fund companies and custodians on a daily basis. Data made available through the program will be treated confidentially and is subject to its privacy policies.

#### **Insurance Activities**

Associated persons of WMS may be insurance licensed and may be appointed with several insurance carriers to act as a representative for their insurance products.

#### **Accounting Activities**

Associated persons of WMS are Certified Public Accountants. Accounting services provided by their respective accounting firm are separate and distinct from our advisory services and are provided for separately and require typical compensation. There are no referral fee arrangements between our firms for these recommendations. No client is obligated to use them for any accounting services and conversely, no accounting client is obligated to use the advisory services provided by us. Their accounting services do not include the authority to sign checks or otherwise disburse funds on any of our advisory client's behalf.

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

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## **Code of Ethics**

All associated persons of WMS conduct all personal securities transactions in full compliance with WMS's Code of Ethics and all applicable laws and regulations including reporting requirements. Applicant and/or all associated persons will provide a copy of the firm's Code of Ethics to any client or prospective client upon request.

## **Participation or Interest in Client Transactions**

WMS does not participate or maintain an interest in any client transactions.

## **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

A conflict of interest may exist for Advisor to recommend the services of a third-party manager or asset allocator who has agreed to share a portion of its management fee with the Advisor as opposed to other managers who have not agreed to pay compensation to Advisor. WMS does not utilize third party managers who have not agreed to pay compensation to Advisor.

## **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Our firm and its "related persons" may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

## **Trading Securities at/Around the Same Time as Client's Securities**

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as clients. We will not trade non-mutual fund securities 5 days prior to the same security for clients.

## **Investment Advice Relating to Retirement Accounts**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries 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. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and

- Give you basic information about conflicts of interest.

In addition, and as required by this rule, we provide information regarding the services that we provide to you, and any material conflicts of interest, in this brochure and in your client agreement.

## Item 12: Brokerage Practices

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WMS may recommend that trades be affected through Grove Point Investments, LLC. Grove Point is an introducing broker/dealer only and does not engage in market making and does not self-clear; therefore, Grove Point clears all brokerage transactions with Pershing, LLC and does not charge extra fees to do so. These services are offered on a best execution basis and a client is under no obligation to implement trades through the registered representatives of Grove Point. If the client chooses to implement through Grove Point and the account is a commission-based account, a commission may be earned by the registered representative in addition to the fees already paid to the representative. All FINRA, SEC and other regulatory agencies disclosure requirements and policies are observed for all transactions.

Commission rates may be found at other broker/dealers that may be higher or lower than those charged at Grove Point. At the present time, traditional commission-based transactions are offered through Pershing, LLC as the clearing firm. As of December 31, 2021, these accounts represented less than 1% of our assets under management. Pershing charges various annual maintenance fees depending on the services required in the brokerage accounts. Pershing also charges ticket charges for most mutual fund transactions and ticket charges on stocks, bonds, and ETFs. A full list of Pershing brokerage fees will be provided upon request from the client and is included automatically on all new account forms.

The clearing firm currently used for all accounts advisory clients on the Service Offerings platform is Charles Schwab Institutional. Charles Schwab does not charge annual maintenance fees for accounts held at the firm. The trading charges range from \$0 for equity transactions and start at \$20 for mutual fund and bond transactions. The trading costs may vary depending on account balance or statement delivery method. A full list of Schwab trading fees will be provided upon request from the client.

### **Commission Based Funds**

Loaded mutual funds generate up front commissions on A and B share classes and vary by investment company and on total assets under management, per client household, per investment company. Loaded mutual funds traditionally pay trails in the amount of 0.25% on average, also known as 12b-1 fees. C class mutual fund shares pay 1% up front and 1% annually in 12b-1 fees. WMS encourages clients to use our fee-based models and typically only utilizes the commission-based method for alternative investments and when the client requests this form of compensation method.

### **Non-Commission Based Funds**

Unless a client is paying for services rendered on an hourly basis, we will not typically recommend no-load mutual funds in a client's commission-based brokerage account. No-load mutual funds do not generate compensation to the advisor. If a client wants to utilize no-load mutual funds in their portfolio but does not want to pay an hourly fee to do so, the client will be referred to a fee-based account and assessed a quarterly fee based on total assets under management.

### **Aggregating (Block) Trading for Multiple Client Accounts**

Investment advisers may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. We do not engage in block trading. It should be noted that implementing trades on a block or

aggregate basis may be less expensive for client accounts; however, it is our trading policy is to implement all client orders on an individual basis. Therefore, we do not aggregate or “block” client transactions. Considering the types of investments, we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

## Item 13: Review of Accounts

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Client accounts with the Investment Management Service will be reviewed regularly on a monthly, quarterly, or annual basis by one of the Investment Advisor Representatives of WMS. The account is reviewed with regards to the client’s investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition, or deletions of client- imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest. Portfolio analyses are prepared as dictated by the client’s review schedule. The portfolio analysis reports include information on dates of acquisition, cost basis, market values and unrealized gains and losses as of the report date. Tax data includes year-to-date earnings and gains or losses from sales or exchanges of client securities. The portfolio analysis reports may include:

- Performance Report
- Appraisal
- Realized Gain/Loss Report
- Asset Allocation Report
- Fixed Income Analysis

The firm occasionally performs non-periodic reviews for clients, as necessary. Non-periodic reviews may occur for a variety of reasons relating to changes in income, job status, retirement, and lifestyle.

## Item 14: Client Referrals and Other Compensation

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WMS does not actively participate in a client referral program. David R. Williams, Thomas MacLennan, and Timothy Paschall are CFP® Practitioners.

## Item 15: Custody

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Except as noted below, WMS generally does not accept custody of client funds. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge clients to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

WMS generates performance reporting via Buckingham Strategic Partners, LLC, Black Diamond, and Investigo (more information available in Item 10, Other Financial Industry Activities and Affiliations) for clients when another performance reporting method is unavailable. Clients are strongly encouraged to compare their performance reports to the actual custodial statement.

**Standing Letters of Authorization:** WMS does maintain a standing letter of authorization (SLOA) where the funds or securities are being sent to a third party, and the following conditions are met:

- a. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- b. The client authorizes WMS, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- c. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- d. The client has the ability to terminate or change the instruction to the client's qualified custodian.
- e. WMS has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- f. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.
- g. WMS maintains records showing that the third party is not a related party of WMS or located at the same address as WMS.

## Item 16: Investment Discretion

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WMS does not hold investment discretion on any investment account. All trades placed through the firm must first be approved by the client.

## Item 17: Voting Client Securities

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WMS does not accept the authority to vote client securities. Proxy statements and other solicitations will be sent directly to each client from the custodian or transfer agent for voting purposes. The client can contact WMS at (301) 294-7804 or by email at [wa@WMSAdvisors.com](mailto:wa@WMSAdvisors.com) to discuss specific information prior to registering their vote(s).

## Item 18: Financial Information

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We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding. We do not have custody of client funds or securities or require or solicit prepayment of more than \$1,200 in fees per client six months in advance.