

# Atlantic

## PRIVATE WEALTH

### ATLANTIC PRIVATE WEALTH, LLC

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This brochure provides information about the qualifications and business practices of Atlantic Private Wealth, LLC (hereinafter “APW” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. 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 the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

**Item 2. Material Changes**

APW is required to discuss any material changes that have been made to the brochure since the last annual amendment on March 1, 2024. The following material changes have been made:

- Updated Item 4 & 5 to include Other Service Arrangements offered and the associated fee.

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## Item 4. Advisory Business

APW offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to APW rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with APW setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

APW has been in business since March 2021 and is owned by Andrew Blass. As of December 31, 2024, the Firm had \$787,661,112 in assets under management. Of this amount, \$783,390,830 is managed on a discretionary basis and the remainder \$4,270,282 is managed on a non-discretionary basis (where our clients made the investment decision based upon our recommendation).

### Investment Management Services

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APW manages client investment portfolios, which includes a broad spectrum of investment related activities and financial planning. We manage client’s portfolios on a discretionary or non-discretionary basis. APW tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives.

APW primarily directs the investment of a client's portfolios in fixed income securities, equity securities, mutual funds, exchange traded funds, repurchase agreements and deposit accounts with banks.

APW consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. APW will then evaluate the existing portfolio and develop a plan to transition the client to the desired portfolio. APW will then regularly monitor the client’s portfolio and the overall strategy and hold review meetings with the client regarding the account as necessary.

Clients can impose reasonable restrictions or mandates on the management of their accounts if APW determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm’s management efforts.

Where appropriate, the Firm may provide advice about any type of legacy position or other investment held in client portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon. Clients can engage APW to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, APW directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product’s provider.

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**Corporate Retirement Plan Management**

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APW can be engaged in assisting with the management of corporate retirement plan assets (401(k), 403(b), Profit Sharing, etc.). In these situations, we are normally hired by the plan trustee or plan fiduciary and are working as part of the team managing the assets for the benefit of the participants. Again, this is normally a limited scope engagement focused around investment selection and implementation, asset allocation and rebalancing, and employee education. Under these engagements, our Client is the plan and its trustee or fiduciary, not the corporation, its employees, or individual plan participants.

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**Financial Planning and Consulting Services**

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While not our primary service offering, APW will also engage in financial planning and consulting services on a one-time project basis. APW gathers required information through in-depth personal interviews, including, but not limited to a client's current financial status, future goals, and attitudes towards risk. Related documents supplied by the client are carefully reviewed and a written report is typically prepared.

A client is under no obligation to act on APW's financial planning recommendations. Should a client choose to implement the recommendations in the plan, they are under no obligation to implement the financial plan through any of APW's services. APW suggests the client work closely with his/her attorney, accountant or insurance agent. Implementation of financial plan recommendations is entirely at the client's discretion. APW does not serve as an attorney, accountant or insurance agency. To the extent requested by a client, we may recommend the services of other professionals. If a client engages any recommended professional and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

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**Other Service Arrangements**

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APW may offer certain clients back-office services, which may include preparing invoices for approval and payment, generating financial reports and coordinating tax-related information for the Client's accountant. The client will be responsible for processing and remitting payment. APW's role is limited to the preparation and submission of invoices; APW does not have the authority to approve or make payments on behalf of the client.

**Item 5. Fees and Compensation**

APW offers services on a fee basis, which include fees based upon assets under management, as well as fixed fees. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, offer insurance products under a separate commission-based arrangement.

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**Investment Management Fees**

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APW offers investment management services for an annual fee based on the amount of assets under management. The management fee varies and is negotiable but does not exceed 125 basis points (1.25%). The agreed upon fee will depend on the size and composition of a client's portfolio, the type and amount

of services rendered and the individual(s) providing the services. At our discretion, we may negotiate a client's fee schedule. All fees will be clearly set forth in a client's written agreement with APW at the beginning of the relationship and any changes in the future will be clearly communicated. Advisory fees are paid quarterly in arrears. The fee is directly debited from the client's account(s) held at the custodian or sent to the client by invoice.

APW may recommend a client roll over retirement accounts or move other assets to the Firm's management. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage APW for additional services for compensation. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.

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**Corporate Retirement Plan Management Fees**

This service is typically provided for a fee based upon the assets under management and negotiated on a case-by-case basis with the plan trustee or plan fiduciary.

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**Financial Planning and Consulting Fees**

APW charges a fixed fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, starting at \$2,500 depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. The fee can be for a defined project, such as the delivery of a plan, or for ongoing services. If the client engages the Firm for additional investment advisory services, APW can offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement. For project-based services APW requires one-half of the fee payable upon execution of the Advisory Agreement. The outstanding balance is due upon delivery of the financial plan or completion of the agreed upon services. Ongoing services are charged as described in the investment management section, below. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees, six or more months in advance of services rendered.

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**Other Service Arrangements**

APW charges an annual fee which is payable in quarterly installments for providing back-office services. The annual fee is negotiated on a client-by-client basis and will be agreed upon in a signed Services Agreement.

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**Additional Fees and Expenses**

In addition to the advisory fees paid to APW, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, margin and other borrowing costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer

taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. A client could invest in mutual funds directly, without the services of APW. In that case, the client would not receive the services provided by APW which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by APW to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. The Firm's brokerage practices are described at length in Item 12, below.

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**Direct Fee Debit**

Clients provide APW with the authority to directly debit their accounts for payment of the investment advisory fees. The qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to APW.

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**Use of Margin**

Clients can authorize APW, where it meets their investment objectives and goals, to use margin or other borrowing in the management of the client's investment portfolio. Margin accounts are billed on the gross total asset value in the account. Margin loan balances do not reduce the billable account value. The total net value of your account is the gross value of your assets (including any accrued income) less your margin loan balance. The total gross value of your assets, and therefore the billable account value, will exceed the total net value of your account if you have a margin loan balance. By calculating our fee based on gross total asset value, we have a conflict of interest if we recommend purchases on margin because such purchases can increase our compensation. We seek to address conflicts such as this through disclosure and our suitability process.

In addition, APW can recommend that certain clients utilize margin in the client's investment portfolio or other borrowing for non-investment needs, such as bridge loans and other financing needs. In these situations, the Firm's fees are determined based upon the value of the assets being managed gross of any margin or borrowing.

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**Item 6. Performance-Based Fees and Side-by-Side Management**

APW does not charge performance-based fees (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

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**Item 7. Types of Clients**

APW offers services to individuals, trusts, estates, charitable organizations, endowments, tax exempt institutions, corporations, as well as pension and profit-sharing plans and plan participants.

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

### Methods of Analysis

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APW uses the following methods of analysis in formulating its investment advice and/or managing client assets:

***Technical Analysis.*** APW analyzes past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a security. This presents a risk in that a financially unsound security may underperform regardless of market movement.

***Quantitative Analysis.*** APW uses mathematical models in an attempt to obtain more accurate measurements of securities quantifiable data, such as the historical share price or historical relative risk. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

***Asset Allocation.*** Rather than focusing primarily on securities selection, APW attempts to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector.

***Risks for all forms of analysis.*** The investment techniques employed by APW in the management of client assets are based upon historical studies of the securities market. There is no assurance that the methodologies employed by APW will be successful in achieving their objectives.

### Investment Strategies

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APW uses the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives:

***Long-term purchases.*** APW purchases securities with the idea of holding them in the client's account for a year or longer. Typically, the Firm employs this strategy when it wants exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, APW may not take advantage of short-term gains that could be profitable to a client. Moreover, if the Firm's predictions are incorrect, a security may decline sharply in value before making the decision to sell.

***Short-term purchases.*** When utilizing this strategy, APW purchased securities with the idea of selling them within a relatively short time (typically a year or less). The Firm does this in an attempt to take advantage of conditions that it believes will soon result in a price swing in the securities purchased.



A short-term purchase strategy poses risks should the anticipated price swing not materialize; APW is then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy and can result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Short sales.** APW may borrow shares of a stock for client portfolios from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, APW buys the same stock and returns the shares to the original owner. APW engages in short selling based on the Firm's determination that the stock will go down in price after having borrowed the shares. If APW is correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit. If, however, the price goes up, the client realizes the loss which can be infinite.

**Options.** APW may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives the holder the right to buy an asset at a certain price within a specific period of time. The Firm will buy a call if it has determined that the stock will increase substantially before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. APW will buy a put if it has determined that the price of the stock will fall before the option expires.

APW uses options to "hedge" the value of an underlying security; in other words, the Firm will use an option purchase to limit the potential upside and downside of a security.

APW uses "covered calls," in which the Firm sells an option on security the client owns. In this strategy, the client will receive a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price.

In connection with covered call options, certain factors are specifically pointed out to clients. First, in the event of a significant increase in the price, client might forfeit a significant portion of the increase in the client's portfolio value. Second, in the event of a significant decrease in the price of a focused security, client will not be protected from the loss of the client's portfolio value.

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency. Below is a summary of those risks:

*Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of APW's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that APW will be able to predict these price movements accurately or capitalize on any such assumptions.

*Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

*Cash Management Risks*

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

*Equity-Related Securities and Instruments*

The Firm may take long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

*Fixed Income Securities*

While the Firm emphasizes risk-averse management and capital preservation in its fixed-income bond portfolios, clients who invest in this product can lose money, including losing a portion of their original investment. The prices of the securities in our portfolios fluctuate. The Firm does not guarantee any particular level of performance. Below is a representative list of the types of risks clients should consider before investing in this product.

- Interest rate risk. Prices of bonds tend to move in the opposite direction to interest rate changes. Typically, a rise in interest rates will negatively affect bond prices. The longer the duration and average maturity of a portfolio, the greater the likely reaction to interest rate moves.
- Credit (or default) risk. A bond's price will generally fall if the issuer fails to make a scheduled interest or principal payment, if the credit rating of the security is downgraded, or if the perceived creditworthiness of the issuer deteriorates.
- Liquidity risk. Sectors of the bond market can experience a sudden downturn in trading activity. When there is little or no trading activity in a security, it can be difficult to sell the security at or near its perceived value. In such a market, bond prices may fall.
- Call risk. Some bonds give the issuer the option to call or redeem the bond before the maturity date. If an issuer calls a bond when interest rates are declining, the proceeds may have to be reinvested at a lower yield. During periods of market illiquidity or rising rates, prices of callable securities may be subject to increased volatility.
- Prepayment risk. When interest rates fall, the principal of mortgage-backed securities may be prepaid. These prepayments can reduce the portfolio's yield because proceeds may have to be reinvested at a lower yield.
- Extension risk. When interest rates rise or there is a lack of refinancing opportunities, prepayments of mortgage-backed securities or callable bonds may be less than expected. This would lengthen the portfolio's duration and average maturity and increase its sensitivity to rising rates and its potential for price declines.

#### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (*e.g.*, sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary

market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for index-based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Options*

Options allow investors to buy or sell a security at a contracted “strike” price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Use of Margin*

While the use of margin borrowing for investments can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a Financial Institution, which is secured by a client’s holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client’s outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client’s borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client’s portfolio.

### *Currency Risks*

An advisory account that holds investments denominated in currencies other than the currency in which the advisory account is denominated may be adversely affected by the volatility of currency exchange rates.

### *Interest Rate Risks*

Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by clients.

### *Short Sales*

The Firm may sell certain securities short in client portfolios. The biggest risk in short selling is the potential for an infinite loss. The client has sold a security and has to buy it back at some point. There is no limit to how high that stock can go and the client will have to buy it back, potentially at a large loss. In addition,

the client will owe any dividends that the company pays. This will further erode any profits and add to losses should the client holds the investment.

#### *Use of Annuities in Retirement Accounts*

The Firm uses Fixed Index annuities inside of retirement accounts as an alternative to taxable fixed income where the Firm deems it appropriate for that client. In addition, the Firm uses guaranteed annuities as a way to obtain higher interest rates where the Firm believes the risk of decreased liquidity of the annuity is offset by the benefit of a higher rate. In all cases, the Firm favors utilizing no-fee (no commission) annuities over commissioned based annuities.

**Past performance is not a guarantee of future returns. Investing in securities involves risk of loss that clients should be prepared to bear.**

### **Item 9. Disciplinary Information**

APW has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

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

APW is a registered investment adviser. However, several of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a commission basis. The commissions received are fully disclosed to the client. No advisory client is obligated to purchase insurance that is recommended by APW's Supervised Persons. The implementation of any or all recommendations is solely at the discretion of the client. A conflict of interest exists to the extent that APW recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions. The firm may also receive additional reimbursement and/or compensation directly from the insurance company. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in the clients' best interest regardless of any such affiliations.

### **Item 11. Code of Ethics**

APW has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. APW's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth APW's practice of supervising the personal securities transactions of employees (including pre-clearance and ongoing reporting). Employees of APW may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of APW that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

APW's Code of Ethics further includes the firm's policy prohibiting the use of material non-public

information and protecting the confidentiality of client information.

APW requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the Firm's Code of Ethics may be subject to discipline.

Clients and prospective clients may contact APW to request a copy of its Code of Ethics by contacting APW.

## **Item 12. Brokerage Practices**

### **Recommendation of Broker-Dealers for Client Transactions**

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Custodians / broker-dealers will be recommended based on APW's duty to seek "best execution," which is the obligation to seek to execute securities transactions for a client on terms that are the most favorable to the client under the circumstances. Primarily, the Firm will recommend Fidelity Investments for investment management accounts. The final decision to custody assets with Fidelity is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. APW is independently owned and operated and not affiliated with Fidelity. Fidelity provides APW with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which APW considers in recommending Fidelity to clients include their financial strength, reputation, execution, pricing, research and service. The pricing that Fidelity offers is dependent on the level of trading activity and assets that APW client's custody and execute with Fidelity. Fidelity enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other Financial Institutions.

The commissions paid by APW's clients to Fidelity comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to affect the same transaction where APW determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. APW seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the Client may be required to sign an additional agreement, and additional fees are likely to be charged.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in

return for investment research products and/or services which assist APW in its investment decision-making process. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because APW does not have to produce or pay for the products or services.

APW periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Additional Support**

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APW receives without cost from Fidelity administrative support, computer software, related systems support, which allow APW to better monitor client accounts maintained at Fidelity. APW receives this service without cost because the Firm renders investment management services to clients that maintain assets at Fidelity and benefits APW not the client directly. Clients should be aware that APW's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits will influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, APW endeavors at all times to put the interests of its clients first and has determined that the recommendation of Fidelity is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Fidelity also makes available to the Firm, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by APW (within specified parameters). These services are used by the Firm to manage accounts for which it has investment discretion. Without this arrangement, the Firm might be compelled to purchase the same or similar services at its own expense.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts at Fidelity.

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

Fidelity also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Fidelity. While, as a fiduciary, APW endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Fidelity may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity.

### **Brokerage for Client Referrals**

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APW does not have any arrangements to compensate any broker dealer for client referrals.

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**Directed Brokerage**

The client may direct APW in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will be responsible for negotiating terms and arrangements for the account with that Financial Institution. As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. APW may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

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**Trade Aggregation**

Transactions for each client will be affected independently, unless APW decides to purchase or sell the same securities for several clients at approximately the same time. APW may combine or "batch" orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among APW's clients pro rata, or in some other equitable manner, to the purchase and sale orders placed for each client on any given day. APW does not receive any additional compensation or remuneration as a result of the aggregation.

## **Item 13. Review of Accounts**

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**Account Reviews**

APW monitors client portfolios on a continuous and ongoing basis and regular account reviews with clients are conducted at least annually. All investment advisory clients are encouraged to discuss their needs, goals and objectives with APW and to keep the Firm informed of any changes thereto.

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**Account Statements and Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the account custodian. Clients can request quarterly written or electronic reports from APW and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from APW or an outside service provider.

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

The Firm does not currently provide compensation to any third-party solicitors for client referrals.

The Firm receives economic benefits from Fidelity. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.



**Item 15. Custody**

APW is deemed to have custody of client funds and securities because the Firm is given the ability to debit client accounts for payment of the Firm's fees. As such, client funds and securities are maintained at one or more Financial Institutions that serve as the qualified custodian. Such qualified custodians will send account statements to clients at least once per calendar quarter that detail any transactions for the relevant period.

In addition, as discussed in Item 13, APW will provide periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from APW.

**Standing Letters of Authorization**

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APW has authority to transfer money from client account(s), which constitutes a standing letter of authorization ("SLOA"). Accordingly, APW will follow the safeguards specified by the SEC rather than undergo an annual audit.

**Item 16. Investment Discretion**

APW is given the authority to exercise discretion on behalf of clients. APW is considered to exercise investment discretion over a client's account if it can affect and/or direct transactions in client accounts without first seeking their consent. APW is given this authority through the executed Advisory Agreement. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives. Clients may request a limitation on this authority (such as certain securities not to be bought or sold).

**Item 17. Voting Client Securities**

APW does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm with questions about any such issuer solicitations.

**Item 18. Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about their financial condition, if applicable.

APW has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.