Form ADV

Wrap Fee Program Brochure

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Kingswood Wealth Advisors

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This Wrap Fee Brochure provides information about the qualifications and business practices of Kingswood Wealth Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 800.535.6981 or email us at malsoraimi@kingswoodus.com. The information in this Brochure has not been approved or verified by the United States and Exchange Commission or by any state securities authority.

Any reference to or use of the terms "registered investment adviser" or "registered" does not imply we have achieved a certain level of skill or training. Additional information about Kingswood Wealth Advisors, LLC is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Kingswood Wealth Advisors, LLC is 288792.

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Item 2 - Material Changes

You may obtain a copy of the complete Brochure anytime and free of charge by contacting the Adviser's Chief Compliance Officer, Mr. Mohamed ("Mike") Alsoraimi at 800-535-6981 or via email at malsoraimi@kingswoodus.com. You may also obtain a copy of the Brochure via the website www.adviserinfo.sec.gov.

Kingswood Wealth Advisors, LLC ("KWA," the "Adviser," "we," "our," or "us") is required to inform its clients of material changes to its business that have occurred on a periodic basis no less than annually. Pursuant to SEC Rules, KWA will ensure that clients receive a summary of any material changes to this Brochure within 120 days of the close of the Adviser's fiscal year.

Since KWA's last submission of its Brochure in September 2018, no material changes have occurred.

Item 4 – Services, Fees and Compensation

Description of Advisory Firm

Kingswood Wealth Advisors, LLC is a limited liability company formed in the State of Nevada on November 1, 2016 and is registered to conduct business as an SEC Registered Investment Adviser. KWA is headquartered in California and its affiliated investment advisor representatives ("Financial Advisors") maintain independent offices throughout the U.S.

Ownership

KWA is wholly owned directly by Kingswood Investments, LLC ("KI"). KI is comprised of a family of affiliated financial service companies collectively registered, where required, to conduct securities and investment advisory activities. Specifically, KI is comprised of KWA and Kingswood Capital Partners, LLC ("CCP"), which is a FINRA registered broker-dealer and member of SIPC. KWA and CCP are collectively referred to in this document as KI.

Advisory Services Offered

KWA offers a variety of advisory services to retail and institutional investors through corporate and independent financial practices located throughout the U.S. KWA permits Financial Advisors to utilize alternative or "doing business as" ("d/b/a") names for their advisory activities. As such, certain of KWA's advisory services may be provided under alternative names, which are listed in Section 1.B of Schedule D of KWA's Form ADV Part 1.

Accounts managed through the Wrap Program are done so in substantially the same manner as those that are managed under a non-wrap arrangement.

While this brochure generally describes the business of KWA, certain sections also discuss the activities of its Access Persons, herein mentioned as such, which refer to the Adviser's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on KWA's behalf and is subject to the Adviser's supervision or control.

Description of the Program

KWA sponsors/offers a Wrap Fee program which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Clients must also open a new securities brokerage account and complete a new account agreement with Kingswood Capital Partners, LLC ("CCP") or another broker-dealer that KWA approves under the Program (collectively "Financial Institutions").

At the onset of the Program, clients provide information describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, KWA assists its clients in developing an appropriate strategy for managing their assets. Clients' investment portfolios are generally managed on a discretionary or non-discretionary basis by either KWA or a Third-Party Managers, as recommended or selected by the Adviser. KWA and/or the Third-Party Managers generally allocate clients' assets among the various investment products available under the Program.

KWA's primary custodian is Raymond James Financial Services, Inc. (RJFS), which is used for custody of customer assets and execution of customer transactions. Raymond James & Associates, Inc. (RJA), an affiliate of RJFS and a member of the New York Stock Exchange (NYSE) and the Securities Investor Protection Corporation (SIPC), acts as the clearing agent in the execution of securities transactions placed through RJFS. RJFS' involvement with KWA's clients are exclusively that of a clearing and custodial firm/relationship. All investment decisions, due diligence, portfolio management, etc., are performed by KWA and are the sole responsibility of KWA. Accordingly, transactions through RJFS may result in higher commissions, greater spreads, or less favorable net prices than might be the case if KWA freely negotiated commission rates or spreads, or selected other broker-dealers or custodians on a competitive basis. RJFS charges commissions or markups/mark-downs on transactions. The foregoing notwithstanding, Adviser will monitor the execution capabilities and transaction costs of all broker-dealers it uses on an ongoing basis and may direct client securities transactions to other broker-dealers as appropriate. In addition to KWA, the Adviser also manages from time-to-time certain customer assets and accounts that may be held outside of RJFS (i.e. other custodians).

Third Party Managers

Based upon the objectives of the client, the Financial Advisor may recommend to certain clients that they authorize the active discretionary management of all or a portion of their assets by certain third-party managers that are not affiliated with KWA. Prior to selecting a third-party manager for a client, KWA conducts due diligence concerning the manager through assessing overall credentials, performance, as well as engaging the assistance of independent third-party institutions where deemed applicable. KWA shall continue to render services to the client and, in addition, monitor and review the performance of the third-party manager and the performance of the client's accounts that are being managed accordingly.

From time-to-time, Financial Advisor may also recommend affiliated investment managers to certain clients based on their investment objectives, guidelines, and risk profiles. KWA will monitor the performance of the selected managers. If KWA determines that a particular selected manager is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's goals and objectives, the Financial Advisor may suggest that the client contract with a different manager. In that case, the Financial Advisor will assist the client in selecting a manager.

In order to assist clients with identifying and selecting an appropriate third-party money manager, KWA will typically gather information about each client's financial situation, investment objectives, as well as any limits or restrictions considered for the management of account. KWA may provide advisory services for accounts managed by third party managers, but does not offer any advice or recommendations with respect to the selection of securities nor is it responsible for implementing any investment strategy or placing orders once determined by the client and selected third party money manager.

Clients should refer to the selected manager's Firm Brochure or other disclosure document for a full description of the services offered. The client's Financial Advisor is available to meet with clients on a regular basis, or as determined by the client, to review the account.

Advisory Fees and Compensation

Advisory Fee Schedule

The specific manner in which fees are charged by KWA is established in each client’s written IMA with KWA. Generally, and pursuant to such agreement, fees for the management of accounts are typically based upon a percentage of the total assets in the account (including margined assets). KWA typically receives an annual management fee that ranges up to 2.25% of the net asset value of the accounts subject to the IMA. All fees are negotiable and each Financial Advisor utilizes a different fee schedule; thus, fees differ per client. KWA also enters into flat fee arrangements from time-to-time, typically for administrative services provided to clients or client Accounts.

Advisory Fee Billing

Advisory fees are assessed and/or charged quarterly, based on prior quarter-end value. Fees are charged in advance unless agreed to in writing. For the initial period of engagement, the fee is calculated on a pro rata basis. Inflows and outflows of cash and securities are considered as well on a prorated basis when calculating fees. In the event the IMA is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate. Fees can be structured in one of the following ways:

1. Blended Management Fee: Total fee is calculated based upon sum of asset value times fee percentage in all asset ranges;
2. Breakpoint Management Fee: Total fee is calculated based upon total asset value times fee percentage of highest total asset value range; or
3. Flat Management Fee: Total fee is calculated based upon sum of asset value times fee percentage in all asset ranges.

Fees are debited from clients’ custodial accounts. Custodians provide their clients with brokerage statements no less than frequently than quarterly. Such statement will reflect deduction of the advisory fee.

Fees are collected by KWA from the amount of any contribution or transfer, from available cash in the client's account, from margin or by liquidating the client's assets held in the client's account in an amount equal to the fees that are due.

Fee for Participation in the WRAP Program

KWA’s Wrap Program is managed on either a discretionary or non-discretionary basis based on the terms outlined in the Investment Management Agreement, which include a minimum quarterly fee. As part of this agreement, the clients pay one fee (bundled fee) to KWA to cover Adviser’s advisory fees as well as commissions on transactions and custodian fees. The fee is bundled with KWA’s or the third-party money manager’s costs for executing transactions in client’s account(s), together your “wrap-fee”. This fee may also include other services, such as financial planning services. Wrapping these services together may result in a higher fee to the client than client would otherwise incur by paying for these services separately. The annual fee is not adjusted/reduced based on trading volume in account, so there is a chance that client would pay more by bundling the trading costs with the annual advisory fee based on the amount of trading being done in client's account.

The fees for the management of Accounts will be based upon a percentage of the total assets in the account (including margined assets). Adviser typically receives an annual management fee that ranges up to 2.25% of the net asset value of the Account. All fees are negotiable; thus fees differ per client. Adviser also enters into flat rate arrangements from time-to-time, typically for administrative services provided to client or client Accounts.

The wrap fee does not include annual account fees or other administrative fees, such as wire fees, charged by Third Party Manager or brokerage firm; certain odd-lot differentials, transfer taxes, postage and handling fees, and charges imposed by law with regard to transactions in the Client's account; and advisory fees, expenses or sales charges (loads) of mutual funds (including money market funds), closed-end investment companies or other managed investments, if any, held in Client's account. The wrap fee also does not cover certain costs associated with securities transactions in the over-the-counter market, such as fixed income securities where Manager must approach a dealer or market maker to purchase or sell a security. Such costs include the dealer's mark-up, mark-down or spread and odd-lot differentials or transfer taxes imposed by law.

Platform Fees

KWA assesses a "Platform Fee" to advisory accounts up to .25% (25 basis points), which is used to cover the cost of maintaining its platform and to offset certain administrative costs and services including, but are not limited to: arranging for custodial services to be provided by various custodians pursuant to a separate agreement between client and custodian; coordinating with custodians regarding delivery of comprehensive account services; preparation of quarterly performance reports (to complement account statements provided by custodians); and maintenance and access to an electronic or web-based inquiry system that provides detailed information on each client. The Platform fee is based on the market value of total assets in the accounts subject to an IMA. For accounts below KWA's minimum account level of $100,000, such accounts will be assessed a $20.00 quarterly fee during the duration of time such account remains below the minimum account level. The Platform Fee constitutes an additional form of compensation for KWA and its investment adviser representatives and is a different a separate fee from advisory fee assessed by KWA for rendering advisory services.

Termination Fees

Upon 30-days written notice to KWA, the client has the right to terminate his or her advisory agreement with KWA without penalty or payment of additional fees. In the event the Client has pre-paid for any service, the Advisor will refund any pro-rata amount due to client, after deducting the $50 termination fee per account as disclosed in the IMA.

The termination will not affect any liabilities or obligations from transactions initiated in clients' accounts prior to the written notice.

Fee Comparison

As referenced above, a portion of the fees paid to KWA are used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios.

Services provided through the Program cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Therefore, the Adviser has an incentive to place less trades for clients in the Program since the Adviser incurs transaction expenses. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Fee Discretion

KWA may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

Commissions and Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with CCP to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with CCP.

Under this arrangement, the Adviser's Access Persons, in their individual capacities as registered representatives of CPP provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Access Persons are entitled to a portion of the brokerage commissions paid to CCP, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. CCP may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with CPP.

A conflict of interest exists to the extent that CCP recommends the purchase or sale of securities where its Access Persons receive commissions or other additional compensation as a result of the Adviser's recommendation. The Adviser has procedures in place to ensure that any recommendations made by such Access Persons are in the best interest of clients.

Compensation for the Sale of Securities

Some Financial Advisors of KWA are also dual registered with CCP as registered representatives and receive compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, in their individual capacities as registered representatives of KWA's affiliated broker- dealers, CCP. Financial Advisors who are solely registered with KWA do not receive such compensation with respect to accounts managed or advised by KWA.

Item 5 – Account Requirements and Types of Clients

KWA offers its advisory services to individuals, including high net worth individuals, banks, pension plans, trusts, investment advisors, individual participants of retirement plans, institutions, corporations, endowments, non-profits or other business entities domiciled or residing in the United States and other countries. KWA also provides asset management, financial consulting, ERISA plan advisory & consulting, investment advisory consultation, and selection of third party money managers. Our services are provided on a discretionary and non-discretionary basis.

When subscribing to the advisory services offered by KWA, generally, the minimum account value is $100,000, although lower levels may be accepted on a case-by-case basis by KWA. If the value of a client's account declines below established minimum threshold during each calendar year KWA assesses such accounts a $20.00 quarterly fee during the duration of time such account remains below the minimum account level. KWA reserves the right to require the client to deposit additional monies or securities to bring the account value up to the account minimum. For friends and family of the KWA, this may be waived.

For purposes of calculating minimum account values, KWA may consider all investment management accounts which constitute the "household" of the client's assets. Typically, a client's household consists of any spouse, parent, child, partner or sibling. KWA may terminate the advisory relationship for failure to maintain the minimum account value. In some special cases, account minimums may be waived or negotiated.

If a client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), KWA may be a fiduciary to the plan. In providing our investment management services, the sole standard of care imposed upon us is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

KWA will provide certain required disclosures to the "responsible plan fiduciary" (as such term is defined in ERISA) in accordance with Section 408(b)(2), regarding the services we provide and the direct and indirect compensation we receive by such clients.

Generally, these disclosures are contained in this Form ADV Part 2A, the client agreement and/or in separate ERISA disclosure documents, and are designed to enable the ERISA plan's fiduciary to: (1) determine the reasonableness of all compensation received by KWA; (2) identify any potential conflicts of interests; and (3) satisfy reporting and disclosure requirements to plan participants.

Item 6 – Portfolio Manager Selection and Evaluation

Clients' investment portfolios are managed either directly by KWA or through the use of certain Third-Party Managers, as referenced above. Financial Advisor may also recommend affiliated investment managers to certain clients based on their investment objectives, guidelines, and risk profiles. KWA will monitor the performance of all selected managers.

General Investment Description and Methods of Analysis

KWA may analyze the securities and other investment products it offers utilizing charting, fundamental, technical and cyclical methods. KWA's investment strategies used to implement discretionary investment advice given to clients include long term purchases (securities and other investment products held at least a year), short term purchases (securities and other investment within 30 days) and the funds and other securities in which KWA invests include such strategies as short sales, margin transactions, derivative and emerging markets. For the purposes of identifying various objective parameters, KWA applies various ranges of risk/reward strategies to address clients' investment objectives. KWA is structured as an open architecture platform. KWA, in coordination with Advisor's affiliates, performs due diligence on third party managers, sub-advisors and other product providers. KWA reviews, analyzes and supplements due diligence as necessary and makes an independent determination as to whether to approve a manager or product for client accounts.

KWA has arrangements with third-party service providers through which Advisor receives general macroeconomic analyses of economies, currencies, markets and market sectors. Such third parties also provide due diligence on other investment advisors which KWA may recommend to its clients, research reports on specific securities, sample asset allocations and administrative services. KWA uses such information and services as a tool and also performs its own research and due diligence on managers and investment opportunities. KWA makes investment allocation decisions based on each client's investment objectives and risk tolerance, among other factors. KWA identifies, structures, monitors, invests and liquidates investments in discretionary accounts. The design and day-to-day management of client portfolios is determined by KWA through Financial Advisors, sub-advisors and third-party managers.

KWA seeks the appropriate level of asset preservation and capital appreciation of clients' portfolios by customizing asset allocations and selecting investment vehicles that it believes will align clients' risk / return expectations with long term and short-term investment needs and goals. The asset class allocations invested in various financial instruments, typically include equity, fixed income, commodities, real estate investment trusts ("REITs") and master limited partnerships ("MLPs") (publicly traded partnerships), and alternative investments. KWA will select and monitor the investment vehicles for each asset class in the portfolios based on their history and prospective risk and return characteristics, and determine suitability for each client's needs, as well as, estimated fees and expense.

Portfolio Risks:

General Risks

Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk and there can be no assurance that any specific investment or investment strategy will either be suitable or profitable for a client's investment portfolio. Past performance is not indicative of future results. A client should not assume that the future performance of any specific investment, investment strategy, or product will be profitable or equal to past or current performance levels. KWA cannot assure that the investment objectives of any client will berealized.

Special Risks

While investing in any security involves risk, investing in some types of securities carries special risks. A summary of the special risks associated with some types of securities we may recommend is provided below. Please note that the following summaries are general in nature and do not include an explanation of all risks associated with a given securitytype.

- Market Risk: The price of a stock, bond, mutual fund or other security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.
- Equity Risk: Since the strategies invest in equity securities, they are subject to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of each strategy's equity securities may fluctuate significantly from day-to-day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in the strategies we offer.
- Foreign Risk: Investments in overseas markets (international securities) pose special risks, including currency fluctuation and political risks, and such investments may be more volatile than that of a U.S. only investment. The risks are generally intensified for investments in emerging markets.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Political and Legislative Risk: Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States or those companies who conduct a substantial amount of their business outside of the United States.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product.

- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Risk associated with specific investment products:

a) Bonds are subject to credit risk, which is the risk of default associated with the issuer. Bonds are also subject to interest rate risk or the risk that changes in interest rates during the term of the bond might affect the market value of the bond prior to the call or maturity date. Investors should also consider inflation risk, which is the risk that the rate of the yield to call or maturity will not provide a positive return over the rate of inflation for the period of the investment.

b) Foreign-Issued Securities Debt and equity investments associated with foreign countries may involve increased volatility and risk due to, without limitation:

- Political Risk Many foreign countries are undergoing, or have undergone in recent years, significant political change that has affected government policy, including changes in the regulation of industry, trade, financial markets, and foreign and domestic investment. The relative instability of these political systems leaves these countries more vulnerable to economic hardship, public unrest or popular dissatisfaction with reform, political or diplomatic changes, social instability, or changes in government policies. For investors, the results may include confiscatory taxation, exchange controls, compulsory reacquisition, nationalization or expropriation of foreign-owned assets without adequate compensation, or the restructuring of certain industry sectors in a way that could adversely affect investments in those sectors.

- Sovereign Risk Strikes, the imposition of exchange controls, or declarations of war may prevent or impede repayment of funds due from a particular country.

- Economic Risk The economies of these countries may be more vulnerable to rising interest rates and inflation. Investments may be negatively affected by rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trade, and sensitivity to world commodity prices. Additionally, a change in tax regime may result in the sudden imposition of arbitrary or additional taxes.

- Currency Risk The weakening of a country's currency relative to the U.S. dollar or to other benchmark currencies will negatively affect the dollar value of an instrument denominated in that currency.

- Credit Risk Issuers and obligors of sovereign and corporate debt may be unable to make timely coupon or principal payments, thereby causing the underlying debt or loan to enter into default.

- Liquidity Risk Natural disasters as well as economic, social, and political developments in a country may cause a decrease in the liquidity of investments related to that country, making it difficult to sell quickly, and/or subjecting the seller to substantial price discounts.

The nature and extent of these risks vary from country to country, among investment instruments, and over time.

c) Emerging Market Securities. Investments and transactions in products linked to issuers and obligors incorporated, based, or principally engaged in business in emerging markets countries carry increased risk and volatility. In addition to the political, sovereign, economic, currency, credit, and liquidity risks described above, emerging market securities can be subject to the following risks:

- Market Risk. The financial markets can lack transparency, liquidity, efficiency.
- Regulatory Risk. There may be less government supervision and regulation of business. The supervision that may be in place may be subject to manipulation or control. Disclosure and reporting requirements may be minimal or non-existent.
- Legal Risk. The process of legal reform may not proceed at the same pace as market developments, which could result in uncertainty. Legislation to safeguard the rights of private ownership may not yet be in place.
- Settlement and Clearing Risk. The registration, recordkeeping and transfer of instruments may be carried out manually, which may cause delays.

d) Mutual Funds. Most mutual funds fall into one of four main categories - money market funds, bond funds (also called "fixed income" funds), and stock funds (also called "equity" funds) or a combination generally called — balanced funds. Generally, the higher the potential return, the higher the risk of loss. A fund's investment objective and its holdings are influential factors in determining risk. Past performance is not a reliable indicator of future performance. Reading the prospectus will help you to understand the risk associated with that particular fund.

Different mutual fund categories have inherently different risk characteristics. For example, a bond fund faces credit risk, interest rate risk, and prepayment risk. Bond values are inversely related to interest rates. If interest rates rise, bond values will go down and vice versa.

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons - such as the overall strength of the economy or demand for particular products or services. A sector stock fund (which invests in a single industry, such as telecommunications) is at risk that its price will decline due to developments in its industry. A stock fund that invests across many industries is more sheltered from this risk. For most funds, investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs. And, depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive.

e) Municipal Securities. Credit risk is the primary risk associated with municipal securities. Different types of bonds are secured by various types of repayment sources. General obligation ("G.O.") bonds are backed by the full faith and credit and taxing power of the issuer. With revenue bonds, the interest and principal are dependent upon the revenues paid by users of a facility or service or other dedicated revenues including special tax revenues. The probability of repayment as promised is often determined by an independent reviewer, or — rating agency. An investor might also consider that consumer spending that provides the funding or income stream for revenue bond issuers may be more vulnerable to changes in consumer tastes or a general economic downturn compared to G.O. bonds.

f) Private Placements. Private Placements are not subject to the same regulatory and disclosure requirements as mutual funds and ETFs. Moreover, private placement interests are generally illiquid and may charge higher fees. Private placements are offered through an offering memorandum, which contains detailed information on the various risks and fees relating to the particular investment. An offering memorandum and accompanying subscription documents will be provided to clients investing in these types of securities.

g) Principal-protected Notes. The principal guarantee is subject to the credit-worthiness of the guarantor. In addition, principal protection levels can vary. While some products guarantee 100 percent return of principal, others guarantee as little as 10 percent. In most cases, the principal guarantee only applies to notes that are held to maturity. Issuers may (but are not obligated to) provide a secondary market for certain notes but, depending on demand, the notes may trade at significant discounts to their purchase price and might not return all of the guaranteed amount.

   Some principal-protected notes have complicated pay-out structures that can make it hard for an advisor to accurately assess their risk and potential for growth.

h) Hedge Funds. Hedge funds often engage in leveraging and other speculative investment practices that may increase the risk of investment loss. A hedge fund's performance can be volatile. An investor could lose all or a substantial portion of his or her investment. There may be no secondary market for the investor's interest in the fund. The hedge fund can be highly illiquid and there may be restrictions on transferring interests in the fund. Hedge funds are not required to provide periodic pricing or valuation information to investors. Hedge funds may have complex tax structures. There may be delays in distributing important tax information. Hedge funds are not subject to the same regulatory requirements as mutual funds. Hedge funds often charge high fees. The fund's high fees and expenses may offset the fund's trading profits.

i) Structured Products. Structured Products are known as a market linked investment, it is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities such as options, indices, commodities debt issues and/or foreign currencies. Structured products can be used as an alternative to a direct investment, as part of the asset allocation process to reduce risk exposure of a portfolio or to utilize a current market trend. The risks associated with many structure products are similar to those risks involved in option trading. Other risks may include lack of liquidity and no daily pricing.

j) Exchange Traded Notes. Exchanged traded notes ("ETN's") do not buy or hold assets to replicate or approximate the performance of an underlying index. Investors are simply buying a promise to pay a market return by the issuer of the note if it is held to maturity. ETN's are unsecured debt obligations of the issuer and are thus particularly exposed to credit risk of that issuer. An ETN's closing indicative value is computed by the issuer and is distinct from the ETN's market price, which is the price at which an ETN trades in the secondary market. Investors should understand that an ETN's market price can deviate, sometimes significantly, from its indicative value. Any fees and costs of operating an ETN are deducted from its performance.

k) Exchange-Traded Funds. Exchanged traded funds ("ETFs") often have a stated goal of replicating an underlying benchmark. There is the chance that the fund's manager will do a poor job of tracking the performance of that benchmark. Investors should understand that an ETF's market price can deviate, sometimes significantly, from its underlying asset value. Any fees and costs of operating an ETF are deducted from its performance.

l) Leveraged and/or Leveraged-Inverse ETFs**:** Leveraged ETFs are securities that attempt to replicate multiples of the performance of an underlying financial index. Inverse ETFs are designed to replicate the opposite direction of these same indices, often at a multiple. These ETFs often use a combination of futures, swaps, short sales, and other derivatives to achieve these objectives. Most leveraged and/or inverse-leveraged ETFs are designed to achieve these results on a daily basis only. This means that over periods longer than a trading day, the value of these ETFs can and usually does deviate from the performance of the index they are designed to track. Over longer periods of time or in situations of high volatility, these deviations can be substantial. Leveraged ETFs may obtain investment exposure in excess of an ETF's assets by utilizing leverage and may lose more money in market conditions that are adverse to its objective than a similar ETF that does not utilize leverage. Leveraged ETFs are exposed to the risk that a decline in the daily performance of its relevant index will be leveraged. This means that an investment in a leveraged ETF will be reduced by an amount that is greater than a daily decline in its relevant index.

Prior to entering into an IMA with KWA, a client should carefully consider: (i) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis; (ii) that volatility from investing in the market can occur; and (iii) that, over time, the value of the client's portfolio may fluctuate and may, at any time, be worth more or less than the amount originally invested.

Third Party Managers and Sub-advisors - Risks

As stated above, KWA may select certain third-party managers or sub-advisors to manage a portion of its clients' assets. In these situations, KWA continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the mangers' ability to successfully implement their investment strategies. In addition, KWA generally may not have the ability to supervise the managers on a day-to-day basis.

Annuities - Risks

An annuity is a contract with an insurance company, under which the insurer agrees to make periodic payments, beginning either immediately or at some future date. An annuity contract is purchased by making either a single purchase payment or a series of purchase payments. The value of an annuity will vary depending on the performance of the investment options chosen. The investment options for an annuity are typically mutual funds (called sub-accounts) that invest in stocks, bonds, money market instruments, or some combination of the three.

Although annuities are typically invested in mutual fund sub-accounts, annuities differ from mutual funds in several important ways:

- First, annuities allow an owner to receive periodic payments for the rest of their life (or the life of a spouse or other designated person). This feature offers some protection against the possibility that, after retirement, the owner will outlive their assets.

- Second, annuities have a death benefit. If the owner dies before the insurer has started making payments, the beneficiary is guaranteed to receive a specified amount – typically at least the amount of the purchase payments. The beneficiary will get a benefit from this feature if, at the time of the owner's death, the account value is less than the guaranteed amount.

- Third, annuities are tax-deferred. That means the owner pays no taxes on the income and investment gains from an annuity until money is withdrawn. Money can also be transferred from one investment option to another within an annuity without paying tax at the time of the transfer. When money is taken out of a variable annuity, the earnings are taxed as ordinary income tax rates rather than lower capital gains rates. In general, the benefits of tax deferral will outweigh the costs of a variable annuity only if held as a long-term investment to meet retirement and other long-range goals.

Financial Planning - Risks

The tools KWA uses for incidental financial planning rely on various assumptions, such as estimates of inflation, risk, economic conditions, and rates of return on security asset classes. All return assumptions use estimates of future returns of asset classes, not returns of actual investments, and do not include fees or expenses that clients would pay if they invested in specific products.

Financial planning software is only a tool used to help guide Financial Advisors and the client in developing an appropriate plan. KWA cannot guarantee that clients will achieve the results shown in the plan. Results will vary based on the information provided by the client regarding the client's assets, risk tolerance, and personal information. Changes to the program's underlying assumptions or differences in actual personal, economic, or market outcomes may result in materially different results for the client. Clients should carefully consider the assumptions and limitations of the financial planning software as disclosed on the financial planning reports and should discuss the results of the plan with a qualified investment professional before making any changes in their investment or financial planning program.

Voting Client Securities

As a matter of Advisor policy and practice, KWA does not does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities owned by the client. Generally, KWA does not provide advice to clients regarding the voting of proxies. However, third party money managers recommended by KWA may vote proxies for clients, this will be disclosed in the third-party money manager's ADV and agreement.

Performance-Based Fees

KWA does not charge any performance-based fees (i.e., fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Client Information Provided to Portfolio Managers

KWA is required to describe the type and frequency of the information it communicates to the Third-Party Managers, if any, managing its clients' investment portfolios. Clients participating in the Program generally grant KWA the authority to discuss certain non-public information with the Third-Party Managers engaged to manage their accounts. Depending upon the specific arrangement, the Adviser may be authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, tax identification numbers and account numbers. KWA may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the Third-Party Managers' investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

Item 8 – Client Contact with Portfolio Managers

KWA is required to describe any restrictions on clients' ability to contact and consult with the portfolio managers managing their investment portfolios. There are no restrictions on clients' ability to correspond with KWA. Clients can generally contact the Third-Party Managers managing their portfolios through KWA by providing the Adviser with written request and identification of the questions or issues to be discussed with the Third-Party Managers. After receiving the client's written request, KWA, at its sole discretion, may contact the Third-Party Managers for the client or arrange for the Third-Party Managers and the client to communicate directly.

Item 9 – Additional Information

Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would-be material to your evaluation of an advisor or the integrity of the advisor's management. Advisor has no information applicable to this Item. Please visit www.adviserinfo.sec.gov at any time to view KWA's registration information and any applicable disciplinary action.

Broker-Dealer Registration

Advisor is neither registered nor has an application pending to register in the U.S. with the Securities and Exchange Commission (SEC) as a securities broker-dealer. However, certain management persons of KWA such as Mr. Keith Gregg, Mr. Derek Bruton, and Mr. Mike Alsoraimi, are registered representatives of CCP, a broker-dealer under common control with KWA.

Commodity Pool Operator, Commodity Trading Advisor, Futures Commission Merchant Registration

KWA is neither registered nor has an application pending to register with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM"), a commodity pool operator ("CPO") or a commodity trading advisor ("CTA") or have any application pending to be registered with respect to any of the foregoing.

Other Financial Affiliations

KWA has common ownership with CCP and certain Financial Advisors are registered representatives of CCP resulting in a material relationship to KWA's advisory business and its clients. CCP may act as the broker for certain KWA clients with brokerage accounts at r CCP respectively. These CCP brokerage accounts are not subject to IMAs or managed by KWA. KWA advisory fees will not be billed on these accounts. With respect to the CCP brokerage accounts, CCP and/or its affiliates, including Financial Advisors registered with CCP receive compensation in the form of management fees, placement fees, sales charges, redemption fees, structuring fees and trailer fees from the products they issue and/or sell, as well as from third-party products.

Financial Advisors registered with CCP have a conflict of interest in recommending that clients purchase products through CCP due to the compensation they receive as described above. Please be advised that Financial Advisors have a fiduciary obligation to serve the client's best interest. You are under no obligation to utilize the services of your Financial Advisor in the purchase or sale of these products.

Insurance Agents

Certain Financial Advisors may be licensed to sell insurance products through various insurance companies that are not affiliated with KWA. These products are offered separately from your Financial Advisor's relationship with KWA. Any sales of insurance products through your Financial Advisor would result in the receipt of commissions or other compensation to your Financial Advisor (in additional to KWA fees paid by you for the management of your accounts).

The commissions and other compensation received by your Financial Advisor from the sale of securities through CCP or insurance products do not offset the fees you pay to KWA for the management of your accounts. Your Financial Advisor has a conflict of interest in offering such other products as commissions and other compensation could affect the product recommendations. It is your responsibility to determine whether these other products being offered are appropriate products for your circumstances. You are under no obligation to utilize the services of your Financial Advisor in the purchase or sale of these insurance products.

Third Party Managers

The compensation paid to KWA by third-party managers may vary, and thus, there is a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over other third-party managers. KWA's fees may be higher than they would be if clients obtained services directly from the third-party money manager. There is a conflict of interest in utilizing third party managers that pay a portion of their advisory fee to KWA, as there is an incentive to KWA in selecting a particular manager over another in the form of fees or services. In order to minimize this conflict, the KWA seeks to make its investment and manager selections in the best interest of our clients. You are under no obligation to utilize the services of third-party managers, specifically where KWA will receive a referral fee.

Code of Ethics

Securities industry regulations require that advisory firms provide their clients with a general description of the advisory firm's Code of Ethics. KWA has adopted a Code of Ethics that sets forth the governing ethical standards and principles of the Adviser. It also describes KWA's policies regarding the following: the protection of confidential information, including the client's nonpublic personal information; the review of the personal securities accounts of certain personnel of the Adviser for evidence of manipulative trading, trading ahead of clients, and insider trading; trading restrictions; training of personnel; and recordkeeping. All supervised persons at KWA must acknowledge the terms of the Code of Ethics upon hire, annually and as amended.

Subject to satisfying the Adviser's policies and applicable laws, KWA personnel may trade for their own accounts in securities that are recommended to and/or purchased for Adviser's clients. The Code of Ethics is designed to permit personnel to invest for their own accounts while assuring that their personal transaction activity does not interfere with making decisions in the best interest of advisory clients or implementing those decisions. Neither the Adviser nor any associated person of the Adviser who (a) has access to nonpublic information regarding clients' securities transactions, (b) is involved in making securities recommendations to clients, or (c) has access to securities recommendations that are not public (collectively, the "Access Persons") is permitted to trade in or engage in a securities transaction to his or her advantage over that of a client. Access Persons are prohibited from buying or selling securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information also is available to the investing public upon reasonable inquiry. Access Persons may not execute transactions in their personal accounts ahead of a client's transaction in the same security unless certain circumstances exist. Because the Code of Ethics in some circumstances permits employees to invest in the same securities that they also buy or sell for their clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored by the Adviser's Chief Compliance Officer in an effort to prevent conflicts of interest between KWA and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with KWA's obligation of best execution. In such circumstances, all persons participating in the aggregated order will receive an average share price with all other transaction costs shared on a pro-rata basis. The Adviser will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro-rata basis. Any exceptions must be pre-approved by the Chief Compliance Officer.

Our clients or prospective clients may request a copy of the Adviser's Code of Ethics by contacting the Chief Compliance Officer at the address or telephone number specified on the introductory page of this Brochure.

Broker-Dealer Selection

KWA does not have discretionary authority to select the broker-dealer or custodian for custodial or execution services to accounts it manages. Clients are under no obligation to use the custodian recommended by KWA. KWA's primary custodian is Raymond James Financial Services, Inc. (RJFS), which is used for custody of customer assets and execution of customer transactions. Raymond James & Associates, Inc. (RJA), an affiliate of RJFS and a member of the New York Stock Exchange (NYSE) and the Securities Investor Protection Corporation (SIPC), acts as the clearing agent in the execution of securities transactions placed through RJFS. RJFS' involvement with KWA's clients are exclusively that of a clearing and custodial firm/relationship. All investment decisions, due diligence, portfolio management, suitability, etc., are performed by KWA and are the sole responsibility of KWA. Accordingly, transactions through RJFS may result in higher commissions, greater spreads, or less favorable net prices than might be the case if KWA freely negotiated commission rates or spreads, or selected other broker- dealers or custodians on a competitive basis. RJFS charges commissions or markups/mark-downs on transactions. The foregoing notwithstanding, KWA will monitor the execution capabilities, transaction costs and services provided of all broker-dealers it uses on an ongoing basis and may direct client securities transactions to other broker-dealers as appropriate. In addition to RJFS, the KWA also manages from time-to-time certain customer assets and accounts that may be held outside of RJFS (i.e., other custodians).

KWA may also recommend/require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, 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. KWA is independently owned and operated and not affiliated with Schwab. Schwab provides KWA 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 Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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 KWA client accounts maintained in its custody, Schwab generally does not charge 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 Schwab or that settle into Schwab accounts.

Schwab also makes available to KWA other products and services that benefit KWA but may not benefit its clients' accounts. These benefits may include national, regional or KWA specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of KWA by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist KWA in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of KWA's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of KWA'S accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to KWA other services intended to help KWA manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to KWA by independent third parties. Schwab Advisor Services 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 KWA. While, as a fiduciary, KWA endeavors to act in its clients' best interests, KWA's recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to KWA of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

KWA will monitor the execution capabilities, transaction costs and services provided of all broker-dealers it uses on an ongoing basis and may direct client securities transactions to other broker-dealers as appropriate.

Research and Other Soft-Dollar Benefits

KWA currently has no written soft dollar agreements. KWA will primarily execute securities transactions through RJFS, and accordingly, does not typically direct brokerage in consideration for research received.

Directed Brokerage

You are serviced on a "directed brokerage basis", where KWA will place trades within the established account at the custodian designated by you. Further, your accounts are traded within their respective brokerage account. Because you are selecting the custodian for your accounts, KWA will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by your designated custodian. Please note that not all advisers require their clients to direct brokerage.

KWA may not engage in any principal transactions (i.e., trade of any security from or to KWA's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account).

Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, KWA will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Aggregation of Trades

KWA generally does not aggregate trades. Where practicable, certain client portfolio orders for the same security may be combined or "batched" and executed as block transactions in order to facilitate best execution as well as for the purpose of negotiating more favorable brokerage commissions. Where a block trade is executed for a number of client accounts, the average execution price on all of the purchases and sales that are aggregated to this purpose should be used for all accounts. If an entire block is not fully executed on the same day, KWA's policies require an allocation method that is fair and reasonable to all clients.

Review of Account

During periodic reviews, KWA seeks to analyze a variety of factors, including risk tolerance, suitability and fiduciary standards. KWA requires that the Financial Advisors have a reasonable basis to believe that recommended investment strategies are in the best interest for its clients based on information obtained from their clients through reasonable diligence. In addition, account reviews will take into consideration the current economic environment, the outlook for the securities markets, and the merits of the securities in which the accounts are invested. Clients are strongly encouraged to immediately notify their Financial Advisor of the following: (a) a change in the client's investment objectives, guidelines and/or financial situation; (b) change in strategy or diversification; (c) change in tax considerations; (d) plans to add or withdrawn from the account; and (e) any other changes or concerns their Financial Advisory may need to know to properly manage their accounts. For discretionary accounts, the allocation of each portfolio is adjusted, and securities selected, at the Financial Advisor's discretion, in accordance with the client's investment objectives, risk tolerance, and financial needs. Accounts are reviewed by Financial Advisors on a periodic basis.

The qualified custodian for a client account will provide the client with a monthly or quarterly statement of the value of the client's account. These reports generally include, among other things, a summary of all activity in the account, including all purchases and sales of securities and any debits and credits to the account, a summary of holdings including a portfolio valuation, and the change in value of the client's account(s) during the reporting period. Clients may also receive other reports produced by the Financial Advisor. You are strongly encouraged to compare any such reports from KWA or Financial Advisor with statements from custodians. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Please contact KWA with any questions.

Third Party Manager

Financial Advisors will review third-party money manager reports provided to the client in order to review client's investment and financial profile. KWA will assist client to understand and evaluate services provided by the third-party manager. The client is expected to notify KWA of any changes in his/her financial situation, investment objectives, or account restrictions that could affect their account. Upon client request, KWA will contact directly the third-party money manager managing to account to facilitate any request from the client.

Advisory & Consultation Services for Retirement Plan Sponsors

Retirement Plan Sponsor clients' advisory accounts will be reviewed based on the terms outlined in the Investment Policy Statement and advisory agreement. For clients that have entered into a consultation agreement, the frequency and scope of periodic review will be stipulated in the Investment Policy Statement and in the advisory agreement.

Financial Consultation Service

Financial consultation clients generally do not receive reviews of their written plans unless agreed to by Financial Advisor. Any type of reporting is agreed upon by Financial Advisor and the client on a case-by-case basis. KWA generally does not provide ongoing services to financial consultation clients, but Financial Advisors are willing to meet with clients upon their request to discuss updates to their plans or changes in their circumstances. In cases where KWA has been contracted to conduct ongoing financial consultation services, the Financial Advisor will conduct reviews as agreed upon with the client.

Institutional Advisory and Consultation Service Reviews

Institutional client advisory accounts are managed on a continual basis, and KWA will review the accounts periodically with the client on a schedule agreed upon in the Investment Policy Statement and services agreement. If the client has entered into an institutional consultation agreement, the frequency and scope of the review will be stipulated in the Investment Policy Statement and in the services agreement.

Clients Referrals

Advisor's compensation is primarily in the form of advisory and management fees. KWA currently does not receive client referrals from solicitors.

In connection to advisory services provided, KWA may refer clients to unaffiliated professionals for specific needs, such as mortgage brokerage, real estate sales, estate planning, legal, and/or tax/accounting.

In turn, these professionals may also refer clients to KWA. Although KWA receives indirect economic benefit, the Advisor does not have any arrangements with individuals or companies that we refer clients to, and we do not receive any compensation for these referrals. Clients are under no obligation to use the referred vendors and any compensation to the referenced vendors should be outlined in service agreement between clients and unaffiliated professionals.

Other Compensation/Benefits

KWA and Financial Advisors, in certain cases, receive monetary and other support from product companies used in client portfolios for technology, training, education, industry meetings and client marketing. The compensation is generally paid in the form of reimbursement or direct payment of expenses. The receipt of such compensation is a conflict of interest as KWA and/or Financial Advisors may choose based upon these arrangements. KWA and Financial Advisors are obligated to act in the client's best interest at all times.

KWA receives benefits for working with certain custodians such as the ability to access their trade desks, access to complimentary technology, discounts on technology and other business support resources, complimentary newsletters and periodicals. Custodians, including RJFS, in certain cases, provide financial support for education and industry conferences. RJFS provides KWA with monetary support to assist Financial Advisors in their transition from other advisory or brokerage firms to KWA, including loans, assistance with overhead, travel and lodging assistance for education and training meetings, and other related assistance. The commissions and/or transaction fees charged by these custodians, including RJFS may be higher or lower than those charged by other custodians. These arrangements create a conflict of interest for KWA since there is a financial incentive to utilize RJFS or other custodians providing similar support. KWA periodically evaluates these arrangements to ensure the overall services, support and costs of execution through such custodians is in the best interests of its clients.

Custody

Pursuant to Rule 206(4)-2 of the Advisers Act, KWA is deemed to have custody of client funds because the Adviser has the authority and ability to debit its fees directly from clients' accounts. Please note that KWA's does not have physical custody of client assets (including monies or securities). To mitigate any potential conflicts of interests, all KWA client account assets are maintained with independent qualified custodians.

KWA may only implement its investment management recommendations after the client has arranged for and furnished KWA with all information and authorization regarding its accounts. Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare such official custodial records to the performance reports that KWA may provide.

Investment Discretion

KWA offers discretionary management services. KWA obtains discretionary authority only in connection with its discretionary management services. When a client elects KWA's discretionary management services, the client will sign an agreement that provides KWA Advisors with the discretionary authority. KWA is then authorized to select the securities and the quantities or amounts of securities to be purchased, leveraged, transferred, exchanged, traded and sold consistent with the stated investment objectives, risk profile, and investment restrictions adopted by the client.

KWA's discretionary authority is limited by any reasonable restrictions that the client places on the management of the account, and the investing parameters set forth by KWA and the client, if any. If KWA deems a proposed restriction unreasonable, KWA may discontinue the advisory service. Reasonability is based on whether the restriction(s) will impose a significant time burden on KWA to comply with such restrictions. KWA also reserves the right not to accept and/or terminate management of a client's account if it feels that the client-imposed restrictions would limit or prevent it from meeting and/or maintaining its overall investment strategy.

As described above, KWA also obtains the authority to designate the broker-dealers or other financial intermediaries through whom transactions in the accounts will be executed, cleared or settled.

Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about their financial condition. Adviser does not require prepayment of fees six months or more in advance, 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. Accordingly, no financial statements are required to be provided by Adviser to its clients and prospective clients.