



Manor Oak Two - Suite 103  
1910 Cochran Rd.  
Pittsburgh, PA 15220

Telephone: 412-341-6642

Form ADV Part 2A  
Brochure

March 2023

This brochure provides information about the qualifications and business practices of DWD Portfolio Solutions, Inc. If you have any questions about the contents of this brochure, please contact us at 412-341-6642 or [info@DWDportfolios.com](mailto:info@DWDportfolios.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about DWD Portfolio Solutions, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration as an investment advisor does not require any certain level of skill or training.

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes. Since our last annual updating amendment dated March , 2022, there have not been any material changes.

## Item 3 Table Of Contents

<a href="#"><u>Item 1 Cover Page</u></a>	Page 1
<a href="#"><u>Item 2 Material Changes</u></a>	Page 2
<a href="#"><u>Item 3 Table Of Contents</u></a>	Page 3
<a href="#"><u>Item 4 Advisory Business</u></a>	Page 4
<a href="#"><u>Item 5 Fees and Compensation</u></a>	Page 7
<a href="#"><u>Item 6 Performance-Based Fees and Side-By-Side Management</u></a>	Page 11
<a href="#"><u>Item 7 Types of Clients</u></a>	Page 11
<a href="#"><u>Item 8 Methods of Analysis, Investment Strategies, and Risk of Loss</u></a>	Page 11
<a href="#"><u>Item 9 Disciplinary Information</u></a>	Page 15
<a href="#"><u>Item 10 Other Financial Industry Activities and Affiliations</u></a>	Page 15
<a href="#"><u>Item 11 Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading</u></a>	Page 15
<a href="#"><u>Item 12 Brokerage Practices</u></a>	Page 15
<a href="#"><u>Item 13 Review of Accounts</u></a>	Page 18
<a href="#"><u>Item 14 Client Referrals and Other Compensation</u></a>	Page 18
<a href="#"><u>Item 15 Custody</u></a>	Page 18
<a href="#"><u>Item 16 Investment Discretion</u></a>	Page 19
<a href="#"><u>Item 17 Voting Client Securities</u></a>	Page 20
<a href="#"><u>Item 18 Financial Information</u></a>	Page 20
<a href="#"><u>Item 19 Requirements for State-Registered Advisers</u></a>	Page 20
<a href="#"><u>Item 20 Additional Information</u></a>	Page 20

## Item 4 Advisory Business

### Description of Firm

DWD Portfolio Solutions, Inc. is a registered investment adviser primarily based in Pittsburgh, PA. DWD Portfolio Solutions was created in 1994. Our principal owners are:

- Sam D'Alesandro Chief Executive Officer/CCO
- Carla Devlin, President/Chief Investment Officer
- Keith Woerner, Executive Vice President/General Counsel

As used in this brochure, the words "the Company," "we," "our," and "us" refer to DWD Portfolio Solutions, Inc. and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm. The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

### Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives.

If you participate in our discretionary portfolio management services, we require you to grant us discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

We also offer non-discretionary portfolio management services. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

As part of our portfolio management services, we may use one or more sub-advisers to manage a portion of your account on a discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s), and may hire and fire any sub-adviser without your prior approval. We may pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationships.

As part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios developed by an unaffiliated investment manager. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model. Nonetheless, clients may impose restrictions on investing in certain

securities or types of securities in their account. In such cases, this may prevent a client from investing in certain models that are managed by our firm.

### **Financial Planning**

For advisory clients that choose, we provide financial planning to assist clients with long term goal planning. The Company does not provide tax advice but may recommend certain tax strategies. We highly recommend that these strategies be consulted with the client's tax advisor. Topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation. Any reports, financial statement projections, and analyses are intended exclusively for your use in developing and implementing your financial plan. In view of this limited purpose, the projections should not be considered a complete financial plan. DWD Portfolio Solutions will not audit, review, or compile financial statements and, accordingly, we will not express an opinion or other form of assurance on them, including the reasonableness of assumptions and other data on which any prospective financial statements are based. It is likely that there will be material differences between projected and actual results because events vary and circumstances frequently do not occur as expected.

Our analyses will be highly dependent on certain economic assumptions about the future. Therefore, you should establish familiarity with historical data regarding key assumptions such as inflation and investment rates of return, as well as an understanding of how significantly these assumptions affect the results of our analyses. We may counsel you as to the consistency of your assumptions with relevant historical data, but we will not express any assurance as to the accuracy or reasonableness of your specific data and assumptions. You are ultimately responsible for the assumptions and personal data upon which our procedures and projections are based. The financial plan assumptions and reports are primarily a tool to alert you to certain possibilities. The reports are not intended to nor do they provide any guarantee about future events including your investment returns. The implementation of the plan is solely your responsibility.

### **Participant Account Management**

We use a third party platform to facilitate management of held away assets such as defined contribution plan (401k, 403b etc.) participant accounts, with discretion. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, we will review the current account allocations. When deemed necessary, we will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The firm can view investment options and make trades in the account. The firm charges clients a fee for its services as described below in Item 5. These services are limited to Clients that have engaged the firm in these services.

### **Institutional Intelligent Portfolios™**

Where deemed appropriate, certain investment management services may be provided by the company to its wealth management clients through Institutional Intelligent Portfolios™, a digital technology solution offered through Schwab Performance Technologies (the "Program"). We use the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of Schwab to operate the Program. Clients' portfolios are held in a brokerage account opened by the clients at Schwab through its Institutional Intelligent Portfolios (IIP) platform. The company is independent of and not owned by, affiliated with, or sponsored or supervised by Schwab or its affiliates.

Through the Program, the company offers a range of investment strategies the firm has constructed and manages. Each strategy consists of a portfolio of exchange-traded funds (“ETFs”) and a cash allocation in accordance with the investment objectives of the client. The company is the client’s investment advisor and primary point of contact with respect to the Program and is responsible for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio on an ongoing basis.

The company has contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the “System”). The System includes an online questionnaire that helps the company determine the client’s investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that the firm will recommend a portfolio via the System in response to the client’s answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but the company then makes the final decision and selects a portfolio based on all the information the firm has about the client. The System also includes an automated investment engine through which the company manages the client’s portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

Clients do not pay fees to SPT in connection with the Program, but the firm charges clients a fee for its services as described below in Item 5. The company’s fees are not set or supervised by SPT, Schwab, or any of their affiliates (collectively, “Schwab”). Neither the company nor clients pay brokerage commissions or any other fees to Schwab as part of the Program. Schwab does receive other revenues in connection with the Program. The company does not pay SPT fees for its services in the Program so long as the firm maintains \$100 million in client assets in accounts at Schwab that are not enrolled in the Program. If the company does not meet this condition, then the firm pays SPT an annual fee of 0.10% (10 basis points) on the value of its clients’ assets in the Program. This fee arrangement gives the company an incentive to recommend or require that the firm’s clients with accounts not enrolled in the Program be maintained with Schwab.

Additional information regarding brokerage practices and conflicts of interests relating to the Program are described in Item 12 below.

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Either party to the pension consulting agreement may terminate the agreement upon written notice to the other party in accordance with the terms of the agreement for services. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

## **Educational Seminars**

On occasion, we may offer educational workshops or seminars regarding personal finance, financial literacy, and other related areas.

## **Wrap Fee Programs**

We do not participate in any wrap fee program.

## **Types of Investments Used**

We consider many different types of securities when formulating the investment advice we will give to you. If you come to us with existing investments, we evaluate them with respect to your financial goals, risk tolerance, and investment time horizon. Depending upon your situation, your account(s) managed by us may contain individual stocks, corporate and/or government bonds, government securities, mutual funds, variable annuities, variable life insurance, or exchange traded funds ("ETFs").

## **Non-correlated Investments**

We may invest a portion of your portfolios in non-correlated mutual funds or ETFs. Non-correlated mutual funds or ETFs may rise in value while the general stock market declines and vice versa. We may add these non-correlated mutual funds or ETFs in an attempt to reduce the volatility of your portfolio. The addition of non-correlated investments does not in any way guarantee that the volatility, draw down, or loss of portfolio principal will be lower and it may actually reduce long-term portfolio performance.

## **Tailored Services and Investment Restrictions**

We attempt to tailor your investment portfolio to your situation as you have described it to us. This is why it is so important that you let us know about changes to your financial situation, goals, or investment time horizon. You may impose restrictions on investing in certain securities or types of securities. You must clearly identify these restrictions in writing to us.

## **IRA Rollover Recommendations**

Investors considering rolling over assets from a qualified employer-sponsored retirement plan ("Employer Plan") to an Individual Retirement Account ("IRA") should review and consider the advantages and disadvantages of an IRA rollover from their Employer Plan. A plan participant leaving an employer typically has four options (and can engage in a combination of these options):

- (1) Leave the money in the former employer's plan, if permitted;
- (2) Rollover the assets to a new employer's plan (if available and rollovers are permitted);
- (3) Rollover Employer Plan assets to an IRA; or,
- (4) Cash out the Employer Plan assets and pay the required taxes on the distribution.

At a minimum, Investors should consider fees and expenses, investment options, services, penalty-free withdrawals, protection from creditors and legal judgments, required minimum distributions, and employer stock. We encourage you to discuss your options and review the above listed considerations with an accountant, third-party administrator, investment adviser to your Employer Plan (if available), or legal counsel, to the extent you consider necessary.

By recommending that you rollover your Employer Plan assets to an IRA advised by us, we will earn fees as a result. We have an economic incentive to encourage investors to rollover Employer Plan assets into an IRA managed by us. Investors can face increased fees when they move retirement assets from an Employer Plan to a Rollover IRA account. Even if there are no costs associated with the IRA rollover itself, there will be costs associated with account administration, investment management, or both. In addition to the fees charged by us, the underlying investment (mutual fund,

ETF, annuity, or other investment) can also include fees. Custodial and trading fees also apply. Investing in an IRA with us will typically be more expensive than an Employer Plan.

Effective December 20, 2021 (or such later date as the US Department of Labor (“DOL”) Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL’s Prohibited Transaction Exemption 2020-02 (“PTE 2020-02”) where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, we must:

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

### **Assets Under Management**

As of December 31, 2022, we provide continuous management services for \$ 1,493,000 in client assets on a non-discretionary basis and \$162,558,551 on a discretionary basis.

## **Item 5 Fees and Compensation**

### **Investment Management Services**

Our annual fee for investment management services is based on a percentage of assets under management. Our annual investment management fee is billed and payable, quarterly in advance, based on the portfolio value of on the last calendar day of the preceding quarter. Inflows and outflows during the quarter will be prorated and charged for the number of days the funds were in the account during the quarter. If the investment management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances. Each of our Investment Advisory Representatives (“IARs”) negotiates his or her own fee schedule, provided the maximum advisory fee shall not exceed 1.25%. Specific fee terms and the calculation methodology will be clearly set forth in your investment management agreement.

Our fees are calculated either on a tiered or incremental basis as set forth below. All assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion.

### Tiered Fee Schedule

Assets Under Management	Maximum Annual Fee*
Up to \$500,000	1.25%
\$500,001 - \$1,000,000	1.00%
Over \$1,000,000	Negotiable

\*At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our tiered fee schedule stated above.

### Blended/Incremental Fee Schedule

Assets Under Management	Annual Rates
1 <sup>st</sup> \$500,000	1.25%
Next \$500,00	0.75%
Next \$1,000,000	0.50%
Over \$2,000,001	Negotiable

For certain legacy clients, asset-based advisory fees are calculated based on an incremental pricing schedule. For example, an account valued at \$1,000,000 would be charged under the standard incremental pricing schedule set forth above (sample): First \$500,000 in assets charged at 1.25% Next \$500,000 in assets charged at 0.75% = \$10,000 annualized fee (1.00% annualized rate). This fee schedule is not available to new DWD clients.

### Payment Terms

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to our firm.

We encourage you to review the statement(s) you receive from the qualified custodian. If you find the advisory fees charged are inconsistent with your advisory agreement call our main office number located on the cover page of this brochure.

You may terminate the Investment Advisory Agreement without fee or penalty by providing written notice to DWD Portfolio Solutions within five (5) business days from the execution of the agreement. Thereafter, either party may terminate the Investment Advisory Agreement by providing written notice. Any fees collected in advance of services being performed will be returned to you on a pro rata basis.

## **Financial Planning Services**

We also offer Financial Planning services to clients that have not signed an investment management agreement with us. The typical cost of these services is \$200 per hour. This cost is negotiable and depends on the scope and complexity of the plan, your situation, and your financial objectives. We also offer advice on single subject financial planning/general consulting services at the same hourly rate.

We will not require prepayment of a fee more than six months in advance and in excess of \$500.

At our discretion, we may offset our financial planning fees to the extent you implement the financial plan through our Portfolio Management Service.

### Fixed Fees

You may enter into an Investment Advisory Agreement where the fee for services is determined through negotiations and agreement between you and DWD Portfolio Solutions. Fixed fees are not necessarily based upon the value of assets managed or time expended providing services. Fixed fees are normally agreed to for one year, then renegotiated and agreed to for future periods. If you are paying a fixed fee you may pay a fee higher or lower than one based upon the value of assets managed. In the event a fixed fee engagement is terminated, unearned fees will be returned to you on a pro rata basis.

### Hourly Fees

We may perform services for you where the price of the service is based upon the amount of time to complete the service times an hourly rate. The rate per hour depends upon the level of complexity of the service and experience and expertise of the personnel used to do the work. This negotiable rate would normally not exceed \$200 per hour. The tasks and services to be performed are described in an engagement letter that is signed by you and DWD Portfolio Solutions that also includes the hourly rate, an estimate of time to complete the project, and the procedure for refund or partial billing if the engagement is terminated before completion.

## **Pension Consulting Services**

Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis. You may terminate the pension consulting services agreement upon written notice. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

## **Educational Workshop**

When the firm does offer workshops there is a nominal fee which the amount is published prior to workshop. This fee is for workbooks and other vendor costs.

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

In addition to the investment advisory fees you pay to us, you will pay transaction fees (commissions) to your custodian or broker-dealer for executing securities transactions and charges for special services elected by you or DWD Portfolio Solutions. These fees may include:

- periodic distribution fees
- electronic fund and wire transfer fees
- certificate delivery fees
- reorganization fees
- account transfer fees (outbound)

- returned check fees
- international security transfer fees
- overnight mail and check fees
- Rule 144 transfer fees
- transfer agent fees

This list is not meant to be all inclusive. Any fee on a special service incurred by the client will be fully disclosed. Please refer to Item 12 of this document for an explanation of our brokerage practices.

### Investment Company Fees

Investment company funds (e.g., mutual funds or ETFs) that are held by you will bear their own internal transaction and execution costs, as well as directly compensate their investment managers along with internal administrative services. Some funds pay 12b-1 fees, distribution fees, and/or shareholder service fees to broker-dealers that offer investment company funds to their clients. These fees affect the net asset value of the fund shares and are indirectly borne by fund shareholders such as you.

Some fund companies have imposed a redemption fee. A redemption fee is another type of fee that some funds charge their shareholders when shares are sold or redeemed within a short period of time from the purchase of the fund shares. Although a redemption fee is deducted from redemption proceeds just like a deferred sales load, it is not considered to be a sales load. Unlike a sales load, which is generally used to compensate brokers, a redemption fee is typically used to defray fund costs associated with a shareholder's redemption and is paid directly to the fund, not to a broker. The SEC generally limits redemption fees to 2%. In most cases, the funds will use the "first-in, first-out" (FIFO) method to determine the holding period. Under this method, the date of the redemption will be compared with the earliest purchase date of shares held in the account. While it is not the general practice of DWD Portfolio Solutions to sell client's securities in a period that would generate a redemption fee we might do so if we believe the sale is in your best interests, or if fund shares must be redeemed to pay fees from the account.

A complete explanation of these charges is contained in the Prospectus and Statement of Additional Information for each investment company fund. You can get a prospectus through the investment company website, by telephone, or by mail.

### **Compensation for the Sale of Securities or Other Investment Products**

Certain Investment Adviser Representatives providing investment advice on behalf of our firm are registered representatives with Fortune Financial Services, Inc. ("FFS"), a registered broker/dealer and investment advisory firm, and a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). IARs who are registered representatives may suggest that clients place certain direct product transactions through Fortune Financial Services, Inc. Accordingly, in their capacity as registered representatives, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, for the sale or holding, of mutual funds.

The commissions these representatives receive for placing securities business through Fortune Financial Services, Inc. is separate from our firm's advisory fees and creates a conflict of interest where recommendations may be based on the commissions they generate and not solely based on your best interests. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above.

Some, but not all of our firm's Investment Adviser Representatives are also licensed insurance agents. Insurance products are offered for personal, estate and business needs. This activity accounts for a minimal amount of our IARs' time. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees and creates a conflict of interest where recommendations may be based on the commissions they generate and not solely based on your best interests. However, you are under no obligation to purchase products recommended by our Investment Adviser Representatives of our firm, or to purchase products either through our firm, or any other company that may be recommended.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

See the "Other Financial Industry Activities and Affiliations" and "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" sections of this Brochure for more information.

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

DWD Portfolio Solutions does not charge fees that are based upon a share of capital gains or capital appreciation of client assets. We provide investment advisory services to other clients in addition to you. Not all clients receive the same investment advice, nor do they pay the same fee. We strive to act in the best interests of each of our clients at all times.

## **Item 7 Types of Clients**

### **Individuals**

DWD Portfolio Solutions provides advisory services to a variety of types of clients including individuals, trusts, foundations, and not-for-profit organizations.

### **Pension Plans**

DWD Portfolio Solutions provides advisory services to pension plans. These services include recommendations to the plan which are then approved by the pension plan sponsor.

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

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Technical Analysis** - involves studying past price patterns, trends and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

**Risk:** The risk of technical analysis is that it may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and

expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Modern Portfolio Theory (MPT)** - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

**Risk:** Modern Portfolio Theory relies on making assumptions about the future performance, volatility and correlations between various asset classes. The risk of using MPT is that these assumptions might be incorrect and lead to results that are not realized in the future. Also, diversification does not eliminate market risk, which is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

**Short-Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

**Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or outside money managers.

We may replace/recommend replacing a money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different factors, each of which may affect the probability and magnitude of any potential losses. The following risks are not all-inclusive, and should be considered carefully by a prospective client before retaining our services.

Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

## **Recommendation of Particular Types of Securities**

We primarily recommend mutual funds and ETFs. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

**Bonds:** Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

**Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of the its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

## **Item 9 Disciplinary Information**

Neither DWD Portfolio Solutions nor any of our owners or management team members has been involved in any civil or criminal investment-related events.

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

### **Registrations with Investment Advisers and Broker/Dealers**

Certain Investment Adviser Representatives ("IARs") providing investment advice on behalf of our firm are registered representatives with Fortune Financial Services, Inc., a registered broker/dealer and investment advisory firm, and a member of FINRA and the SIPC. IARs who are registered representatives may suggest that our clients place certain transactions through Fortune Financial Services, Inc. The commission these representatives receive for effecting securities transactions through Fortune Financial Services, Inc. is separate from our firm's advisory fees.

### **Licensed Insurance Agents**

Some, but not all, of our firm's Investment Adviser Representatives are also licensed insurance agents. Insurance products are offered for personal, estate and business needs. This activity accounts for a minimal amount of our IARs' time. Insurance commissions earned by these persons are separate from our advisory fees.

This presents a conflict of interest because representative may have an incentive to recommend either investment or insurance products to you for the purpose of generating commissions and receiving compensation rather than solely based on your needs. However, they will endeavor at all times to place your interests first when making recommendations regarding insurance and investments. Moreover, you are under no obligation, contractually or otherwise, to purchase insurance or investment products through either through our firm, Fortune Financial Services, Inc., or any other company that may be recommended. Please also see the section on "Fees and Compensation" in this Brochure for more information.

### **Lawyer or Law Firm**

Keith Alan Woerner is also an Attorney with Keith A. Woerner, Esq., a law firm. If you require legal services, we may recommend that you use Keith A. Woerner, Esq. The services provided and compensation received by Mr. Woerner for legal related activities are separate and distinct from any fees paid for advisory services provided by our firm. While we believe that Keith A. Woerner, Esq.'s fees are competitive, such fees may be higher than those charged by other firms providing the same or similar services. You are under no obligation to use the legal services provided by Mr. Woerner.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

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

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

## **Item 12 Brokerage Practices**

### **Factors Considered When Recommending Broker-Dealers**

We may suggest or recommend that you use Charles Schwab & Co., Inc. as your qualified custodian and broker-dealer. When we make this recommendation, we consider:

- reasonableness of commissions, and other costs of trading
- ability to facilitate trades
- access to client records
- computer trading support
- other operational considerations

These factors are reviewed from time to time to assure the best interests of our clients are upheld.

### Research and Other Benefits

We recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Custodian" or "Schwab"), a registered broker-dealer, Member SIPC/NYSE, to maintain custody of clients' assets and to execute trades for your account(s). The Custodian provides us with access to its institutional trading and operations services, which are typically not available to retail investors. These services are offered to independent investment advisors at no charge in exchange for keeping a minimum amount of account assets at the Custodian. The Custodian's services include research, brokerage, and custody. The Custodian offers access to mutual funds and other investments that are available only to institutional investors or require a significantly higher minimum investment. Schwab also makes other products and services available that benefit us but may not benefit our clients. Some of these other products and services help us manage and administer client accounts, and include software and other technology 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 our fees from your account(s)
- help with back-office support, recordkeeping, and client reporting

These services may be used with all or a substantial number of clients' accounts, including accounts not maintained at the Custodian. We do not attempt to allocate the benefit to accounts proportionately to the accounts that generate the benefit.

These business management and development services, in addition to those listed above, may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the Custodian may use independent third parties to offer these services to DWD Portfolio Solutions. The Custodian may discount or waive fees it would otherwise charge for some of these business management and development services or pay all or a part of the fees of a third-party providing these services to us. Because we receive discounts, research, products, or services we may have an incentive to select or recommend a broker-

dealer based on our interest in receiving the research, products, or services, rather than on the client's interest in receiving most favorable execution. Schwab may charge commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for services and benefits.

#### Brokerage for Client Referrals

DWD Portfolio Solutions does not have any agreements in place where securities transactions are directed to particular broker-dealers in exchange for client referrals.

#### Directed Brokerage

If you direct DWD Portfolio Solutions to execute securities transaction at a broker other than Schwab you will forgo any benefit from savings on execution costs that we may have obtained through our negotiation of volume discounts or batched orders. In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. You may incur higher commissions, other transactions costs, greater spreads, or receive less favorable net prices, on transactions for your account than would otherwise be the case had you used a broker we prefer.

#### Aggregated Orders

When we decide to purchase or sell a specific security for multiple clients at the same time, we will consider aggregating, or combining the orders. This procedure will result in a single average price for all client transactions in the aggregated order. The account custodian charges for each transaction as if it were placed individually.

#### Trade Error Policy

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, Advisor will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

### **Mutual Fund Share Class Selection**

The Firm has established criteria for selecting the appropriate mutual fund share class for Client Accounts, taking into consideration the Client's time horizon and preferences.

Investment Adviser Representatives are responsible for the initial selection of the appropriate mutual fund share class for Clients, and for documenting the reason for the selection [in the client relationship management system]. Investment Adviser Representatives and [investment staff/management] are responsible for performing periodic reviews of client holdings in mutual fund investments to ensure the appropriateness of the mutual fund share class selections. This review should take into account whether a client's situation has changed, and/or whether new share class options are available, with the goal of evaluating whether the client now qualifies for, or has access to, a lower-cost share class.

The CCO is responsible for periodically reviewing Client mutual fund holdings to test whether the Investment Adviser Representatives are complying with the procedures, and reports the results to management.

## **Item 13 Review of Accounts**

### **Reviews**

Advisory Representatives will monitor your accounts on an ongoing basis and will conduct formal account reviews at least annually, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or, • changes in your risk/return objectives.

Reviews may also be conducted at any time by client request.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

Financial plans are reviewed only upon request unless you retain us to update the plan on a continuous basis.

### **Reports**

We may provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s). You should compare the account statements that you receive from the custodian with those you receive from us.

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

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are registered representatives with Fortune Financial Services, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

## **Item 15 Custody**

Upon your authorization, your independent qualified custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any

of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian.

You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

### **Electronic Fund Transfers and/or Wire Transfer and/or Check-Writing Authority and/or Standing Letters of Authorization**

Our firm, or persons associated with our firm, may effect transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, or we may have signatory and check writing authority for client accounts, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party transfers or to sign checks on a client's behalf has access to the client's assets, and therefore has custody of the clients assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction anytime;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

### **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s). You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this Brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

## **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

## **Item 19 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.