



Aldrich Wealth LP

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This brochure provides information about the qualifications and business practices of **Aldrich Wealth LP**. If you have any questions about the contents of this brochure, please contact us at **503-468-7200** or **888-299-3102**. 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 **Aldrich Wealth LP** is also available on the SEC's website at www.adviserinfo.sec.gov.

Aldrich Wealth LP is a registered investment adviser. Registration does not imply any level of skill or training. The oral and written communications of an adviser provide you with information from which you may determine to hire or retain an adviser.

Item 2 – Material Changes

We are updating this brochure as part of our annual amendment filing, which was last updated on March 31, 2022. The following is a summary of the material changes:

- Throughout the brochure, improvements were made to formatting and language to provide further clarity regarding each section, and some sections were re-organized to include sub-titles related to our advisory services.
- **Item 4 – Advisory Business:** We expanded upon the descriptions of our primary advisory services and disclosed that we now offer an optional service to manage short duration cash reserves. In limited situations, we also now offer sub-advisory investment services and private market direct investment services which may be subject to a performance fee.
- **Item 5 – Advisory Fees and Compensation:** We disclosed that we adjust fees for large withdrawals and deposits during the quarter. The fees associated with the new services described in Item 4 were added.
- **Item 6 – Performance-based Fees and Side-By-Side Compensation:** While Aldrich Wealth does not generally charge performance-based fees (fees based on the asset appreciation) as part of its customary investment management services, we will now consider, for certain private direct investment opportunities, an arrangement by which we will enter into a separate non-discretionary agreement where the compensation to us is based on asset performance.
- **Item 10 – Other Financial Industry Activities and Affiliation:** We updated disclosures about affiliated entities and disclosed that certain employees of Aldrich Wealth may serve as board members of investment entities that we may recommend for investment to our clients. Employees can receive reimbursements in connection with such participation. Further, in limited circumstances, we may approve the receipt of compensation for such activity, after our review and notification to affected clients.
- **Item 12 – Brokerage Practices:** Clients should note that Schwab acquired TD Ameritrade, and all TD Ameritrade accounts and assets will be transitioned to Schwab’s platform in 2023. Clients will receive communication from Schwab regarding this transition and Aldrich Wealth will assist clients with this transition. Further, this section was updated to include details regarding trade errors and corrections and any costs or profits that result from these occurrences. This section was also edited to remove repetitive information and more closely align to the instructions for this brochure.
- **Item 14 – Client Referrals and Other Compensation:** Information was added pertaining to our policy of mitigating conflicts of interests surrounding our incentive compensation plan. It was further edited to remove repetitive information.
- **Item 17 – Voting Client Securities:** We disclosed that certain third-party managers appointed to manage assets may retain the right to vote proxies on client assets.

Our brochure is available free of charge and can be obtained by making a request to Luan Dollens, Chief Compliance Officer at 503-468-7200 or ldollens@wealthadvisors.com. Our brochure is also available on our web site www.wealthadvisors.com, also free of charge. New brochures will be provided as necessary based on changes or new information, at any time during the year, without charge.

Additional information about Aldrich Wealth LP is available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s website provides information about any persons affiliated with Aldrich Wealth LP who are registered, or are required to be registered, as investment adviser representatives of Aldrich Wealth LP.

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Item 4 – Advisory Business

Aldrich Wealth LP (“Aldrich Wealth”, “we”, “us”, “our”) provides investment management, consulting, planning, and tax services to its clients. Aldrich Wealth LP was formed in 1998 and has been in business continuously since. Aldrich Wealth is a partnership, whose primary owner is AKT Services, LLP. AKT Services, LLP is a partnership owned by over 30 individuals.

Aldrich Wealth offers its investment management services to two distinct types of clients contained within separate business divisions of the firm. We offer investment management and advisory services to individuals, businesses, trusts, family offices, and other entities within our Private Wealth Division. We also offer investment management to self-directed and trustee-directed retirement plans within our Corporate Retirement Plan (“CRP”) Services Division. In addition, Aldrich Wealth serves as a sub-advisor to certain pooled investment vehicles within insurance products, called insurance dedicated funds (“IDFs”). We generally offer our investment management and advisory services for a fee based on assets under management or advisement. In certain cases, we provide financial planning, reporting and /or consulting services for an additional fee, which can be a percentage of assets under advisement, or a flat fee or hourly rate.

Base asset allocation guidelines are set by the firm’s Investment Committee (“IC”). Additionally, the IC is responsible for maintaining the firm’s investment philosophy, core investment principles, capital market assumptions, and selection and monitoring of securities and fund managers used within portfolios. We utilize a variety of investment strategies when constructing a client’s portfolio. When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions imposed by each client.

Private Wealth Services

With respect to Private Wealth clients, Aldrich Wealth makes investment recommendations, subject to the specific guidelines established for each client in accordance with the client’s needs, long-term goals and risk profile. Clients will work with a dedicated investment advisor representative (“IAR”) who is responsible for determining and documenting their clients’ investment objectives, goals, and risk profile, taking into account any limitations or restrictions. IARs do not design client portfolios; however, they review them quarterly for alignment to the client’s stated investment goals. We review investments across various account types that our client may have, such as individual retirement accounts, taxable accounts, and employee retirement accounts in order to construct a tax efficient portfolio.

Aldrich Wealth will primarily utilize mutual funds and exchange traded funds (“ETFs”) in asset allocation strategies, and occasionally individual equity and fixed income securities. To obtain specialized expertise and services to benefit the client, we may utilize separately managed accounts (“SMAs”), pooled investment vehicles, including hedge funds and private equity funds, limited partnerships, private investment managers, and alternative investment managers (all “Investment Vehicles”) in each case, managed by unaffiliated professional investment managers (“Managers”). Aldrich Wealth selects these Managers based on area of expertise, performance history, and investment philosophy, among other factors. Aldrich Wealth maintains an advisory relationship with the client and works with the Managers as an advocate for the client. Our investment strategies and analysis are further explained in Item 8 of this brochure. After assets are invested, we help our clients monitor their investments and provide advice related to ongoing financial and investment needs. Any minimum account sizes are negotiable and dependent upon a number of factors that go into our client acceptance process.

We will offer our clients advice on a regular basis, discuss their investment and financial goals, design a strategy to help achieve their stated goals, and regularly monitor their portfolio of accounts. Client accounts are formally reviewed at least quarterly. We will contact clients (by phone or e-mail) no less than annually to discuss their portfolio.

Investment management services are offered to Private Wealth clients on a discretionary or non-discretionary basis as granted by the client in a written advisory agreement. The majority of our clients select discretionary services providing us the authority to purchase and sell securities and other investment instruments in their portfolio of accounts, while implementing asset allocation strategies and product strategies that are aligned with the individual or entity's investment profile. For non-discretionary engagements, the services will be similar, but our recommendations must be followed by express approval (verbal or written) from clients before implementation.

Aldrich Wealth may also provide personal financial planning, estate planning and tax planning and preparation services to its clients. These services are all contracted with clients separately from the investment management services referred to above, although sometimes multiple services will be covered by one fee schedule. Aldrich Wealth, from time to time, will offer its clients tax planning and tax preparation services provided by Aldrich CPAs and Advisors LLP, an affiliate of the Aldrich Group. These services are also contracted separately from the investment management services referred to above, although the services may be covered by one fee schedule.

Clients have the option to supplement their advisory agreement by including a specialized service for cash reserve management. Aldrich Wealth provides a Short Duration Solution service, which involves discretionary investment management in high-quality short-term debt instruments. This service is accessible and offered within a specified account at the same custodian where the client's other assets are managed. The objective of this service is to generate additional yield on cash reserves through investing in relatively low-risk and low-duration securities. As this is a separate add on service, the Short Duration Solution account shall not affect the agreed upon investment allocation or noted investment objective of the client's other advisory accounts. The account undergoes a similar review and service process as our Private Wealth services.

In certain circumstances Aldrich Wealth will enter into a separate non-discretionary agreement with clients who qualify as an "accredited investor"¹ and or a "qualified client"² under federal law, to identify private market investment opportunities, which can involve a direct investment with an issuer or non-traded entity. Such private market direct investments involve extremely high risk and illiquidity. Clients who engage us for these services understand that such investments represent risk capital within their overall investment portfolio. This service will generally be offered in conjunction with our customary investment management services, and only to those who qualify, as described.

Financial Planning and Consulting Services

Financial planning is typically offered and provided to our Private Wealth clients as part of our investment advisory services, however, we may charge an additional fee for such services depending on the level of service provided and other considerations deemed relevant. Clients can contract with us for financial planning as a standalone service for a fixed or hourly fee. As part of our Financial Planning Services, we may provide clients analysis and reporting on retirement planning, estate planning, insurance planning, business transition planning, education planning and tax planning. Clients can negotiate the scope and details of the service they require within a separate advisory agreement, setting forth the terms and condition of the engagement (including termination) and when fees are due.

¹ As defined under Rule 501 of Regulation D under the Securities Act of 1933, an "accredited investor" is an individual (or joint with spouse) who has greater than \$1,000,000 in Investable Net Worth, or individual having annual income in excess of \$200,000 in each of the two most recent years, or \$300,000 in joint annual income with a spouse, and who further has a reasonable expectation of reaching the same income level in the current year.

² As defined under Rule 205-3 of the Advisers Act, generally speaking, an individual or entity is a "qualified client" if he, she, or it has (1) \$1,100,000 or more of assets under management with an investment advisor immediately after the investment of funds or (2) a net worth of \$2,200,000 or more prior to investing (excluding the value of his or her primary residence). The foregoing thresholds are subject to periodic adjustments and may change over time.

Aldrich Wealth also maintains a small number of Consulting Services clients. In these cases, services are limited to the recommendations on asset allocation and security selection, monitoring and reporting of performance on the accounts, and other types of customized analysis and reporting as requested by the client.

As previously noted, these services are all contracted with clients separately from the investment management services referred to within this brochure.

Corporate Retirement Plan Services

In our CRP Services Division, we offer (1) discretionary investment management services, (2) non-discretionary investment advisory services and/or (3) retirement plan consulting services to employer-sponsored retirement plans and their participants. Depending on the type of the plan and the specific arrangement with the sponsor, we may provide one or more of these services. Prior to being engaged by the sponsor, we will provide a copy of this Form ADV Part 2 along with a copy of our Privacy Policy and Investment Advisory Agreement (“Agreement”) that contains the information required under Sec. 408(b)(2) of the Employee Retirement Income Security Act of 1974 (“ERISA”) as applicable.

Discretionary investment management for clients within the CRP Services Division are designed to allow the plan fiduciary to delegate responsibility for managing, acquiring and disposing of plan assets that meet the requirements of ERISA. We will perform these investment management services through our investment advisor representatives (“IARs”) and charge fees as described in this Form ADV and the Agreement. If the plan is subject to ERISA, we will perform these services as an “investment manager” as defined under ERISA Section 3(38) and as a “fiduciary” to the Plan as defined under ERISA Section 3(21). The following services are examples of what can be performed:

- Selection, monitoring and replacement of Designated Investment Alternatives (DIAs)
- Creation and maintenance of model asset allocation portfolios
- Selection, monitoring and replacement of Qualified Default Investment Alternatives (QDIAs)
- Management of trust fund

Non-discretionary fiduciary services to CRP clients are designed to allow the sponsor to retain full discretionary authority or control over assets of the plan. We will solely be making recommendations to the sponsor. We will perform these non-discretionary investment advisory services through our IARs and charge fees as described in this Form ADV and the Agreement. If the plan is covered by ERISA, we will perform these investment advisory services to the plan as a “fiduciary” defined under ERISA Section 3(21). The following services are examples of what can be performed:

- Assist in establishing Investment Policy Statement
- Advice regarding DIAs
- Advice regarding model asset allocation portfolios
- Advice regarding QDIAs
- Participant investment advice

Consulting services to CRP clients are designed to assist the sponsor in meeting his/her fiduciary duties to administer the plan in the best interests of plan participants and their beneficiaries. Retirement plan consulting services are performed so that they would not be considered “investment advice” under ERISA.

IDF Sub-Advisory Services

When applicable, we may recommend that a client who has purchased an insurance product, invest in an IDF that we manage. Each of the IDFs is formed as a separate series of a multi-series domestic limited partnership (the “SALI Partnership”). The series are offered only to insurance company investors on behalf of certain of their segregated separate accounts that are funded by life insurance and variable annuity contracts issued to policy owners by such investors. SALI Fund Management, LLC (“SALI”) is the investment advisor of the SALI Partnership and has engaged

Aldrich Wealth to serve as a sub-advisor with respect to investments made with the IDF. On the basis of discretionary investment recommendations made by Aldrich Wealth, SALI invests the assets of the IDF in Investment Vehicles, Separately Managed Accounts, private market securities, and mutual funds, ETFs, and individual securities. We typically do not accept specific investment restrictions imposed by clients or investors with respect to management of assets within an IDF. The IDFs are neither registered under the Securities Act of 1933, as amended, nor registered under the Investment Company Act of 1940, as amended. Accordingly, interests in the IDF are offered exclusively to investors satisfying the applicable eligibility and suitability requirements within private placement transactions. No offer to sell interests in the IDF is made by the descriptions in this brochure.

Assets Under Management

As of December 31, 2022, Aldrich Wealth calculated that we managed \$4,216,578,638 in client assets on a discretionary basis and \$346,797,302 in client assets on a non-discretionary basis.

Rollover Recommendations and Education

A client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options):

- (i) leave the money in the former employer's plan, if permitted,
- (ii) roll over the assets to a new employer's plan, if one is available and rollovers are permitted,
- (iii) roll over to an Individual Retirement Account ("IRA"), or
- (iv) cash out the account value (depending upon the client's age, this could result in adverse tax consequences).

As a regular part of our business, Aldrich Wealth may provide a participant of a qualified plan of an employer with "distribution education" or recommend participants to rollover plan assets to an IRA managed by Aldrich Wealth. Aldrich Wealth will only provide "distribution education" to participants of Plan Sponsors that Aldrich Wealth also has a "fiduciary" relationship with and will not be providing advice to the individual on a regular basis. When providing education, our role will be limited to only providing general educational materials regarding the pros and cons of such a transaction. If a participant subsequently chooses to rollover a distribution from their qualified plan, it will have been through their own analysis and an independent decision to proceed with a distribution from the plan. Aldrich Wealth will not exercise any of its fiduciary discretion with regards to the qualified plan of the plan sponsor, as it relates to the participant's distribution decision.

Aldrich Wealth may recommend a participant roll over plan assets to an IRA managed by Aldrich Wealth. When we provide a rollover recommendation we are acting as fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. As a result of the recommendation, Aldrich Wealth may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave his/her plan assets with his/her former employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to Aldrich Wealth (unless the client engages Aldrich Wealth to monitor and/or manage the account while maintained at the client's employer). Aldrich Wealth has an economic incentive to encourage a client to roll plan assets into an IRA that we will manage or to engage us to monitor and/or manage the account while maintained at the client's employer. This creates a conflict of interest because it creates a financial incentive for our firm to recommend a rollover to a client (*i.e.*, receipt of additional fee-based compensation). Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in the client's best interests and not put our interests ahead of the client. 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 the client 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 each client’s best interests;
- charge no more than a reasonable fee for our services; and
- give the client basic information about conflicts of interest.

Various factors that Aldrich Wealth may consider before recommending a rollover, include but are not limited to:

- (i) the investment options available in the plan versus the investment options available in the IRA;
- (ii) fees and expenses in the plan versus the fees and expenses in an IRA;
- (iii) the services provided and responsiveness of the plan’s investment professionals versus Aldrich Wealth;
- (iv) protection of assets from creditor and legal judgements;
- (v) required minimum distributions and age considerations; and
- (vi) taxes and penalties (if applicable).

No client is under any obligation to roll over plan assets to an IRA managed by Aldrich Wealth or to engage Aldrich Wealth to monitor and/or manage the account while maintained by the client’s employer. A plan participant may establish a client relationship with Aldrich Wealth in various ways, but in each case, the provision of services to that plan participant will be provided under a separate agreement.

Item 5 – Fees and Compensation

Aldrich Wealth is a fee-based registered investment advisor, and we do not receive commissions on the sale of investment products to clients. We commonly charge an advisory fee based on assets under management for our services, however, in certain arrangements we may charge an hourly fee or fixed fee. With respect to IDF sub-advisory services, we earn a management fee for assets under management. Fees are generally negotiable and may vary from the standard schedules below based on complexity, size, and other considerations. It is possible that individual clients may have fees higher or lower than the standard fee schedules below, based on legacy fee schedules in place at the time the client relationship was initiated. Fee schedules may be amended from time to time by Aldrich Wealth upon 30 days prior written notice to the client. New relationships to Aldrich Wealth are not subject to fees until active management begins. Additional details regarding fees and calculations will be outlined within the Investment Advisory Agreement, which must be accepted by the client prior to rendering any services.

Private Wealth Services

Compensation to Aldrich Wealth for its services to clients within its Private Wealth division will be calculated quarterly, in advance, in accordance with the client’s written fee schedule within their Investment Advisory Agreement. Some trustee-directed qualified plans are also managed on the Private Wealth standard fee schedule.

The fee will be based on the account’s (or portfolio of accounts) net asset value at the end of the most recent previous quarter and billed in advance. If the relationship is terminated, or an account is closed, during the quarter a pro-rated refund of the fee will be provided shortly after the termination. Aldrich Wealth will adjust the fee for large deposits and withdrawals within the quarter, and we will bill on cash unless otherwise agreed in writing. Below is our standard fee schedule for Private Wealth investment services:

Assets	Annual Fee
Up to \$500,000	1.25%
\$ 500,001 – \$ 2,000,000	1.00%
\$ 2,000,001 – \$ 5,000,000	0.80%
\$ 5,000,001 – \$ 10,000,000	0.60%
\$10,000,001 – \$ 20,000,000	0.50%
Over \$20,000,000	Negotiable

Most client assets are billed at a flat rate, with a few that have been grandfathered in from prior agreements and are billed at a graduated rate. In many arrangements, Aldrich Wealth may provide some level of financial planning and estate planning in addition to investment management services to clients under this fee schedule. The level of planning provided will depend upon the assets under management, and the complexity of the client's situation.

In addition to planning and investment management services, Aldrich Wealth may provide tax planning and preparation services to clients, and accordingly, add an additional basis point fee to the schedule above, a separate flat retainer fee, or bill an hourly charge. All tax planning and tax preparation services are provided by Aldrich CPAs and Advisors LLP, an affiliate of Aldrich Wealth.

Clients will generally choose to pay fees by check or have fees debited from their investment accounts by the account custodian upon submission of a request to the custodian by Aldrich Wealth. Payment of fees may result in the liquidation of a portion of the client's securities if there is insufficient cash in the account at the time that fees are assessed. Copies of the fee invoices will be sent to the client no matter what method of payment is chosen.

In order to calculate fee amounts, the net asset value of the client accounts will be determined by Aldrich Wealth. In general, we will rely upon the pricing of client securities provided by the client's chosen custodian at the close of the New York Stock Exchange (the "Exchange") on the last day of the quarter preceding the period being billed. In the case where the closing date is not a regular business day of the Exchange, the net asset value will be computed as of the last prior business day of the Exchange.

In rare instances where the custodian of a client holding is unable to obtain a price (*e.g.*, alternative investments, illiquid securities, derivatives, thinly-traded securities, etc.) or where we strongly believe that the custodian is not pricing a security fairly, or where a security has halted trading, we will make a good-faith effort to determine a fair value for that security. For other readily marketable securities and investment instruments that may not trade on a market for which actual transaction prices are publicly reported, Aldrich Wealth will use a pricing service, information from the investment entity itself, quotations from one or more dealers, or establish a fair value price based on its knowledge of the security and current market conditions, among any other considerations deemed appropriate.

For Short Duration Solutions services, clients will pay an annual fee equal to thirty-five basis points (0.35%) on all assets held within the specified account. The balance of the Short Duration Solution account will not be used to determine the asset-based annual fee on other advisory accounts held by the client subject to the advisory agreement and advisory fee, just as the account balance does not affect the agreed upon investment allocation of the other accounts receiving investment management services. The fee will be calculated separately and in the same manner as described above.

For those clients who wish to engage us for private market direct investment opportunities, depending upon the complexity of the investment, we may charge additional fees that will include performance-based fees and an asset under management fee, as described above. Fees for this service will be negotiated with the client and will vary from investment to investment. Performance Fees will be calculated and billed in arrears as further described and agreed upon within the private investment advisory agreement. Please also see Item 6 of this brochure for additional information.

Financial Planning and Consulting Services

When offering consulting and planning services or other circumstances such as projects, hourly rates or fixed rates are charged. Hourly rates are generally charged at the standard hourly billing rate of the staff member providing the services. Hourly rates vary between \$150 and \$500 depending on the staff member and services being provided and will be disclosed to the client in an engagement letter outlining the services agreed upon. Aldrich Wealth will

not be considered “hired” until such an agreement has been signed by the client and returned to Aldrich Wealth. Payment for these services will be due as the services are rendered and will be invoiced separately from any bundled or unbundled investment management fees charged quarterly.

Fixed rates are charged clients in some circumstances for services provided, but primarily personal financial and estate planning, consulting, and tax services. Fixed rates are based primarily on the hours involved in the project and value being provided. Payment for these services are payable as the services are rendered and will be invoiced separately from any bundled or unbundled investment management fees charged quarterly

Corporate Retirement Plan Services

Compensation to Aldrich Wealth for its services to clients within its Corporate Retirement Plan Division will be calculated quarterly, in arrears, in accordance with the client’s written fee schedule within their Investment Advisory Agreement. The fee will be charged in arrears, either by the recordkeeper or by Aldrich Wealth, based on our written agreement with the client. The fee will be calculated based on the plan’s quarter end market value or using the average daily balance method – dependent on the recordkeeper’s fee calculation method or reporting capabilities. If the client terminates our services during the quarter, the fee due will be pro-rated by the number of days services were provided within the quarter.

Our Corporate Retirement Plan Services clients may receive credits back, in the form of revenue sharing, from the mutual funds’ that their participants have investments in. Aldrich Wealth does not receive any of these revenue sharing credits as revenue. The clients will instruct the recordkeeper to the plan, to either return the credits to the participants in the plan, or utilize them to reduce expenses of the plan, that could include advisory fees paid to Aldrich Wealth. Below is the standard fee schedule for Corporate Retirement Plan Services:

<u>Assets</u>	<u>Annual Fee</u>
Up to \$2,500,000	0.52% or \$10,000 (the greater)
\$ 2,500,001 – \$ 5,000,000	0.45%
\$ 5,000,001 – \$10,000,000	0.35%
\$10,000,001 – \$20,000,000	0.25%
Over \$20,000,000	Negotiable

Assets are billed at a flat rate. In determining the value of the account for purposes of calculating any asset-based fees, Aldrich Wealth will rely upon the valuation of assets provided by the plan's custodian or recordkeeper without independent verification. Plan clients will either authorize the custodian or recordkeeper to collect and pay the fees directly to Aldrich Wealth from plan assets, or the plan sponsor will agree to pay the fee by check or other method.

Certain plan clients may agree to a flat fee, payable quarterly, in arrears or a special project fee for services. These fees will be negotiated directly with the plan client and will vary depending on the complexity of the plan and service work requested.

IDF Sub-Advisory Services

For compensation for its sub-advisory services for IDFs, Aldrich Wealth receives a portion of the management fee received by SALI as the investment advisor to the IDF. The Management fee typically ranges from 0.15% per annum to 0.50% per annum of the net asset value and is generally payable on a monthly basis. SALI will calculate and debit the total fees due, retain their portion, and submit our share to us. Clients who invest in an IDF should refer to the private placement memorandum or other offering documents for detailed information with respect to the fees. This information is a summary only and is qualified in its entirety by such documents.

Other types of Fees and Expenses

Clients will incur transaction fees for trades executed by their chosen custodian. The custodian may also charge other various fees, account fees, wire fees or holding charges, depending upon the nature of the arrangement. These fees are separate from our firm's advisory fees and will be disclosed by the custodian. Aldrich Wealth does not receive any portion of these fees. Item 12 further describes the factors that Aldrich Wealth considers in selecting or recommending custodians for client transactions and determining the reasonableness of their compensation.

The client may be required to pay, in addition to Aldrich Wealth's fee, a proportionate share of any mutual funds' marketing and advertising expenses (12b-1 fees), management fees, and other mutual fund and exchange traded fund operating expenses. These fees are disclosed in the fund's prospectus. Aldrich Wealth does not receive any portion of these expenses as revenue.

Clients that utilize SMAs or other Investment Vehicles will pay an additional sub-advisor fee to those Managers, depending upon the nature of the arrangement, which is separate from the advisory fee paid to Aldrich Wealth. These fees will be debited and paid directly from the Client's assets being advised by the appointed Manager. The details of these fees will be disclosed in the fund prospectus or other offering or disclosure documents. Aldrich Wealth does not receive any portion of these fees.

Item 6 – Performance-Based Fees and Side-By-Side Management

Aldrich Wealth does not generally charge performance-based fees (fees based on appreciation of the client's assets) as part of its customary investment management services.

For certain private market direct investment opportunities, Aldrich Wealth will enter into a separate non-discretionary agreement where the compensation to us is based on performance of the investment. Performance fees create a financial incentive for us to recommend a client's assets to riskier or more speculative investments than we would otherwise (in the absence of such arrangement) in order to secure greater profits in the receipt of the performance fee. We address this conflict by only offering this type of arrangement to Accredited and Qualified clients as defined in federal law, and only to those clients who understand that such investments represent risk capital within their overall investment portfolio. We will additionally only make such recommendations when we believe they are in the client's best interest. Assets subject to performance fees may also be subject to an asset under management fee, depending on the investment and amount of oversight required, that would be in addition to the performance fee.

Item 7 – Types of Clients

Aldrich Wealth provides investment management, consulting, planning, and tax services to individuals, corporations, limited liability companies, retirement plans, other trusts, foundations, not for profit organizations, and/or other business types.

Any minimum account sizes are negotiable and dependent upon a number of factors that go into our client acceptance process. For example, certain issuers of private investment opportunities may require the Client to be an Accredited Investor and/or a Qualified Client, as such terms are defined in federal law.

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

Investing in securities involves risk of loss – including the possible loss of principal - that clients should be prepared to bear.

Aldrich Wealth utilizes Fiducient Advisors to supplement our in-house investment research and analytical work. We are not affiliated with this entity.

Aldrich Wealth has created multiple asset allocation models that are designed to provide different expected risk and return combinations. The allocations range from conservative (*lower risk and lower expected returns*) to aggressive (*higher risk and higher expected returns*). Each allocation is designed to provide the maximum return for the selected level of risk (also called standard deviation). Portfolios are diversified across multiple asset classes to help ensure proper diversification with respect to style (growth and value), geographic exposure, market capitalizations, duration, and credit risk. Allocation ranges (minimums and maximums) are utilized to help avoid excessive exposure to any single position and support rebalancing.

Aldrich Wealth uses third party asset allocation and trading software that is robust in terms of functionality and flexibility. Aldrich Wealth uses long-term historical risk, return, and correlation data as inputs into the asset allocation modeling software. Historical data is generally sourced from and provided by Morningstar, Inc. Aldrich Wealth believes long-term historical data combined with an informed outlook for the current market environment are the most reliable sources for framing clients' expectations regarding future investment performance.

Aldrich Wealth considers a wide array of asset classes and styles for implementation in client portfolios. Asset classes that have historically provided competitive risk-adjusted returns are considered as inputs in the optimization model. Additional asset classes may be included if their risk and return profiles are deemed to potentially enhance returns and/or reduce risks.

Aldrich Wealth uses a combination of active and passive managers.

- *Passive management is generally associated with mutual funds and exchange traded funds where the portfolio of the fund simply mirrors a particular market index.*
- *Active management refers to fund portfolios whose managers are attempting to better the returns earned by a specific market index and who typically choose investments that differ from the holdings of the index.*

Aldrich Wealth monitors asset classes and attempts to determine which asset classes offer the best opportunity to add value by using active managers. In situations where we cannot clearly identify the benefits of active management, a passive approach is generally used.

Equity managers are generally divided based on asset class size (*large cap, mid cap and small cap*), management style (*value, growth, and core*), strategy (*active or passive*) and region (*US or Non-US*). The inclusion of value and growth styles supports shifting assets from one style to another in situations where a style bias may be beneficial.

As previously stated, Aldrich Wealth also uses alternative investments where appropriate. Alternative investments have unique characteristics relative to equity and fixed income investments and historically, a very low correlation to stocks and bonds. Some non-registered alternative investments and private equity investments typically require a long-term commitment and can be very difficult to liquidate in a timely manner. Only Accredited Investors with substantial net worth are allowed to participate in privately held funds.

Aldrich Wealth uses registered funds, SMAs, alternative investments offered through third party platforms, and direct investments in unregistered funds through limited partnerships or private equity investments.

- **Registered Funds:** Registered funds offer much lower investment minimums compared to unregistered private funds. They are also required to register with the SEC (Securities & Exchange Commission) or CFTC (Commodity Futures Trading Commission) or NFA (National Futures Association) and provide periodic

reports, which provide another level of transparency and oversight. Registered funds generally offer quarterly or monthly liquidity and are required to provide quarterly tender offers to existing investors.

- Separately Managed Accounts: To obtain specialized expertise and services to benefit the client we may utilize separately managed accounts, managed by unaffiliated Manager. Aldrich Wealth selects these Managers based on area of expertise, performance history, and investment philosophy, among other factors. Aldrich Wealth works with the Managers as an advocate for the client, however clients should be aware that Aldrich Wealth cannot actively monitor any Manager's conflicts of interest, daily trading activity, and other operational issues.
- Alternative Investments: Investments through alternative platforms reduce the minimum investment requirement (typically \$100,000 or \$250,000) and include due diligence support. Investors must be either Accredited Investors or Qualified Clients in order to participate. Liquidity varies depending upon the type of investment and can range from monthly to up to 10 years.
- Limited Partnerships or Private Market: For Qualified Investors, defined as individuals or entities with more than \$5 million in investments, we may introduce direct investments in limited partnership structures or private market investments. These investments typically require long holding periods that can extend beyond 10 years and may also pose higher risk and return potentials.

Aldrich Wealth is focused on providing competitive after-tax returns. Therefore, the investment process considers such factors as clients' tax rates, the types of accounts available (taxable or deferred), portfolio turnover, and where certain assets are held.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Aldrich Wealth or the integrity of Aldrich Wealth's management. *Aldrich Wealth has no information applicable to this Item.*

Item 10 – Other Financial Industry Activities and Affiliations

Carl J. Pinkard, Principal and Vice President of Aldrich Wealth is also a Principal, Manager, Registered Representative, and the Chief Compliance Officer for Pacific Coast Capital, LLC, a limited-purpose FINRA-registered broker-dealer firm owned by Aldrich Services LLP. In his separate capacity as a registered representative of Pacific Coast Capital, LLC, Mr. Pinkard may receive commissions for the implementation of recommendations of the marketing, financing, and sale of closely held companies, including on behalf of certain entities that may be related to clients of Aldrich Wealth. Pacific Coast Capital, LLC will not custody any securities bought or sold in client accounts with Aldrich Wealth. This arrangement has the potential to create a conflict of interest because we have an incentive to recommend Pacific Coast Capital to clients needing these services over other unrelated-limited broker dealers. In order to mitigate this conflict of interest, we fully disclose the relationship between Aldrich Wealth and Pacific Coast Capital to the client needing those services prior to the client entering into any agreement with Pacific Coast Capital.

Aldrich Wealth LP is owned by AKT Services, LLP and Aldrich Services LLP. Aldrich Wealth also shares a physical location with several of the affiliate companies listed here.

AKT Services, LLP is a parent company and is owned by individual partners.

Aldrich Services LLP acts as a manager for all operating entities and is owned by AKT Services LLP and Aldrich CPAs and Advisors LLP.

Aldrich CPAs and Advisors LLP provides accounting, tax, and consulting services, and is majority owned by AKT Services LLP. The firm also holds ownership in Hawthorne Experts 15 Inc as well as in Gray Rabbit LLC, a holding company that holds ownership in Firmcast. Aldrich Wealth shares fees and employees in some client arrangements with Aldrich CPAs and Advisors LLP, when the client contracts for their services to be bundled. The tax planning and tax preparation services are provided by Aldrich CPAs and Advisors LLP, an affiliate of Aldrich Wealth. This arrangement has the potential to create a conflict of interest because we have an incentive to recommend Aldrich CPAs to Aldrich Wealth clients needing these services over other unrelated-accounting firms. Likewise, Aldrich CPA and Advisors will recommend Aldrich Wealth to their clients needed investment management services over other unrelated wealth management firms. In order to mitigate this conflict of interest, we fully disclose the relationship between Aldrich Wealth and Aldrich CPAs to clients needing those services prior to the client entering into any agreement with Aldrich CPAs, and to any client entering into any agreement with Aldrich Wealth.

Aldrich Capital Advisors LP provides consulting services related to various types of business transitions and is owned by AKT Services LLP and Aldrich Services LLP.

Aldrich Retirement Solutions LP is owned by AKT Services LLP and Aldrich Services LLP and provided corporate retirement plan administration and consulting, prior to selling assets to an unrelated entity in 2022. Aldrich Retirement Solutions LP continues to own a holding company titled AKT RPS International LLP

Aldrich Technology LLC provides managed technology and technology consulting services and is owned by Aldrich Services LLP.

AKT Business Services PVT LTD provides outsourced staffing services, including investment analysis support to Aldrich's US companies, and is owned by AKT RPS International and Aldrich Services LLP.

AKT Global LLC is a holding company owned by AKT Services LLP and holds ownership in Modgene Pharma LLC, and Alcedo Atthis Limited.

Aldrich Benefits LP provides group health benefit, life, and disability insurance services and is owned by AKT Services LLP and Aldrich Services LLP. Aldrich Benefits LP is also the owner of Northwest Employee Benefits, Inc., a third-party benefits administrator. Aldrich Wealth may refer clients needing life, health and disability insurance to Aldrich Benefits LP or to its subsidiary, Northwest Employee Benefits, Inc., for employee benefits. The possibility of potential multiples sources of compensation flowing to affiliated entities creates a conflict of interest. However, that conflict is mitigated by Aldrich Wealth's full disclosure of the relationship with Aldrich Benefits LP and Northwest Employee Benefits, Inc., and an emphasis to clients of their right to choose any insurance agency or agent, or benefits provider, they wish to fulfill their needs.

Our firm and individuals associated with our firm do not have any proprietary or material interests in any Investment Vehicles that we recommend to our clients. However, clients are advised that certain employees of Aldrich Wealth may serve as board members of certain Managers or direct private investment entities that we may recommend for investment to our clients. Our employees may receive reimbursements in connection with their board participation. Compensation for board positions may be allowed after approval and proper disclosure to affected clients. These arrangements are unrelated to our client's participation but could be viewed as creating a conflict of interest insofar as they may create a financial incentive for Aldrich Wealth's personnel. We will advise our clients promptly of the existence of any board positions or other managerial roles Aldrich Wealth or its personnel may possess in any issuers recommended for investment to clients.

Item 11 – Code of Ethics

Aldrich Wealth has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons at Aldrich Wealth must acknowledge the terms of the Code of Ethics annually, or as amended throughout the year.

Aldrich Wealth anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Aldrich Wealth has management authority to effect, and will recommend to investment management clients or prospective clients, the purchase or sale of securities in which Aldrich Wealth, its affiliates and/or clients, directly or indirectly, have a position of interest. Aldrich Wealth's employees and persons associated with us are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Aldrich Wealth and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Aldrich Wealth's clients. The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of the employees of Aldrich Wealth will not interfere with (i) making decisions in the best interest of investment management clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of our clients. In addition, the Code requires pre-clearance of some transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as 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 under the Code of Ethics, to reasonably prevent conflicts of interest between Aldrich Wealth and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Aldrich Wealth's obligation of best execution. In such circumstances, the affiliated and client accounts can share commission costs equally and will receive securities at a total average price. Aldrich Wealth 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 will be documented by the Chief Compliance Officer.

Clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Luan Dollens, Chief Compliance Officer at ldollens@wealthadvisors.com.

It is our policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Aldrich Wealth will also not cross trades between client accounts. *Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any investment management client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the investment management client and for another person on the other side of the transaction.* Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Aldrich Wealth is not dually registered and does not have an affiliated broker-dealer.

Item 12 – Brokerage Practices

Aldrich Wealth does not maintain custody of client assets, although we may be deemed to have custody of assets when clients give us authority to withdraw assets for specific purposes from their account as described below in Item 15 – Custody. Client assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer, bank, and/or retirement plan platform or recordkeeper. Certain alternative or private investments will be held directly with the issuer. Aldrich Wealth will use its discretion in recommending a custodian, while the client will make the final decision by entering into an account agreement directly with such custodian. For Private Wealth services and some Retirement Plans, Aldrich Wealth will generally request clients to use Charles Schwab & Co., Inc. (“Schwab”) a registered broker-dealer, member SIPC, as their qualified custodian. Historically clients could also choose to open accounts at TD Ameritrade Institutional, a division of TD Ameritrade, Inc. (“TD Ameritrade”). Clients should note that Schwab acquired TD Ameritrade, and all TD Ameritrade accounts and assets will be transitioned to Schwab’s platform in 2023. Clients will receive communication from Schwab regarding this transition and Aldrich Wealth will assist transitioning clients. Aldrich Wealth contracts with custodians and in doing so, works to negotiate the best possible rates and fees for our clients as compared to the retail rates for similar services. Corporate Retirement Plans will select a custodial recordkeeper platform to maintain assets and will do so based on their plan criteria. Aldrich Wealth is independently owned and operated, and we are not affiliated with any custodian or recordkeeper. We will facilitate and assist clients with the account opening process.

In selecting or recommending a broker-dealer or custodian, Aldrich Wealth will comply with its fiduciary duty to obtain best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as (a) price, (b) the facilities, reliability and financial responsibility, (c) the ability to effect transactions, particularly with regard to such aspects as timing, order size and execution of orders, (d) the research and related brokerage services provided, notwithstanding that the account may not be the direct or exclusive beneficiary of such services and (e) breadth of available investment products and (f) any other factors Aldrich Wealth considers to be relevant. Once a broker/dealer or custodian is chosen, Aldrich Wealth does not currently permit clients to direct brokerage for specific trades.

Both Schwab and TD Ameritrade provide us with access to their institutional trading and custody services which may not be available to retail investors. Services offered include custody of securities, trade execution, clearance and settlement, research, and access to mutual fund share classes and investments that are otherwise generally available only to institutional investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research-related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Aldrich Wealth by third-party vendors.

These custodians do not charge separately for custody but are compensated by account holders through service fees and/or transaction-related fees for securities trades that are executed through them. These custodians also make available to Aldrich Wealth other products and services that benefit us but may not benefit clients directly. Some of these other products and services assist Aldrich Wealth in managing and administering clients' accounts. These include software and other technology that provide access to client account data, facilitate trade execution, provide research, pricing information and other market data; and assist with back-office functions, recordkeeping and client reporting. These custodians also make available to Aldrich Wealth other services intended to help us manage and further develop our business enterprise, but do not benefit our clients. These services may include consulting, publications and conferences on practice management, information technology, business succession,

regulatory compliance, and marketing. Some of these services may be offered directly by the custodians or arranged to be provided through third-party vendors. Additionally, we may benefit from custodians (and other vendors) through occasional business entertainment of our personnel, that we would otherwise not receive. As a fiduciary, Aldrich Wealth endeavors to act in its clients' best interests, while we also recognize that by recommending our clients maintain their assets in accounts at one of the custodian's providing availability of the aforementioned products and services, may create a perceived or actual conflict of interest. By directing you to open an account with one of the custodians we have contracted with, we may not be able to achieve the most favorable execution of client transactions, and that may cost clients more money. We will review all custodial options from time to time to ensure that clients continue to benefit in scope, quality, and price of services from our selection of available custodians. *Please see further discussion under Item 14 below.*

In the past, Aldrich Wealth received client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect, program. While this program has been discontinued, Aldrich Wealth still receives some benefits from TD Ameritrade through its previous participation in the program. Please see the related disclosure under Item 14 below.

When appropriate to the management of the client's account, Aldrich Wealth will, on occasion, recommend that all or a portion of the assets in the client account be managed by a third-party money Manager within a SMA or other Investment Vehicle, as noted in Item 4 of this brochure. Except to the extent the client directs otherwise, Aldrich Wealth is authorized to use its discretion in selecting or changing a Manager without prior notice to the client. The client may be required to execute a limited power of attorney with a Manager selected by Aldrich Wealth under this section.

Order Aggregation: Aldrich Wealth is authorized in its discretion to aggregate purchases and sales and other transactions made for client accounts with purchases and sales and other transactions in the same or similar securities or instruments for other clients of Aldrich Wealth. When transactions are aggregated, the actual prices applicable to the aggregated transactions will be averaged, and each client account transaction will be fulfilled at the average price obtained. Each transaction will be charged any applicable transaction fees at a flat rate – transaction fees are not pro-rated by the size of the transaction or any other criteria. Order aggregation is separately completed at each custodian. Should an order not be completely filled, we will pro-rate the order as previously described.

Trade Corrections: Aldrich Wealth has a policy to minimize the occurrence of trade errors. We strive to detect and resolve any errors in a timely manner. Errors will be corrected to the benefit of the client and clients will not bear financial harm from an error caused by our firm. The resolution process is similar at both Schwab and TD Ameritrade, and both custodians will cover errors caused by our firm that amount to less than \$100, thus providing an economic benefit to us. We will be responsible for errors over the amount of \$100. Errors that create a profit that cannot legally be maintained by the client will be donated by the custodian to a charity which they have selected.

Item 13 – Review of Accounts

Private Wealth Services

Based upon the client's investment objectives, risk tolerance, time horizon, financial circumstances and goals, each client will agree upon an investment and risk allocation in order to provide guidance on their asset allocation or investment policy. In general, client accounts are reviewed on an on-going basis, or at least quarterly, by the Chief Investment Officer or designated analyst under the supervision of the Chief Investment Officer and the IAR assigned to the client relationship. Reviews are conducted primarily for the purpose of assuring continued general compliance with the financial goals outlined in each client's investment policy and/or notes to the client file. Clients should contact their advisors to report any changes in their personal situation that may impact their financial

situation, or the current investment policy or noted allocation created for them. All investment management clients will receive at least one review annually.

Material additions to, or subtractions from, an account will trigger additional portfolio reviews. The Chief Investment Officer also reviews quarterly, the composite performance of client accounts managed similarly. Individual account performance that diverges materially from the composite will also trigger specific portfolio review.

All clients will receive statements directly from the custodian of their account at least quarterly. Custodial statements include a list of account holdings and their market value as well as transactions occurring during the report period. Some clients receive quarterly reports from Aldrich Wealth that include allocation of the portfolio, the performance of the portfolio during the specified date range, a comparison of the portfolio's actual allocation versus its intended risk allocation, a list of portfolio assets and their market value, and a breakdown of the performance of the portfolio. Performance calculations are computed by our portfolio management software from downloads of account activity and security prices provided electronically by each of our broker/dealer custodians. Certain private investments will be held directly with the issuer and require a manual entry onto our performance software system.

Financial Planning and Consulting Reviews

Financial Planning clients that receive standalone services do not receive updated reviews of their written plans unless the client takes action to schedule a financial consultation with us. Our firm does not provide ongoing services when financial planning is requested as a standalone service.

Consulting clients will receive services as outlined in their advisory agreement. Such clients will receive ongoing services as stipulated for the agreed amount of time, which can be ongoing until such time the client wishes to terminate the service.

Corporate Retirement Plan Reviews

Aldrich Wealth will regularly meet with plan trustees and sponsors to review plans and assist them in meeting their fiduciary duties to administer the plan. The specific services and duties will be outlined in the advisory agreement. We will generally review the investment options within the plan on a quarterly basis. Other duties performed will be dependent upon the services we are contracted to perform and our appointment as a fiduciary or investment manager as defined under ERISA. We provide reports to aid trustees and sponsors in their fiduciary requirements. These reports are not custodial statements, and as such they should be reviewed and compared to the recordkeeper statements.

Item 14 – Client Referrals and Other Compensation

Aldrich Wealth, at times, provides additional cash and non-cash compensation to employees of Aldrich Wealth and its affiliates, that is based, at least in part, on bringing new clients to the Firm. This practice presents a conflict of interest because persons receiving additional compensation have an incentive to recommend our services or additional accounts or assets for the purpose of receiving incentive compensation rather than solely based on client's needs. We mitigate this conflict through our compliance policies and procedures requiring employees to put the interest of our client first as part of our fiduciary duty. Additionally, clients and prospects of Aldrich Wealth are under no obligation to add additional assets or open accounts with us.

As disclosed under Item 12 above, Aldrich Wealth directly or indirectly receives certain economic benefits from TD Ameritrade and Schwab in the form of the support products and services they each make available to us and other independent investment advisors whose clients maintain accounts there. Clients do not pay more for assets

maintained at Schwab or TD Ameritrade as a result of these arrangements. However, we benefit because the cost of these services would otherwise be borne directly by us. Clients should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab and TD Ameritrade, how they benefit us, and the related conflicts of interest are described above in Item 12—Brokerage Practices.

Aldrich Wealth previously received client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect, a program TD Ameritrade established as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. The AdvisorDirect program has been discontinued, however we continue to pay a residual referral fee for existing clients referred while the program was still active. TD Ameritrade does not supervise Aldrich Wealth and has no responsibility for Aldrich Wealth's management of client portfolios or Aldrich Wealth's other advice or services. Aldrich Wealth does not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass the referral fees (formerly known as solicitation fees and now known as promoter fees) paid to TD Ameritrade on to its clients.

Item 15 – Custody

Aldrich Wealth is deemed to have custody of client assets because certain clients have provided us with authority to instruct their custodian to deduct our advisory fees directly from the client's account. We are also deemed to have custody because certain clients have provided us authority to move money to another person's account by means of a limited written authority pursuant to Standing Letters of Authorization. We do not have the ability to withdraw funds from our clients' accounts for any other reason. A qualified custodian will maintain actual custody of all client assets, while certain alternative or private offerings will be held directly with the issuer. Aldrich Wealth is not a qualified custodian.

The qualified custodian (or the issuer of certain alternative or private offerings) that holds and maintains client's investment assets, will generally send quarterly statements directly to the client. **Clients are advised to review these statements carefully and compare the custodial records with any performance reports provided by Aldrich Wealth.** Our performance reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Custodians do not verify the accuracy of our advisory fee calculation. If material discrepancies are noted, clients are encouraged to contact Aldrich Wealth at 503-468-7200.

Item 16 – Investment Discretion

Clients usually grant Aldrich Wealth with discretionary authority at the outset of an investment management relationship, when entering into an advisory agreement with us. Additionally, clients will complete custodial paperwork that provides us with specific authorizations to direct trades in their accounts. This discretionary authority includes the ability to determine which securities to buy or sell, and the amount of the securities to buy or sell. In addition, it will include the ability to engage or terminate Managers to provide portfolio management services. In all cases, we exercise discretion in a manner consistent with the stated investment objectives, investment policies, limitations and any restrictions for the particular client account.

Other investment guidelines and restrictions must be provided to Aldrich Wealth in writing, and clients may limit or change this authority or any restrictions by providing written instructions.

From time to time, Aldrich Wealth will accept client assets into portfolios as "unmanaged." These unmanaged assets will be invested solely at the direction of the client, and Aldrich Wealth will not have ongoing or regular review or oversight of these assets. Consequently, no liability is assumed by Aldrich Wealth and no advisory fee is charged by our firm for these assets.

When providing services to Retirement Plans, we may exercise discretionary authority or control over the investments specified in the Agreement. When applicable, we perform these services to the Plan as a fiduciary under ERISA Section 3(21) and investment manager under ERISA Section 3(38). We are legally required to act with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances.

Item 17 – Voting Client Securities

As a matter of firm policy, Aldrich Wealth does not have any authority to and does not vote proxies on behalf of any clients. Clients retain the responsibility for receiving and voting proxies for assets managed directly by Aldrich Wealth. Aldrich Wealth may provide advice to clients regarding the clients' voting of proxies.

Managers appointed to certain accounts, such as separately managed asset accounts, may assume the authority for voting proxies on behalf of clients. Generally, these Managers request this permission from clients, and it is granted based on custodial paperwork signed by the client.

Item 18 – Financial Information

Pursuant to SEC regulations, an audited balance sheet is not required to be provided because Aldrich Wealth does not require prepayment for services of more than \$1,200 per client and six months or more in advance.

We are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. *Aldrich Wealth 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.*