



# 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](http://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, 2023. The following is a summary of the material changes:

- **Item 4 – Advisory Business:** We expanded upon the discussion of third-party asset managers and IRA rollovers. We also explained that we may select and offer certain outside vendor services that we feel are beneficial to clients, these vendors offer non-investment-related services.
- **Item 5 – Advisory Fees and Compensation:** We updated the fee schedule for Corporate Retirement Services to reflect the top-tier level of fees. Fees are negotiable and will vary based on the services offered.
- **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss:** We modified the discussion of our methods of analysis and investment strategies and added interval funds to the description of securities used to create portfolios.
- **Item 10 – Other Financial Industry Activities and Affiliation:** We updated disclosures about affiliated entities, namely Aldrich Benefits and Aldrich Technology were divested.
- **Item 12 – Brokerage Practices:** This section was edited to remove TD Ameritrade as a custodian, as the acquisition by of TD Ameritrade by Charles Schwab & Co., Inc. was finalized in 2023. Additionally, the section regarding Order Aggregation was updated to disclose that at times when we are unable to aggregate and execute orders across model groupings of accounts, we will use a rotation methodology designed to avoid favoring one group of accounts over another. In rare cases, we may determine that pro rata allocation is not appropriate under the particular circumstances, the allocation will be made based on other factors that we deem appropriate, and we will reallocate the securities in a manner that we deem fair and equitable to clients over time.
- **Item 17 – Voting Client Securities:** We disclosed that we only vote proxies when appointed as a sub-advisor.

We have made various other non-material updates throughout this brochure to address formatting and to provide further clarity to clients and prospective clients regarding the nature of our services, fees, and business practices.

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](mailto:ldollens@wealthadvisors.com). Our brochure is also available on our website [www.wealthadvisors.com](http://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 website [www.adviserinfo.sec.gov](http://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,” “firm,” “we,” “us,” and “our”) provides investment management, financial planning and consulting services to its clients. Where appropriate, we may recommend that clients engage our affiliate, Aldrich CPAs and Advisors LLP (“Aldrich CPAs”), for tax and accounting services. Clients are never obligated to engage Aldrich CPAs for these additional services. When clients engage both tax and wealth services, we will collaborate, taking into consideration each client’s unique financial and tax situation. 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 the 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 the clients’ investment objectives and limitations, income level, risk tolerance, investment time horizon, tax circumstances, and other factors deemed relevant in determining client’s investment needs and limitations (collectively, Client’s “Financial Profile”). Clients may propose reasonable restrictions on the types of investment to be made for their account at any time and we will promptly notify clients of any inability to honor such 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 associated to the client, such as individual retirement accounts, taxable accounts, and employee retirement accounts to construct a tax-efficient portfolio.

Aldrich Wealth will primarily utilize registered mutual funds and exchange-traded funds (“ETFs”) in asset allocation strategies, and occasionally individual equity and fixed-income securities such as U.S. Government bonds, municipal bonds, and corporate debt securities. A portion of the assets within an account may also consist of cash or cash equivalents.

To obtain specialized expertise and services to benefit the client, we may engage certain third-party money managers and/or sub-advisors (collectively, “Independent Managers”) to manage all or a portion of the assets contained in a portfolio to obtain exposure to certain asset classes, investment styles/models, or strategies. Arrangements with Independent Managers are typically accessed through separately managed accounts (“SMAs”) of securities. When an Independent Manager is engaged, all or a portion of assets shall be allocated to and directly managed by the selected Independent Manager(s) in an SMA. The Independent Manager shall be responsible for implementing the investment strategy(ies) or model(s) chosen by Aldrich Wealth, conducting all related investment research, and executing all trading decisions concerning the allocated assets on a discretionary basis. Aldrich Wealth shall act as a co-advisor

concerning the allocated assets, responsible for monitoring the Independent Manager's investment performance and adherence to the desired investment strategy(ies) or model(s) chosen and for the continued suitability of the selected investment strategy(ies) or model(s) for our client. Aldrich Wealth shall further act as the primary point of contact for the client and shall keep the Independent Manager apprised of any changes in the client's investment needs, objectives, and limitations.

In some instances, we may also recommend investment in interval funds and other pooled investment vehicles, including hedge funds and private equity funds, limited partnerships, alternative investment managers, and other pooled private investment vehicles (collectively, "Investment Vehicles"). Aldrich Wealth is not affiliated with any Independent Manager. We select Independent Managers based on their area of expertise, performance history, and investment philosophy, among other factors.

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 several 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 investments. 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 account without obtaining their approval for each specific transaction. We act in a fiduciary capacity and only utilize this authority in a manner that is aligned with the individual or entity's unique Financial Profile. For non-discretionary engagements, the services will be similar, but we are required to obtain your approval (verbal or written) for each recommended investment transaction 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. Tax planning and tax preparation services are typically made available through our affiliate, Aldrich CPAs and are separately contracted from our investment management services. Clients are never obligated to engage any of our affiliates for any additional.

From time-to-time, we may provide clients with access to services offered by third-party vendors such as identity theft monitoring services, budgeting software, and other services intended to enhance and add value to our client relationships (collectively, "Vendor Services"). Clients are selected to be offered Vendor Services based on their level of assets under management with Aldrich Wealth, their overall relationship with our firm and its affiliate, Aldrich CPAs, and such other factors as we may determine. In some instances, access to Vendor Services will be provided to the client on a complimentary basis. In other instances, our firm may recommend Vendor Services to the client and the client will pay the vendor. The advisory fees clients pay to us will not increase or change due to our offering or recommendation of any Vendor Services. Clients elect to access Vendor Services at their own risk and will typically be required to agree to the Vendor's terms of service. While Aldrich Wealth will diligently select service providers, we disclaim all liability related to the client's choice to use any Vendor Services.

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"<sup>1</sup> and or a "qualified client"<sup>2</sup> under federal law, to identify private market investment opportunities, which can involve 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 stand-alone service for a fixed or hourly fee. As part of our Financial Planning Services, we typically provide clients with 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 conditions of the engagement (including termination) and when fees are due.

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

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<sup>1</sup> 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.

<sup>2</sup> 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.

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 the 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 is 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, mutual funds, ETFs, and individual securities. We typically do not accept specific investment restrictions imposed by clients or investors with respect to the 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, 2023, Aldrich Wealth calculated that we managed \$5,572,244,811 of client assets, of which \$5,130,959,264 are managed on a discretionary basis and \$441,285,546 are managed on a non-discretionary basis.

### **IRA Rollovers**

Investors considering rolling over assets from a qualified employer-sponsored retirement 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 regarding an existing retirement plan (and can 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).

Various factors should be considered and compared before moving funds from an employer plan to an IRA. These factors may include available investment options, fees and expenses, services provided, protection of assets from creditor and legal judgments, required minimum distributions and age considerations, employer stock, and any taxes and penalties (if applicable).

When we provide investment advice to clients and prospects regarding their retirement plan accounts or IRAs, we are 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. The way we make money 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, 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.

For purposes of this special rule, covered plans include 401(k), 403(b), profit sharing, pension, and all other plans that are subject to ERISA, together with tax-qualified retirement plans under the Code (even if not subject to ERISA) such as Solo 401(k) and Keogh plans. IRAs subject to the special rule include both traditional and Roth IRAs, individual retirement annuities, health savings accounts, Archer medical savings accounts, and Coverdell education savings accounts. Generally, we will provide retirement investors with education regarding the pros and cons of their choices and information about our services and allow them to make an independent decision about their assets. Should we make a recommendation to rollover assets from an employer plan to an IRA to be managed by Aldrich Wealth, we will abide by the requirements of the rule as noted above.

No client or prospect 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 assets while maintained by their 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 charge an hourly fee or fixed fee. Fees are generally negotiable and may vary from the standard schedules below based on complexity, size, and other considerations. It is possible that some individual clients pay 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. If we amend our fee schedule in the future, we will provide clients with 30 days' advance written notice prior to doing so. 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 before 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. Certain trustee-directed qualified plans are also managed on the Private Wealth standard fee schedule, depending upon the size and complexity of services the plan requires.

The fee will be based on the account's (or portfolio of accounts) market value at the end of the most recent previous quarter. 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:

<u>Assets</u>	<u>Annual Fee</u>
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.

All tax planning and tax preparation services are provided by Aldrich CPAs, and clients who utilize tax preparation services will enter into separate agreements with Aldrich CPAs.

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. 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.

To calculate fee amounts, the market 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 do 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 for Short Duration Solutions services 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. These fees are billed as the services are rendered and will be invoiced separately from any bundled or unbundled investment management fees charged quarterly.

Fixed rates are charged to clients in some circumstances for services provided, but primarily for personal financial and estate planning, consulting. Aldrich CPAs typically also charges fixed rates for its tax services, where so engaged. Fixed rates are based primarily on the hours involved in the project and the value being provided. As an example, a Financial Plan as a stand-alone service will generally be billed at \$2,500. These fees are billed 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 (however, some trustee-directed qualified plans are managed on the Private Wealth standard fee schedule as noted above). 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, which could include advisory fees paid to Aldrich Wealth. The fee schedule below represents the top tiers of our fee schedule for Corporate Retirement Plan Services. Fees are negotiable and pricing will depend on the services being offered.

<u>Assets</u>	<u>Maximum Annual Fee</u>
Up to \$2,500,000	0.67% or \$15,000 (the greater)
\$ 2,500,001 – \$ 5,000,000	0.60%

\$ 5,000,001 – \$10,000,000	0.50%
\$10,000,001 – \$20,000,000	0.40%
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, including but not limited to financial wellness programs, additional participant engagement, or other special service projects. These fees will be negotiated directly with the plan client and will vary depending on the complexity of the plan and the 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 Fees and Expenses**

Clients will incur transaction fees for trades executed by their chosen custodian. The custodian will typically have additional fees that can include 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.

Separate and in addition to the advisory fees, the client shall also bear the client's proportionate share of any mutual funds, exchange traded funds ("ETFs"), other pooled investment vehicles, and insurance products' marketing and advertising expenses (12b-1 fees), management fees, and other operating expenses. These fees are disclosed in the prospectus issued by each mutual fund, ETF, other pooled investment vehicle, and/or insurance product. Aldrich Wealth does not receive any portion of these expenses as revenue.

Where clients have assets allocated to SMAs or other Investment Vehicles, they will pay an additional sub-advisor fee to those Independent 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 Independent Manager. The details of these fees will be disclosed in the 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 the 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 an arrangement) to secure greater profits in the receipt of the performance fee. We address this conflict by only offering this type of arrangement to accredited investors 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 (including 401(k), 457(b), 403(b) and 401(a) 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 the risk of loss – including the possible loss of principal - that clients should be prepared to bear.

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 an appropriate return for the selected level of risk (also called standard deviation). Portfolios are diversified across multiple asset classes to help ensure broad diversification. with respect to style (growth and value), geographic exposure, market capitalizations, duration, yield, and credit risk. Allocation ranges (minimums and maximums) are utilized to maintain a consistent strategic asset allocation and support rebalancing.

Aldrich Wealth uses third-party asset allocation and trading software that is robust in terms of functionality and flexibility. Aldrich Wealth assembles risk, return, and correlation data from external sources and historical data to develop capital market assumptions that are employed directly in asset allocation modeling. Historical data is generally provided by Morningstar, Inc. Aldrich Wealth believes long-term historical data for the current market environment are reliable sources for framing clients' expectations regarding future investment performance. To supplement our in-house investment research and analytical work, we engage with an unaffiliated consultant, Fiducient Advisors.

Aldrich Wealth considers a wide array of asset classes and styles when allocating accounts. Those that have historically provided competitive risk-adjusted returns are considered for inclusion. For clients with unique risk, return, and liquidity profiles, additional asset classes may be included to potentially enhance returns and/or reduce risks.

Aldrich Wealth uses a combination of active and passive management.

- *Passive management is generally associated with investments where the portfolio's performance closely tracks a particular market index by holding a similar portfolio or market/sector exposure.*
- *Active management generally includes managers that conduct research and implement portfolios that diverge from benchmarks and typically have higher fees.*

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 active management has generally failed to consistently improve risk-adjusted performance, a passive approach is generally used.

Equity managers are generally divided based on market capitalization (*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.

Aldrich Wealth also includes alternative investments where appropriate. Alternative investments offer some unique characteristics relative to traditional equity and fixed income investments. Historically, alternative investments are not highly correlated to stocks and bonds and provide additional diversification benefits. Some non-registered alternative investments and private equity investments typically require a long-term commitment and are generally illiquid in nature. Investors in these funds are subject to initial qualification based on income, net worth, and/or investment acumen.

Aldrich Wealth uses registered funds, SMAs, interval funds, 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) and/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 engage separately managed accounts, managed by unaffiliated Independent Managers. Aldrich Wealth selects these Independent Managers based on area of expertise, performance history, and investment philosophy, among other factors. Aldrich Wealth works as an advocate for the client, however, clients should be aware that Aldrich Wealth cannot actively monitor any Independent Manager's conflicts of interest, daily trading activity, and other operational issues.
- Interval Funds: Continuously offered closed-end funds with shares that do not trade on the secondary market. Instead, the fund periodically (typically monthly or quarterly) offers to repurchase a percentage of outstanding shares at the net asset value, however, liquidity is not guaranteed and can be limited by the fund manager.
- 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 Purchasers, 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), embedded and realized gains, tax loss harvesting, 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 for 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. Aldrich Capital Advisors LP will utilize the services of Pacific Coast Capital, LLC to complete certain transactions. 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 broker-dealers. To mitigate this conflict of interest, we fully disclose the relationship between Aldrich Wealth and Pacific Coast Capital to the client needing those services before the client enters 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. They hold interest in Aldrich Retirement Solutions LP and Aldrich Technology LLC, both now non-operating entities.

Aldrich CPAs provides accounting, tax, and consulting services, and is majority owned by AKT Services LLP. The firm also holds ownership 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, when the client contracts for their services to be bundled. The tax planning and tax preparation services are provided by Aldrich CPAs, 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 CPAs 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. Carl J. Pinkard, Principal and Vice President of Aldrich Wealth, is also the president of Aldrich Capital Advisors. Clients in need of investment banking and merger and acquisition consulting may be referred to Aldrich Capital Advisors LP for these services, and they will be encouraged to use Pacific Coast Capital, LLC to complete transactions that require the use of a limited-scope broker-dealer. These arrangements have the potential to create a conflict of interest because we have an incentive to recommend our related entities as opposed to unrelated entities. To mitigate this conflict, we fully disclose the relationships here and before the client enters into any agreement for the use of those services.

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

Aldrich Benefits was sold to an unrelated entity effective December 31, 2023 (including their ownership of Northwest Employee Benefits) and is no longer an affiliated entity.

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 Independent 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.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with making decisions in the best interest of our clients. Employees are permitted to maintain personal securities accounts provided any personal investing by an employee in any accounts in which the employee has a beneficial interest is consistent with Aldrich Wealth's personal trading guidelines and applicable regulatory requirements. 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 that are recommended to and/or purchased for Aldrich Wealth's clients. Employee trading is monitored under the Code of Ethics, to reasonably prevent conflicts of interest between Aldrich Wealth and its clients.

Certain employee and 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 employee/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. 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 and reviewed by the Chief Compliance Officer.

To request a copy of our Code of Ethics, contact Luan Dollens, Chief Compliance Officer at [ldollens@wealthadvisors.com](mailto: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 a 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 are 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 and recommend clients to use Charles Schwab & Co., Inc. (“Schwab”) a registered broker-dealer, member SIPC, as the qualified custodian. 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 account opening paperwork.

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 generally permit clients to direct brokerage for specific trades. For client accounts maintained at Schwab, Schwab does not generally charge separately for custody services but is compensated by account holders through service fees and/or transaction-related fees (commissions) for securities trades that are executed through them and by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. We have determined that having Schwab execute most trades (for Private Wealth services) is consistent with our duty to seek “best execution” of client trades. By using another broker or dealer clients may pay lower transaction costs.

Schwab Advisor Services is Schwab’s business servicing independent investment advisory firms like Aldrich Wealth. They provide us and our client with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. These support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us.

Schwab’s institutional broker services include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available include some to which we might not otherwise have access or that would require a significantly higher minimum investment by our clients. These services generally benefit clients.

Schwab also makes available to us other products and services that benefit us, but do not directly benefit our clients. These services assist us in managing and administering our client’s accounts and operating our firm. These services may include research-related products and tools (both Schwab’s own and that of third parties); 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. Additionally, publications and conferences on practice management, occasional business entertainment of personnel, information technology, business succession, regulatory compliance, and marketing. Some of these services may be offered directly by Schwab or arranged to be provided through third-party vendors to us. If client accounts were not maintained at Schwab, we would be required to pay for these services from our own resources.

The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on client interest in receiving the best value in custody services and the most favorable execution of your transaction. This is a conflict of interest. As a fiduciary, Aldrich Wealth endeavors to act in its clients' best interests. We believe, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us. 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 program participation. Please see the related disclosure under Item 14 below. Currently, Aldrich Wealth does not recommend broker-dealers to clients based on our interest in receiving client referrals.

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 Independent 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 an Independent Manager without prior notice to the client. The client may be required to execute a limited power of attorney with such Independent 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. Aggregating trades allows us to execute trades in a timely, more equitable manner. 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. There may be times when we are unable to aggregate and execute orders across model groupings of accounts, necessitating the execution of orders over time. In such cases, we will trade rotation methodology by model grouping designed to avoid favoring one group of accounts over another and to treat clients equitably over time. We strive to implement allocation changes as quickly and equitably as possible. In rare cases, we may determine that pro rata allocation is not appropriate under the particular circumstances, the allocation will be made based on other factors that we deem appropriate, including, without limitation, the avoidance of a client holding odd lots or similar *de minimis* number of shares or the factors.

In such cases, Aldrich Wealth will increase or decrease the number of securities that would otherwise be allocated to each client by reallocating the securities in a manner that Aldrich deems fair and equitable to clients over time.

**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. Schwab 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 that the custodian selects.

### **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 ongoing 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 into 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 assist them in meeting their fiduciary duties to administer the plan. The specific services and duties offered by Aldrich Wealth 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 or recordkeeper statements, and as such they should be reviewed and compared to the custodial or 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 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 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, 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, and Schwab purchased TD Ameritrade, 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 onto its clients.

#### **Item 15 – Custody**

Aldrich Wealth is deemed to have custody of client assets where clients have provided us with authority to instruct their custodian to deduct our advisory fees directly from the client's account. The qualified custodian that holds your assets will send quarterly statements of account directly to you identifying the amount of funds and each security in your account at the end of the period and setting forth all transactions in your account during the period, including the amount of any fees paid to us. **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.

We are also deemed to have custody where clients have provided us authority to move money to another person's account by means of executing a Standing Letters of Authorization (a "SLOA"). In these circumstances, our protocol to assure the proper handling of client funds is to require that:

1. The client provides a written, signed instruction to the qualified custodian that includes the third-party payee's name and address or account number at a custodian;

2. The client authorizes us in writing to direct transfers to the named third-party payee or payees either on a specified schedule or from time-to-time;
3. The client's qualified custodian verifies the client's authorization and provides a transfer of funds notice to the client promptly after each transfer;
4. The client can terminate or change the instruction at any time on notice to the custodian;
5. We have no authority or ability to designate or change the identity, address, or other information of the designates third-party payee or payees in the instruction;
6. We maintain records showing that the designated third-party payee or payees is/are not a related party of the firm or located at the same address as the firm; and
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Except as described above regarding direct fee deduction authority and SLOAs, 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 and plan assets, while certain alternative or private offerings will be held directly with the issuer. In the latter instance, the issuer will typically provide quarterly reports directly to the client. Aldrich Wealth is not a qualified custodian.

#### **Item 16 – Investment Discretion**

Clients usually grant Aldrich Wealth with discretionary authority at the outset of an investment management relationship. 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 Independent 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**

Except when acting as an IDF sub-advisor, Aldrich Wealth does not have any authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for assets managed directly by Aldrich Wealth. From time-to-time, and when clients request assistance, Aldrich Wealth may provide advice to clients regarding the clients' voting of proxies or other corporate action.

Independent Managers appointed to certain accounts, such as separately managed asset accounts, may assume the authority for voting proxies on behalf of clients. Generally, these Independent 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.*