

# Wessel Investment Counsel, L.L.C.

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## FORM ADV PART 2A DISCLOSURE BROCHURE

This brochure provides information about the qualifications and business practices of Wessel Investment Counsel, L.L.C. If you have any questions about the contents of this brochure, please call (828) 232-2000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Wessel Investment Counsel L.L.C. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Wessel Investment Counsel, L.L.C. is 129911.

Wessel Investment Counsel, L.L.C. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply any particular level of skill or training.

For the sake of brevity, Wessel Investment Counsel, L.L.C. will be referred to as "WIC" for the remainder of this document.

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 23, 2022, we have no material changes to report.

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## Item 4 Advisory Business

WIC is a registered investment adviser based in Asheville, North Carolina. It is organized as a limited liability company under the laws of the State of North Carolina. WIC was organized in 2003 and has been providing investment advisory services since early 2004. Glenn Wessel is the managing member and sole owner of the firm. WIC currently offers the following investment advisory services which are personalized to each individual client:

- **Asset Management Services**
- **Financial Planning Services**

The following paragraphs describe WIC's services and fees. Please refer to the description of each investment advisory service listed below for information about how WIC tailors its advisory services to its clients' needs.

### **Asset Management Services**

WIC offers discretionary and non-discretionary asset management services to its clients and prospective clients and tailors the associated investment advice to meet its clients' needs and investment objectives.

If you retain WIC for asset management services, WIC will meet or otherwise confer with you to determine your investment objectives, risk tolerance, and to obtain other relevant information ("suitability information") at the beginning of the advisory relationship. WIC will use the suitability information it gathers from those initial discussions to develop a strategy that enables it to provide you with continuous and focused investment advice and/or to make investments on your behalf.

As part of its asset management services, WIC will customize an investment portfolio for you in accordance with your risk tolerance and investing objectives and will invest your assets using a strategy based on its use of a number of third-party research providers. WIC subscribes to news and investment research services provided by Morningstar, CFRA (formerly a division of Standard & Poor's), Credit Suisse, Value Line, and Zacks. WIC also utilizes the services of various information providers that are available to the general public via the Internet.

Once WIC constructs an investment portfolio for you it will monitor your portfolio's performance on a regular basis and attempt to update your financial information, annually. However, WIC will also expect you to promptly notify it if or when there is any material change in your financial situation or investment objectives.

If you decide to utilize WIC's discretionary asset management services, WIC requires you to grant discretionary authority with respect to the management of any account or contract that falls under the purview of that service. Discretionary authorization allows WIC to determine the specific securities and the amount of those securities to be purchased or sold in any accounts without first obtaining your prior approval prior to such transaction.

Discretionary authority is typically granted through an "asset management agreement." You may limit WIC's discretionary authority. For example, you may limit the types of securities WIC may purchase for you in any account or contract it manages for you by providing WIC with any applicable restrictions and guidelines, in writing. However, this may affect the manner in which WIC manages your investment assets as well as the resulting performance.

When you utilize WIC's non-discretionary asset management services WIC must obtain your approval prior to executing any transactions in any account or contract subject to the purview of that service.

## **Financial Planning Services**

WIC offers consulting services which primarily involves advising clients about specific financial topics which may include budgeting, debt management, education funding, employee benefit analysis, estate planning, insurance coverage, portfolio design, retirement planning and/or tax planning.

Any financial planning advice WIC may render to you shall be distinct from any other relationship it might have with you. That is, if you wish to engage WIC to render financial planning advice, you must specifically engage WIC to do that. To engage WIC to render financial planning advice, WIC must agree to the scope of the engagement in a formalized agreement. Any financial planning advice WIC may render to you shall be rendered as a point-in-time service, not as ongoing advice. Any financial planning advice you receive from WIC will necessarily depend upon the financial information you provide to WIC for its analysis. Accordingly, WIC would expect you to notify it of any changes in your financial situation, goals, objectives, or needs while WIC is engaged in any such analysis on your behalf.

Although WIC may perform various financial planning analyses for you, WIC will assemble those analyses into a written summary only if specifically engaged to do so. Otherwise, any supporting analyses WIC may make available to you will be at WIC's discretion.

You are under no obligation to act on WIC's financial planning recommendations. Should you choose to act on any of WIC's financial planning recommendations, you will not be obligated to implement any portion of the advice through WIC including any investment-related advice WIC may provide to you. That is, you may act on any investment-related advice WIC provides you by placing securities transactions with any securities firm of your choosing.

## **Types of Investments**

WIC primarily offers advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, U.S. Government securities, options contracts on securities and commodities, futures contracts on securities and commodities, and interest in partnerships investing in real estate, and oil and gas interests.

WIC may advise you on any type of investment it deems appropriate based on your stated goals and objectives, risk tolerance, and general financial profile. WIC may also provide advice on any type of investment held in any account of yours at the inception of any advisory relationship you establish with WIC. WIC may also offer advice to you with respect to investments in various partnerships and hedge funds that invest in a variety of securities, funds, and strategies, but only to the extent it considers you to be an accredited investor.

## **IRA Rollover Recommendations**

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

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

- Meet a professional standard of care when making investment recommendations (give prudent

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

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

### **Assets Under Management**

As of January 23, 2023, WIC provides continuous management services for \$79,943,273 in client assets on a discretionary basis, and \$448,321 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **1. Asset Management Services Fee**

In exchange for providing asset management services to you, WIC will assess an asset management services fee, hereinafter "asset management fee," against any billable assets (discussed below) WIC manages on your behalf.

Depending upon individual circumstances, WIC may be willing to negotiate the percentage rate of any asset management fee it is to assess against billable assets it manages on your behalf, but when expressed as an annual rate, WIC's asset management fee will not exceed:

- 1.00% against billable assets in cases where you have authorized WIC to exercise discretionary investment authority (discussed in the following section) on your behalf, or
- 1.30% against billable assets in cases where you have withheld discretionary authority (discussed below) from WIC.

The actual percentage rate of the asset management fee WIC will assess against your billable assets may also be influenced by the overall value of the billable assets WIC manages on your behalf and whether those assets exist within a "brokerage environment" or within an "annuity environment" (discussed, below). Depending on the individual circumstances, the annual percentage rate of WIC's asset management fee could be substantially lower than the maximums mentioned, above.

### **Discussion of Terms in Previous Section**

While describing the generalities of any asset management fee WIC may assess against assets you engage WIC to manage on your behalf, the previous section identified the following factors that may influence the specific annual percentage rate of that fee:

- billable assets,
- authorizing or withholding discretionary investment authority, and whether the

- billable assets WIC manages on your behalf that exist within a brokerage environment, or within an annuity environment.

These factors are discussed in greater detail, below.

### **Billable Assets**

The term "billable assets" refers to the fair market value of any assets WIC manages on your behalf upon which WIC is to assess its asset management fee. However, the methodology WIC uses to determine billable assets differs according to whether such assets are held within a brokerage environment or within an annuity environment.

### **Billable Assets held within a Brokerage Environment**

"Billable assets held within a brokerage environment" refers to the total fair market value of assets held in any brokerage account managed by WIC on your behalf *after* deducting the fair market value of cash and/or short-term debt instruments that are typically regarded within the investment industry as being equivalent to cash.

Because WIC has a greater degree of control over the billing process upon assets held within a brokerage environment than it does over assets held within an annuity environment and because WIC wishes to mitigate any disincentive that may exist for you to maintain liquid reserves in any brokerage account WIC might manage on your behalf, WIC makes this adjustment.

### **Billable Assets held within an Annuity Environment**

WIC has comparatively little control over the billing process upon billable assets held within an annuity environment. As such, WIC is unable to exclude the fair market value of any cash and/or short-term debt instruments that are widely considered to be equivalent to cash from billable assets held within an annuity environment. Therefore, "billable assets held within an annuity environment" refers to the total fair market value of assets held in any annuity or non-qualified stretch account or contract managed by WIC on your behalf *without* deducting the fair market value of cash and/or short-term debt instruments held in any such account or contract.

To help mitigate this lack of control, however, WIC has simplified the rate it assesses on billable assets within this environment to be a flat percentage fee, as is more fully discussed, further below.

### **Tiered-Rate Approach to Billable Assets in a Brokerage Environment**

When calculating the overall annual percentage rate of the asset management fee that is to be applied against billable assets held within a brokerage environment, WIC apportions billable assets across a series of tiers and then applies the applicable rate associated with each tier to the billable assets in that tier. The applicable percentage rate applied in each subsequent tier not only declines as the level of billable assets increases, the percentage rate applied to each of the various billable asset tiers is also influenced as to whether you authorize WIC to exercise discretionary investment authority over the assets you engage WIC to manage on your behalf.

Unless negotiated otherwise, the following grid illustrates the annual percentage rate WIC intends to apply to each tier of billable assets held within a brokerage environment as well as the incremental rate impact of withholding discretionary investment authority from WIC.

Billable Asset Tiers for Billable Assets			Annual Percentage Rate With Discretion	Annual Percentage Rate Without Discretion
\$0.00	-	\$99,999.99	1.00 %	1.30 %
\$100,000.00	-	\$249,999.99	0.85 %	1.15 %
\$250,000.00	-	\$499,999.99	0.75 %	1.05 %
\$500,000.00	-	\$749,999.99	0.65 %	0.95 %
\$750,000.00	-	\$999,999.99	0.50 %	0.80 %
\$1,000,000.00	-	\$1,999,999.99	0.30 %	0.60 %
\$2,000,000.00	-	& up	0.20 %	0.50 %

The overall, annual percentage rate that WIC intends to apply against billable assets within a brokerage environment is, therefore, based on the weighted average rate as determined by the tiers and rates shown, above.

### Flat-Rate Approach to Billable Assets in an Annuity Environment

In contrast to billable assets held within a brokerage environment, WIC applies a flat-rate approach to billable assets held within an annuity environment. Regardless of whether you authorize WIC to exercise discretionary authority over assets you engage WIC to manage on your behalf that are held within an annuity environment, the annual percentage rate of WIC's asset management fee is fixed at .50%.

### WIC Not a Marketer of Annuities

While WIC may agree to select and oversee the manner in which the assets within an annuity and/or non-qualified stretch contract or account is invested, it is important to understand that WIC does not, in any way, sell or market annuities or non-qualified stretch contracts or accounts.

If WIC deems it to be in your interest to do so, WIC may recommend the use of certain annuity or non-qualified stretch contracts or accounts to you. To the extent WIC is aware of any such contracts or accounts that are offered *directly* to the public that are, therefore, devoid of the sales and/or surrender charges that are typically embedded in competing contracts that are offered by commission-oriented entities and salespeople, WIC will typically express a preference for such, lower-cost products.

In cases where WIC believes it to be in your interest to obtain an annuity or non-qualified stretch contract that is available only through a commission-oriented marketer of such vehicles, WIC may still recommend that you pursue such a vehicle if WIC believes such a recommendation is in your interest.

Regardless of any such recommendation WIC might make to you, WIC accepts no remuneration from any insurer, annuity company or, more broadly, from any party other than clients who have engaged WIC to perform services on their behalf.

If WIC were to recommend that you purchase an annuity or non-qualified stretch contract or account that is available to you directly from the carrier, WIC will typically offer to tailor the investment choices within that contract or account to mesh with your investment objectives in exchange for the flat-rate asset management fee of .50% that has been previously discussed, but that flat-rate asset management fee should in no way be regarded as a compensation to WIC for having successfully marketed an annuity or non-qualified stretch contract or account to you.



In fact, it is WIC's policy to introduce its clients to any such annuity or non-qualified stretch product it deems to be in its clients' interests regardless of whether WIC is later engaged to manage the investment choices offered within that account or contract.

### **Asset Management Fee Figured as an Annual Percentage Rate, but Assessed Quarterly**

Whether WIC applies an asset management percentage fee to billable assets held within a brokerage environment or to billable assets held within an annuity environment, WIC's practice is to apply one-fourth ( $\frac{1}{4}$ ) of the applicable, annual percentage rate to the billable assets in *each* account or contract WIC manages on your behalf.

For example, if WIC determines that the annual percentage rate that is to apply to your billable assets within a brokerage environment is .7%, it will apply one-fourth ( $\frac{1}{4}$ ) of that rate (.175%) against the billable assets of each account residing within that environment regardless of the relative value or size of each account. Likewise, WIC will apply one-fourth ( $\frac{1}{4}$ ) of its fixed, .50% annual percentage charge (.125%) against the billable assets of each annuity or non-qualified stretch account residing within an annuity environment regardless of the relative value or size of each such contract.

### **Asset Management Percentage Fee Methodology Fixed at Inception of Relationship**

If you engage WIC to manage assets on your behalf, any applicable fee schedules you and WIC might agree upon will be fixed at relationship inception. WIC may subsequently, voluntarily and/or unilaterally reduce the percentage rate of any asset management fee it might assess against billable assets it manages on your behalf that are held within a brokerage or annuity environment, but WIC will never increase any percentage fee it charges you without first providing you with 30 days' advance written notice.

### **Asset Management Fee Calculation & Assessment**

Regardless of whether WIC is endeavoring to assess its asset management fee against billable assets residing within a brokerage environment or within an annuity environment, WIC will assess the applicable, quarterly asset management percentage rate against the applicable billable assets based on the fair market of those billable assets as of the close of business on the final business day of each calendar quarter.

Regardless of exactly when an asset management fee may be deducted from an account or contract or otherwise satisfied, the asset management fee that is calculated as of the end of a given calendar quarter will compensate WIC for rendering asset management services to you in anticipation of the subsequent calendar quarter. Stated differently, WIC figures any asset management fees that are due to it prior to the completion of the calendar quarter to which such fees pertain.

The deduction of any asset management fee WIC might assess against any assets it manages on your behalf will depend upon whether those assets are held within a brokerage environment or within an annuity environment.

### **Timing of Asset Management Fee assessed within a Brokerage Environment**

Although WIC will calculate the asset management fee applicable to billable assets held within a brokerage environment as of the close of business of the final business day of a given calendar quarter in anticipation of asset management services WIC is to render during the subsequent calendar quarter, WIC will not deduct that fee until sometime after the beginning of that subsequent calendar quarter. WIC's longstanding practice has been to deduct asset management fees pertaining to billable assets held within a brokerage environment during the first month of each subsequent calendar quarter, but WIC is not constrained to completing its invoicing process during the first month of any such calendar quarter.

### **Timing of Asset Management Fee assessed within an Annuity Environment**

As with billable assets held within a brokerage environment, any insurance carrier with whom you have a contract that WIC agrees to manage for you will calculate the asset management fee applicable to billable assets held within an annuity environment in accordance with any billing arrangement you reach with that carrier that WIC also finds acceptable. Any such fee deduction against any insurance contract WIC has agreed to manage on your behalf that occurs during a given calendar quarter shall be considered compensation to WIC for asset management services WIC is to render during the *subsequent* calendar quarter.

WIC exercises no control over the billing process against billable assets held within an annuity environment. Therefore, WIC is reliant upon the billing processes of any insurance carrier with whom you have one or more contracts WIC agrees to manage on your behalf.

### **Pro-rating WIC's Asset Management Service Fee for Short Periods**

If you establish an asset management relationship with WIC on some day other than the last day of a calendar quarter, WIC will prorate its quarterly asset management fee to reflect the short period. Similarly, if you properly terminate (discussed, below) your asset management agreement with WIC before the last day of a calendar quarter, WIC will timely refund to you any portion of its quarterly asset management fee that is attributable to any period subsequent to the termination date.

### **Termination**

Upon engaging WIC to provide asset management services, you may terminate the relationship without penalty at any time within five (5) business days by giving written notice of that intent. Thereafter, your asset management relationship with WIC may be terminated at any time by you or by WIC upon providing thirty (30) days prior written notice to the other party. To the extent you initiate the termination, you must advise WIC in writing with respect to all necessary instructions and authorizations as to how WIC is to distribute, dispose of, or otherwise handle any assets it might manage for you. Terminating the relationship does not affect either party's duties, obligations, or rights prior to such termination.

### **Invoicing**

In accordance with the asset management fee calculations previously outlined, WIC will send an invoice to you showing you the amount of the fee, the value of the assets on which the fee is based, the time period covered by the fee, the specific manner in which the fee was calculated and, if you have more than one account, how that fee was apportioned across accounts.

WIC will mail such invoice to you after any applicable carrier of any annuity or non-qualified stretch contract or account has already assessed and deducted any asset management fees due to WIC, but before or contemporaneously as WIC directs its broker of record to deduct any asset management fees due to WIC against billable assets held within a brokerage environment.

### **No Cross-Billing between Billable Assets in Annuity & Brokerage Environments**

Due to the complexity of technical guidance provided by the IRS regarding the permissibility of cross-billing asset management fees between assets held in annuity and brokerage environments, WIC does not permit this practice.

### **Cross-Billing of Contracts held within an Annuity Environment**

Due to the complexity of technical guidance provided by the IRS regarding the permissibility of cross-billing asset management fees between annuity and non-qualified stretch contracts and the comparative inflexibility of billing practices afforded by insurance companies, WIC does not permit this practice, either.

### **Cross-Billing of Accounts held within a Brokerage Environment**

WIC may allow the asset management fee applicable to an account held within a brokerage environment to be billed against another account held within a brokerage environment, but WIC will make each such determination on a case-by-case basis and only upon written request.

### **Deduction of Asset Management Fees**

With respect to any account(s) you maintain within a brokerage environment, WIC will deduct its fee directly through the qualified custodian only when the following requirements have been met:

- you provide WIC with written authorization permitting the fees to be paid directly from your account held by the qualified custodian,
- WIC sends an invoice to you showing the amount of the fee, the value of the assets on which the fee is based, the time period covered by the fee, and the specific manner in which the fee was calculated, and
- the qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to WIC.

With respect to any account(s) you maintain within an annuity environment, the annuity company or carrier will deduct any fee that is due to WIC in accordance with the billing arrangement you have executed with that carrier.

### **Refunds**

Upon proper termination of your relationship with WIC (discussed previously), WIC will refund any unearned asset management fee in a timely fashion. Any such refunds will be figured on a pro-rata basis with the passage of time being the sole basis for calculating any such refund.

## **2. Financial Planning Services Fee - Generalities**

In exchange for providing financial planning services to you, WIC will assess a financial planning services fee, hereinafter "financial planning fee," that may be based on an hourly rate or on a per-project fee.

WIC's hourly rate for providing financial planning services is \$60. Depending on the scope and complexity of the plan, your financial circumstances, and your financial objectives, this rate is negotiable.

WIC bills its hourly charge in quarter-hour increments, but does not bill for partial quarter-hours.

WIC will estimate the total time and cost of any agreed upon analysis or project at the inception of WIC's advisory relationship with you. In certain instances, the actual time WIC requires to complete a given project or analysis may exceed WIC's initial estimate. In such cases, WIC will endeavor to notify you and request that you approve the revised estimate. If you do not approve the revised estimate, you will be considered to have properly terminated the relationship.

WIC requires that you pay 50% of any estimated project fee in advance and the remaining portion upon the completion of the services rendered.

To the extent WIC has collected funds from you in excess of its time spent, WIC will refund that excess to you in a timely manner.

To the extent WIC has notified you of an increased cost estimate that you do not approve, WIC shall not bill you for any incremental time beyond your initial deposit.

WIC accepts payment on the form of personal checks and cash.

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

### **Financial Planning – Fixed Fee Option (as opposed to an Hourly Fee)**

Instead of engaging WIC to provide financial planning services to you on an hourly basis, you may request that WIC charge a fixed fee. Fixed fees typically range from \$1,000 - \$2,500. As with other fees assessed by WIC, fixed financial planning fees may depend upon the complexity and scope of the engagement, your financial circumstances, and your financial objectives and are, therefore, negotiable in advance of any such engagement.

With respect to fixed-fee financial planning engagements, the lesser of 50% of the total fee or \$500 is due at inception of any such agreement with the remainder due upon completion of the engagement. As is the case with hourly financial planning engagements, WIC will not require prepayment of a fee more than six months in advance and in excess of \$500.

### **Financial Planning Fee Deferral for Asset Management Clients**

In certain cases, WIC may agree to defer the cost of financial planning services it renders to you the extent you simultaneously engage it to render asset management services to you. In such cases, WIC will specify a value of the financial planning services it has agreed to render to you at the time of engagement, but WIC will charge for such financial planning services only to the extent that the total asset management fees collected by WIC from you during the ensuing 2-year period amounts to less than the specified value of the financial planning services that had been previously deferred. This structure affords you the opportunity to receive a value-added service without additional cost.

You may terminate the financial planning agreement by providing written notice to WIC, as discussed above, in the section entitled "*Termination*." You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that WIC have not yet earned, WIC will refund (as discussed above, in the section entitled "*Refunds*") any unearned deposits you have made in a timely fashion.

### **3. Additional Fees and Expenses**

As part of WIC's investment advisory services to you, it may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that WIC charges for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, exchange-traded funds and other packaged investment products impose upon their shareholders. In general, you may ascertain such fees by referring to an investment product's prospectus. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by WIC's broker of record, custodian and/or carrier of any annuity and/or non-qualified stretch contracts or accounts you have engaged WIC to manage on your behalf.

WIC does not share in any portion of any brokerage fees or transaction charges imposed by any such third-party entity or entity. To fully understand the various costs you may incur, you should review all the fees charged by mutual funds, exchange traded funds, closed-end funds, WIC, and others.

For information on WIC's brokerage practices, please refer to the "*Brokerage Practices*" section of this Disclosure Brochure.

#### **4. IRA Rollover Considerations**

As part of any investment advisory services WIC may provide to you, WIC may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") for WIC to manage on your behalf. If you elect to roll the assets to an IRA that is subject to WIC's management, WIC will charge you an asset-based fee as set forth above and in an asset management agreement you execute with WIC.

This practice presents a conflict of interest because persons providing investment advice on WIC's behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than rendering that advice based solely on your needs. You are under no obligation, contractually or otherwise, to complete any such rollover.

Many employers permit former employees to keep their retirement assets in their company plan. Sometimes, current employees may also move assets out of their company plan before they retire or change jobs. In determining whether to complete a rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of the following options that are often available to employees:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages. Before making a change WIC encourages you to confer with a tax professional.

If you are considering rolling over retirement funds to an IRA for WIC to manage on your behalf, WIC encourages you to consider the following before doing so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than the fees you might face if you were to engage WIC to manage those assets.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes of funds available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services of which you might take advantage at an IRA provider as well as the potential costs of those products and services.
3. An investment strategy recommended by WIC may entail higher risk than the option(s) available to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or other retirement plan account, you could potentially delay your required minimum distribution beyond age 72.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to borrow from a 401k whereas loans from IRAs are not permitted.

8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire WIC as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between IRAs and other retirement plans to decide whether a rollover makes sense for you.

If you have questions, contact an investment adviser representative of your plan or call WIC at the number listed on the cover page of this brochure prior to proceeding with an IRA rollover.

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

WIC does not accept performance-based fees, nor does it participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. WIC's fees are calculated as described in the *Advisory Business* section above and will not be assessed on the basis of a share of capital gains upon, or capital appreciation of any accounts WIC manages on your behalf.

## **Item 7 Types of Clients**

WIC offers investment advisory services to individuals. Except for the exception noted below, WIC imposes no account minimums with respect to the availability of its asset management or financial planning services and it has no policy to uniformly turn you away if you fail to meet certain financial thresholds. Instead, WIC accepts clients on a case-by-case basis where it will attempt to consider a range of subjective factors.

Subjective factors WIC may consider in deciding whether to accept you as a client may include its perception of how likely it feels you are to consider, appreciate, and act upon its advice, and how likely it feels you may be to react acutely to tumultuous market conditions.

In general, WIC strives to consider such subjective factors at least as much as the typical financial thresholds for income, net worth, and investable assets that are often applied to the client-acceptance, decision-making process. Please refer to Item 14, *Client Referrals and Other Compensation*, for more information.

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

WIC may rely upon one or more of the following methods of analysis or investment strategies when providing investment advice to you:

### **Fundamental Analysis**

Such analysis may involve analyzing individual companies and their industry groups, a company's financial statements, its product lines, the experience and expertise of its management and the outlook for its respective industry. Such analyses are then used to estimate the intrinsic value of a company's securities and to then compare that estimate to their current market value.

### **Technical Analysis**

Such analysis typically involves the study of past price patterns and trends in the financial markets to predict the direction of both the overall market and specific securities.

### **Cyclical Analysis**

Such analysis is a type of technical analysis that involves evaluating recurring price patterns and trends.

### **Long-Term and Short-Term Purchases**

When purchasing securities on your behalf, WIC may regard certain purchases as being long-term in nature. If so, WIC will purchase such securities with the expectation they will be held over a period of time that generally exceeds one year. However, WIC may also purchase securities for you that it expects to hold for shorter periods of time in an effort to take advantage of short-term price fluctuations.

### **Buying on Margin**

Buying on margin refers to borrowing funds from a securities dealer to fund the purchase of one or more securities where the purchased securities then collateralize the borrowed funds. WIC will purchase securities on margin for you in an account it manages for you only to the extent you have authorized such activity on the requisite account documentation you have executed with WIC's broker of record and custodian.

### **Options Trading/Writing**

Options trading involves the buying or selling (writing) of options. If you write an option and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares of a specified security at a specified price at the expiration of the option contract regardless of the market value of the security at that expiration date. Similarly, buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option. As with buying on margin, WIC will engage in options activity on your behalf only to the extent you have authorized such activity on the requisite account documentation you have executed with WIC's broker of record and custodian.

### **Investment Strategy May Vary Based on Your Financial Circumstances**

Any investment advice WIC may render to you and any investment strategies WIC may pursue on your behalf are likely to vary in accordance with your specific financial circumstances. As such, any investment strategy WIC may pursue on your behalf is likely to be influenced by any predefined investment objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other suitability factors you have shared with WIC. Any restrictions, constraints and/or guidelines you impose upon WIC's management of any account WIC might manage for you may impact the composition and/or performance of your portfolio.

### **Unless Otherwise Agreed, Tax Efficiency to be Subordinate to General Investment Strategy**

Any investment strategy pursued by WIC on your behalf is likely to result in specific, unique tax implications. Unless WIC specifically agrees to the contrary and in writing, WIC will not pursue tax efficiency as its primary consideration in the management of your assets. Regardless of the size of any

accounts or contracts WIC may manage on your behalf or other potential factors, WIC strongly recommends that you consult with a tax professional prior to and throughout any investment-related relationship you might have with WIC.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. WIC cannot and does not represent or guarantee that its services or methods of analysis can or will predict or result in any specific outcome. WIC cannot and does not make any representations or assurances as to its ability to predict future events, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. WIC cannot offer any guarantees or promises that your financial goals and objectives will be achieved. You should also understand that past performance of any portfolio or security is in no way an indicator of future performance.

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

As discussed under Item 4 Advisory Business, in the section entitled Types of Investments, WIC offers advice on many types of securities. However, WIC primarily recommends and utilizes the following types of securities: individual equities, exchange-traded funds (ETFs), mutual funds, closed-end funds, fixed-income securities, and variable annuities.

All such instruments present certain types of risk. A summarized description of each type of instrument follows. WIC will provide you with additional information about these instruments should you request it.

### **Individual Equities**

There are numerous ways of measuring the risk of equity securities which are also known simply as "equities" or "stock." In very broad terms, the value of a stock depends on the financial health and the operating prospects of the company that has issued it. However, stock prices can be impacted by many other factors including, but not limited to, the class of stock (for example, preferred or common), the health of the market sector of the issuing company, and the overall health of the economy. In general, larger, more well-established companies ("large-cap" stocks) have tended to exhibit less price volatility than smaller, start-up companies ("small-cap" stocks), but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

### **Mutual Funds, Exchange-Traded Funds (ETFs) and Closed-End Funds**

Mutual funds, exchange-traded funds and closed-end funds are professionally managed investments that pool money from the investors who invest in them to then be invested in a wide variety of securities such as stocks, bonds, short-term debt (money market) instruments, and even other mutual funds. Such funds may be structured to passively track some pre-defined index, or they may have a manager or management team that more actively oversees the fund's investments in accordance with the fund's investment objective.

While such instruments generally provide some level of diversification, risk can still be elevated if the fund is confined or concentrated in a particular sector of the market or if it invests primarily in small-cap companies, speculative or embryonic companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates its investments in a particular type of security or asset class.

Exchange-traded and closed-end funds differ from mutual funds inasmuch as they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds, exchange-traded funds and closed-end funds are typically reduced by the costs levied upon shareholders to manage and administer the funds. While some mutual funds are "no load" and, therefore, impose no sales charges to buy or sell shares, other types of mutual funds may charge such fees which can further reduce returns.



Although WIC has access to many mutual funds that are permitted to impose sales charges, WIC is typically able to side-step such charges on behalf of its clients simply because no salesperson is involved in the purchase or sale of any such funds. Mutual funds may also be "closed-end" or "open-end," in nature. So-called "open-end" mutual funds typically stand ready to issue new shares and redeem previously issued shares to meet investor demand whereas closed-end funds typically issue shares only upon inception of the fund and do not stand ready to redeem shares they have previously issued. As with exchange-traded funds, an investor who wishes to sell shares of a closed-end fund must do so through an exchange that brings sellers and buyers together.

### **Fixed-income Securities**

Fixed-income securities (often referred to as "bonds") are generally considered to be less risky than equity securities due to the contractual nature of the underlying obligation, but their risk can also vary widely based on the financial health of the issuer, the risk that the issuer might default, the length of time before the security matures (where the issuer is to repay the obligation) and whether or not the bond may be "called" (redeemed early) prior to maturity.

When a bond is called, the terms of the redemption may or may not favor the investor and it may not be possible for the investor to replace the security with another security of equal character or one that offers a similar risk/reward profile.

### **Variable Annuities**

A variable annuity is a form of insurance where the issuer (typically an insurance company) offers a contract that allows for the tax-deferred accumulation of capital and/or an immediate or eventual series of payments to a buyer, owner or annuitant in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity).

The payment stream from the issuer to the annuitant has an unknown duration as a result of that payment stream being contingent upon the annuitant's life. At the annuitant's death the contract will terminate and the remainder of the funds accumulated will be forfeited by the annuity owner to the annuity issuer unless other annuitants or beneficiaries are contractually entitled to additional payment.

Variable annuities may be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities pay amounts that vary according to the performance of a specified set of underlying investment accounts ("subaccounts") that are conceptually similar to mutual funds.

Variable annuities often impose asset-based sales charges or surrender charges for withdrawals made within a specified period of time after contract inception. Variable annuities may impose a variety of fees and expenses in addition to sales and surrender charges such as, mortality and expense risk charges; administrative fees; underlying subaccount expenses and charges for special features ("riders"), all of which can reduce return.

Earnings in a variable annuity do not necessarily provide all the tax advantages of IRAs, 401(k)s and other, before-tax retirement plans. Once an investor starts withdrawing money from his/her variable annuity, earnings are taxed at the investor's ordinary income tax rate rather than at the lower capital-gains rates typically applied to other, non-tax-deferred investments that are held for more than one year.

Proceeds of most variable annuities do not receive a "step-up" in basis when the owner dies as is typically the case with stocks, bonds, mutual funds and other capital assets held outside an annuity or retirement account.

Some variable annuities offer "bonus credits." However, such credits often result in incremental cost or reduced financial flexibility to the annuity owner. In order to fund such credits, annuity companies may impose higher mortality and expense charges, higher surrender charges and/or lengthened surrender charge periods. In an exchange of an existing annuity for a new annuity (often referred to as a like-kind exchange under Internal Revenue Code §1035) the new variable annuity may have a lower contract value, a smaller death benefit, a fresh surrender-charge period and a higher level of fees to cover selling expenses the annuity company incurred in executing a new annuity contract with you.

**Because WIC is a fee-only advisory firm, in no case shall WIC act as a selling agent for any annuity issuer. Although WIC may introduce you to an annuity product if it believes you may benefit from such a product, WIC will not accept any remuneration from any carrier of any annuity or non-qualified stretch contract or account in exchange for any such introduction.**

## Item 9 Disciplinary Information

WIC was organized in 2003 and has been offering investment advisory services since early 2004. Similarly, Glenn Wessel has been registered as an investment adviser representative since 2004. Neither WIC nor Glenn Wessel has any reportable disciplinary information.

## Item 10 Other Financial Industry Activities and Affiliations

WIC has not provided information on other financial industry activities and affiliations because WIC does not have any relationship or arrangement that would be material to its advisory business or to its clients with any of the types of entities listed below:

- broker-dealer, municipal securities dealer, or government securities dealer or broker,
- investment company or other pooled investment vehicle (including mutual funds, closed-end investment companies, unit investment trusts, private investment companies or "hedge funds," and offshore funds),
- other investment advisers or financial planners,
- futures commission merchants, commodity pool operators, or commodity trading advisors,
- banking or thrift institutions,
- accountants or accounting firms,
- lawyers or law firms,
- insurance companies or agencies,
- pension consultants,
- real estate brokers or dealers, or
- sponsors or syndicators of limited partnerships.

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

WIC has adopted a Code of Ethics with several goals in mind. First, WIC desires to comply with all applicable laws and regulations governing its practice. Second, its managing officer has determined to set forth guidelines for professional standards, under which all associated persons are to conduct themselves. WIC has set these standards with the aim of protecting your interests and to demonstrate its commitment to adhere to the fiduciary duties of honesty, good faith, and fair dealing with you. Additionally, WIC maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by it or any person associated with it.

The Code of Ethics to which WIC adheres is available to you upon request. You may obtain a copy of WIC's Code of Ethics by contacting Glenn Wessel at (828) 232-2000 or by emailing: gwessel@wesselinvestment.com.

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

WIC or persons associated with WIC may purchase securities for you or recommend securities to you at the same time WIC or persons associated with WIC ("Associated Persons") purchase such securities for its or their own accounts. Since mutual fund prices are determined at the close of business each day, all transactions occurring in a given mutual fund that are executed on a given day will receive the same price regardless of who places the order or when the order might have been placed during that day.

A conflict of interest exists when trading in other types of securities because WIC and its Associated Persons have the ability to trade ahead of WIC's clients which creates the potential for WIC and its Associated Persons to receive more favorable prices than those received by its clients. To mitigate this conflict of interest, it is WIC's policy that neither its Associated Persons nor WIC itself shall have priority over its clients' accounts with respect to the purchase or sale of securities.

## **Item 12 Brokerage Practices**

### **Selection of a Securities Broker**

To allow WIC to effectively render asset management services to you, you must establish one or more accounts with a qualified custodian/securities broker and/or with an insurance carrier through whom WIC is named as investment advisor.

Because it is difficult to work with multiple securities brokers or asset custodians, WIC has studied the issue and has consequently established a working relationship with Shareholders Service Group, Inc, hereinafter, "SSG." To the extent you engage WIC to manage assets for you within a brokerage environment, WIC will encourage you to establish one or more brokerage accounts with this firm.

SSG is a discount securities broker domiciled in San Diego, California that caters to independent, fee-only investment advisory firms such as WIC. It currently out-sources its asset custody function to Pershing, L.L.C which is a wholly owned subsidiary of the Bank of New York.

In no case shall WIC attempt to act in the capacity of securities broker or asset custodian for any of your accounts, funds, or other assets. Although WIC has a working relationship with SSG, and although WIC may suggest to you that you establish one or more brokerage accounts with SSG, SSG is a third-party vendor that is in no way affiliated with WIC. This means:

- WIC does not represent SSG nor does SSG represent WIC,
- WIC has no financial stake in SSG nor does SSG have a financial stake in WIC,
- WIC has no incentive to generate income for SSG, nor does SSG have an incentive to generate income for WIC,
- WIC does not share in any of SSG's income, nor does SSG share in any of WIC's income, and
- WIC does not influence SSG's fee schedule, nor does SSG influence WIC's.

Because WIC acts in a fiduciary capacity for its clients, WIC's incentive is to minimize any brokerage fees that might be incurred by you, but only to the extent that the management of your accounts and/or portfolios is not impaired.

In general, WIC seeks to achieve "best execution" for any securities transactions it might undertake for you. Best execution does not necessarily equate to selecting the lowest-cost securities broker. Instead, the concept centers on the notion of obtaining value. While low-cost trades may provide value, so too might a host of other qualitative factors such as the security broker's financial stability, the extent to which it may provide account insurance beyond the standard coverage offered by the Securities Investors Protection Corporation (SIPC), its range of services, the quality of its support, its mark-ups or spreads, its reputation regarding transaction execution, the effectiveness and stability of its trading systems, the degree to which it makes independent investment research available to advisory firms such as WIC, its ability to provide account holders with on-line account access, and whether its trading systems can generate robust client account data.

In light of these factors, WIC's practice is to encourage you to establish one or more brokerage accounts with SSG because WIC believes its combination of services and pricing provides best execution to its clients even though its fee and commission structure is not the absolute lowest in the industry.

### **Brokerage for Client Referrals**

WIC does not receive client referrals from broker-dealers in exchange for cash or other compensation such as brokerage services or research. Although this is a legal practice if disclosed, WIC nonetheless believes it to be unethical. Consequently, this type of behavior will be prohibited in any investment advisory agreement WIC may execute with you.

### **Directed Brokerage**

You may ask WIC to manage one or more accounts through a securities broker other than SSG. If WIC agrees, you would then be responsible for negotiating your own terms and arrangements with that other securities broker and WIC would have no responsibility to seek better execution from any other securities broker. You may also pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the similar services. When effecting transactions through some securities broker other than SSG, WIC loses its ability to "batch" any related transactions with clients of its that do maintain accounts with SSG. Consequently, the commissions, transaction costs, and pricing spreads you might receive from some other securities broker could be materially different than what you might receive from SSG.

### **Batched Orders**

To the extent WIC knows in advance that it will be placing a purchase or sales order in the same security across two or more of its clients' accounts, WIC may aggregate such trades into one batched order. Doing this generally allows WIC to obtain more uniform trade executions, and hence, a greater degree of pricing consistency from account to account and from client to client. WIC will generally allocate any securities or proceeds obtained in a batched order among the accounts that participated in such an order unless WIC believes that some other alternative might be more equitable.

In instances where the quantity of securities bought or sold in a given batched order is less than intended, WIC will generally allocate the securities or proceeds actually obtained from that order ratably among those participating clients or accounts in proportion to the size of the intended order size. However, WIC may apply an alternate method if it believes that some other method would be more equitable. If WIC agrees to use a securities broker other than Shareholders Service Group with respect to managing one or more accounts for you, you may not participate in any batched orders WIC might undertake for its other clients. In such cases, you may or may not receive best execution.

### **Batched Transactions versus Account-By-Account Transactions**

With respect to sale transactions where WIC's decision to sell is driven primarily by client-specific factors (as opposed to security-specific factors), WIC may enter such sales orders on an account-by-

account basis. With respect to sale transactions where WIC's decision to sell is driven primarily by security-specific factors (rather than client-specific factors), WIC will generally aggregate such sales into one batched order in an attempt to ensure that no one account, or client receives an advantage over any other account or client.

WIC may, but is not obligated to, batch such orders to obtain best execution, or to negotiate more favorable transaction rates, if possible. To the extent WIC elects to batch client orders for the purchase or sale of securities, including securities in which WIC's Associated Persons may invest, WIC will generally do so in accordance with the parameters set forth in the SEC No-Action Letter, "SMC Capital, Inc." WIC does not receive any additional compensation or remuneration as a result of any such order batching.

## Item 13 Review of Accounts

### Reviews of Asset Management

Glenn Wessel, Managing Member of Wessel Investment Counsel, L.L.C., will monitor investment holdings regularly and will conduct account reviews at least quarterly to ensure the advisory services provided to you and that your portfolio mix are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not necessarily limited to:

- Investment performance that differs materially versus certain benchmark indices,
- A material change in your financial position, investment objectives, or tolerance or attitude toward risk,
- A request by you for WIC to review one or more of your accounts or contracts, and/or
- You expressing any type of dissatisfaction to WIC pertaining to the performance of one or more of your accounts or contracts.

You will receive account statements on a monthly basis from SSG or from WIC's then current broker of record and custodian for any accounts you have engaged WIC to manage on your behalf that are held within a brokerage environment and you will receive account statements no less frequently than on a quarterly basis from an entity that carries any annuity or non-qualified stretch contract you have engaged WIC to manage on your behalf that are held within an annuity environment. SSG will mail to you a monthly statement for each such account indicating, at a minimum, the number of shares or units held of each position broken out by individual tax lot, the date of acquisition for each tax lot, the per-unit acquisition price, the total acquisition cost, the current per-unit price and current market value, the estimated unrealized gain or loss, and the current yield. In cases where an account is particularly small and/or inactive, you may receive a quarterly statement rather than a monthly one.

For each account with an initial market value of at least \$500,000, WIC will provide you with quarterly performance reports unless you indicate to WIC that you do not wish to receive such reports. In general, these performance reports provide you with certain information in addition to the information provided by the monthly account statements. For instance, each performance report will address the account's asset allocation, benchmark index information for performance-comparison purposes, and for fixed-income securities when and where information is available, credit quality, maturity schedule, cash flow projections, and adjusted cost basis. You will also receive confirmation statements reflecting any purchase and sale activity WIC might undertake on your behalf. Additionally, you will be entitled to view your accounts and account activity online to the extent you request such access.

## Reviews of Financial Plans

Glenn Wessel will review previously created financial plans or analyses only to the extent such arrangements have been previously agreed upon or to the extent WIC otherwise agrees to perform such a review. WIC recommends meeting with you periodically to review and update your plan, if needed, but WIC shall not be required to initiate such a review. Such reviews and updates will be subject to WIC's then current hourly rate. WIC will not provide regular written reports for financial planning and consulting services. If you implement financial planning advice through SSG, you will receive trade confirmations and monthly or quarterly statements from it.

## Item 14 Client Referrals and Other Compensation

Glenn Wessel has been admitted to the Paladin Registry ([www.paladinregistry.com](http://www.paladinregistry.com)). Consumers use this registry's services to compare the services, credentials, ethics, and business practices of competing advisors.

This registry also endeavors to match consumers with advisors who use its search and documentation services. As such, WIC pays a monthly fee to the Paladin Registry to make Glenn Wessel's profile available to the public. In addition to providing various educational materials to investors, the Paladin Registry matches WIC with investors who use its search and documentation services. In certain instances, WIC may also pay Paladin a fee per qualified consumer "match." WIC does not pay referral fees to clients or any other third-party for referring clients to it.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits WIC may receive resulting from discount brokers in connection with utilizing their brokerage services.

Beyond the disclosures provided in this Brochure, WIC does not receive any compensation from any third party in connection with providing investment advice to you.

## Item 15 Custody

Unless other arrangements are made, WIC will directly debit your brokerage account(s) for the payment of any fees due to it with respect to any assets of yours that exist within a brokerage environment. WIC's ability to deduct its management fees from your accounts causes WIC to exercise limited custody of accounts you maintain within a brokerage environment. However, WIC does not have physical custody of any of your funds and/or securities.

With respect to any fees due to WIC that are associated with any annuity or non-qualified stretch accounts, the insurer or annuity company or carrier with which you have contracted will assess and deduct any such fees due to WIC in accordance with the billing agreement you reach with that carrier. Accordingly, WIC exercises no custody over accounts you maintain within an annuity environment.

Your funds and securities will be held with a securities broker, bank, broker-dealer, annuity and/or non-qualified stretch carrier, or other qualified custodian (deemed "Custodians" in the aggregate) that is independent of WIC.

You will receive account statements directly from any such custodians holding your funds and securities on at least a quarterly basis. The account statements you receive from your custodian(s) will indicate the asset management fees deducted from account(s) and contracts you have engaged WIC to manage for you each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact WIC at (828) 232-2000.

## Item 16 Investment Discretion

Before WIC can exercise discretionary authority over the decisions to buy or sell securities on your behalf, you must first execute a written agreement, namely an asset management agreement, with WIC allowing it to exercise discretion over the assets it manages for you.

### Discretionary Investment Authority

You may choose whether to vest discretionary investment authority in WIC, or to withhold such discretion. If you vest discretionary investment authority in WIC, WIC will then have latitude to independently determine both the type and amount of securities that it might buy and/or sell for you.

However, WIC's authority to exercise investment discretion remains constrained by any investment objectives, guidelines, and/or asset allocation ranges and targets that WIC may have previously agreed upon with you. For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of your portfolio and/or you may place restrictions or prohibitions of transactions in the securities of a specific company or in a specific industry. Please refer to the "Advisory Business" section in this Brochure for more information on WIC's discretionary investment management services.

### Non-Discretionary Investment Authority

If you enter into a non-discretionary arrangement with WIC, WIC must then obtain your approval prior to the execution of any transactions in any accounts or contracts you have engaged WIC to manage on your behalf.

## Item 17 Voting Client Securities

WIC does not vote proxies on behalf of its clients. At your request, WIC may offer you advice regarding corporate actions and the exercise of your proxy voting rights.

If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. However, in the event WIC were to receive any written or electronic proxy materials, WIC will forward them directly to you by mail unless you have authorized WIC to contact you by electronic mail. In this case, WIC will forward to you by email any electronic solicitations to vote proxies it receives on your behalf.

## Item 18 Financial Information

WIC is not required to provide its financial information to its clients because WIC does not:

- require the prepayment of more than \$500 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair its ability to meet its commitments to you.

## Item 19 Requirements for State-Registered Advisers

Refer to the Part(s) 2B for background information about management personnel and those giving advice on behalf of WIC.

WIC is not actively engaged in any business other than providing investment and financial planning advice.

Neither WIC, nor any persons associated with WIC are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither WIC, nor any WIC's management persons have any reportable arbitration claims, civil, self-regulatory organization or administrative proceedings.

Neither WIC, nor any WIC's management persons have a material relationship or arrangement with any issuer of securities.

## **Item 20 Additional Information**

### **Your Privacy**

WIC views protecting your private information as a top priority. Pursuant to applicable privacy requirements, WIC has instituted policies and procedures to ensure that it keeps your personal information private and secure. Except as permitted by law, WIC does not disclose any non-public personal information about you to any non-affiliated third parties. In the course of servicing any accounts or contracts you have engaged WIC to manage on your behalf, however, WIC may share some information with its service providers such as securities brokers, transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

WIC restricts internal access to non-public personal information about you to those employees who need that information to render services to you. WIC maintains physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure WIC's integrity and confidentiality.

WIC will not sell information about you or your accounts to anyone. WIC does not share your information unless it is required to process a transaction, unless you request that WIC share such information, or unless WIC is required to share it by law.

You will receive a copy of WIC's privacy notice prior to or at the time you sign an advisory agreement with WIC. Thereafter, WIC will deliver a copy of its current privacy policy notice to you on an annual basis. If you have any questions regarding this policy please contact Glenn Wessel, Designated Principal and Managing Member, at (828) 232-2000 or [gwessel@wesselinvestment.com](mailto:gwessel@wesselinvestment.com).

### **Trade Errors**

In the event a trading error occurs in any account or contract you have engaged WIC to manage on your behalf, WIC's policy is to restore any affected account or contract to the position it would have been in had the error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account, contract, or you, personally.

If a trade error results in a profit to you, WIC's policy is to allow you to retain that profit, but only to the extent that profit does not come at the expense of other accounts WIC manages.



**Class Action Lawsuits**

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