

Form ADV Part 2A Brochure



Canter Strategic Wealth Management, LLC d/b/a Canter Wealth

(Firm CRD # 167828 / SEC # 801-107048)

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As of November 1, 2017

Form ADV, Part 2; our “Disclosure Brochure” or “brochure” as required by the Investment Advisers Act of 1940, is a very important document between Clients (“you”, “your”) and Canter Strategic Wealth Management, LLC d/b/a Canter Wealth (“Canter Strategic Wealth Management, LLC,” “Canter Wealth,” “us,” “we,” or “our”). This brochure provides information about the investment advisory services, qualifications and business practices of Canter Wealth, an investment advisor firm registered with the State of California. By federal and state regulations, this brochure is on file with the appropriate securities regulatory authorities, as required.

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. The information provided in this brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States or by the United States Securities and Exchange Commission. Nothing in this brochure is to be construed as an offer of securities; please refer to actual fund and/or investment offering documents for more complete disclosures. Registration of an Investment Advisor does not imply any level of skill or training; investments involve risk, including the possible loss of principal. The oral and written communications of an Advisor provide you with information which you may use to determine whether to hire or retain an Advisor.

Please contact Andrew E. Canter, Managing Member, and Chief Compliance Officer, directly at 858.454.2238 if you have any questions about the contents of this brochure.

Additional information about Canter Strategic Wealth Management, LLC d/b/a Canter Wealth, is available on the SEC's website at www.adviserinfo.sec.gov.

*(Click on the link, select “Investment Advisor Firm,” and type in the firm name.
Results will provide you both Part 1 and 2 of the firm’s Form ADV.)*

Material Changes

Update

Canter Strategic Wealth Management, LLC is providing this information as part of an other-than-annual amendment update. The last update to Form ADV Part 2A was the firm's annual amendment update of March 2017. This amendment filing contains two material changes which have occurred since that filing:

- **Firm Name:** Canter Strategic Wealth Management, LLC applied to the California Secretary of State for the use of a d/b/a name of "Canter Strategic Wealth Management, LLC d/b/a Canter Wealth," in August 2017. The Firm received approval of their requested name in August 2017 and began formally using the d/b/a name of "Canter Wealth" in November 2017.
- **Principal Ownership Amendment:** The Firm has updated its principal ownership allocations as follows:

"Andrew E. Canter, Managing Member, and CCO of CSWM is a 90% owner of Canter Strategic Wealth Management, LLC ("CSWM") d/b/a Canter Wealth ("CW"). Isaac G. Dixon, the Managing Member of CSWM, is a 10% owner of CSWM. Babak Gahvari, Managing Director of CSWM, and Todd A. Buchner, Managing Partner of CSWM, can each earn equity ownership in the firm (10% and 20%, respectively), based on the attainment of the specific asset under management ("AUM") targets. Realization of AUM targets will result in Andrew Canter's ownership of the firm decreasing from 90% to 60% over time; Andrew's ownership percentage will incrementally decrease as triggered by employee equity compensation."

Full Brochure Availability

We may, at any time, update this Brochure and either send you a copy of the amended document or offer to send you a copy (either by electronic means [email] by hard copy). If you would like another copy of this Brochure, you may download it directly from the SEC website at www.adviserinfo.sec.gov or may obtain a copy by the Firm's Chief Compliance Officer directly, at 858.729.9943.

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Advisory Business

Firm Description

Canter Strategic Wealth Management, LLC d/b/a Canter Wealth Management (“Canter Wealth” or the “Firm”), a California limited liability company, was formed in May 2013 and is registered as an investment adviser with the State of California.

Principal Owners

Andrew E. Canter, Managing Member, and CCO of CSWM is a 90% owner of Canter Strategic Wealth Management, LLC (“CSWM”) d/b/a Canter Wealth (“CW”). Isaac G. Dixon, the Managing Member of CSWM, is a 10% owner of CSWM. Babak Gahvari, Managing Director of CSWM, and Todd A. Buchner, Managing Partner of CSWM, can each earn equity ownership in the firm (10% and 20%, respectively), based on the attainment of the specific asset under management (“AUM”) targets. Realization of AUM targets will result in Andrew Canter’s ownership of the firm decreasing from 90% to 60% over time; Andrew’s ownership percentage will incrementally decrease as triggered by employee equity compensation.

Types of Advisory Services

Asset Management for Individual Clients

Canter Wealth provides portfolio management services to clients using asset allocation models. Models have been designed to target risk and return profiles while being diversified. These advisory accounts are managed on a discretionary basis and are aimed to meet client needs based on risk tolerance, investment goals, cash flow needs, liquidity requirement, stated objectives, and potential tax considerations. Our recommendations are not limited to any specific investments offered by a custodian or fund family but will include mutual funds and exchange-listed securities. Client and advisor will agree upon a portfolio allocation which will be outlined in an Investment Policy Statement (IPS) and signed by both parties. At that point, the advisor will maintain the allocation as set forth by the IPS and can only change the model with a revised IPS that is signed by both parties. Rebalancing, tax loss harvesting, and other portfolio trading requirements will be executed as needed to maintain the integrity of the allocation as set for by the IPS. Canter Wealth has a set client minimum account size of \$250,000 but maintains the right to waive that minimum account size by advisor discretion.

Tailored Services

All client portfolios are customized to the individual needs of each client based on the client’s IPS. Clients may impose restrictions on investing in certain securities or types of securities by their preferences, values or beliefs. Such restrictions must be submitted to Canter Wealth in writing. However, sometimes the investment structures recommended (e.g., ETFs) will preclude Canter Wealth from controlling the specific outcome requested by the client. In either case, we will discuss the feasibility of the request with the client to ensure that their expectations are met. If the restrictions prevent Canter Wealth from properly servicing the client account, or if the restrictions would require

Canter Wealth to deviate from its recommendations substantially, Canter Wealth reserves the right to end the relationship.

Financial Planning

Individual clients may engage Canter Wealth solely to provide fee-only financial planning services at the discretion of Canter Wealth. Canter Wealth provides these services to establish the client's Investment Policy Statement (IPS), at rates from \$1,000- \$10,000, as agreed upon before engagement. Financial planning fees are due upon engagement. Financial planning services can include but are not limited to the following items:

- Cash flow projections
- Retirement planning
- Tax strategy
- Social Security and pension planning
- Risk and estate management

ERISA Accounts

Our firm provides investment advice to advisory clients that are employee benefit plans or other retirement accounts (i.e., IRAs) for a level fee; assets affected by the Department of Labor ("DOL") Fiduciary Rule. As such, we are considered fiduciaries under the Employee Retirement Income and Securities Act ("ERISA") and regulations under the Internal Revenue Code of 1986 (the "Code"), which requires that we abide by the Impartial Conduct Standards, as defined by ERISA. To comply with these standards, our firm and our advisors give advice that is in our clients' best interest and charge no more than reasonable compensation [within the meaning of ERISA Section 408(b)(2) and Internal Revenue Code Section 4975(d)(2)]. We make no misleading statements about investment transactions, compensation, conflicts of interest, or any other matters related to investment decisions.

By our business practices outlined above, we believe that we are considered a 'Level Fee Fiduciary' under the DOL's Rule. As a level-fee fiduciary, we maintain a non-variable compensation structure that is provided based on a fixed percentage of the value of assets or a set fee that does not vary with the particular investment recommended, as opposed to a commission or other transaction-based fee. As a "Level Fee Fiduciary", we are held to the DOL fiduciary standards of care but are subject to fewer disclosures and reporting requirements than advisors operating under a different business model.

Investment Strategist Services

Canter Wealth serves as a business development consultant to certain investment advisors and other business entities. This entails acting as a solicitor for investment strategist and separate account managers. Canter Wealth will represent investment strategists or asset managers to other RIAs and institutions.

Institutional Capital Introductions

Our extensive relationship network, knowledge base, and industry experience make us seasoned professionals adept at the introduction of qualified institutional investors to institutional investment opportunities. These services are offered only to qualified institutions and not individual investors.

Wrap Fee Programs

Canter Wealth does not participate in Wrap Fee Programs.

Assets Under Management

As of November 1, 2017, Canter Strategic Wealth Management's assets under management total \$8,938,715.80.

Fees & Compensation

Description of Advisory Fees

Individual Clients

Canter Wealth fees are established on a client-by-client basis and outlined in each client's Investment Management Agreement. Canter Wealth generally charges a fee based on a percentage of a client's assets under management.

Canter Wealth's annual fee schedule is as follows:

Total Assets Under Management	Annual Fee
\$1 - \$1,000,000	1.00%
\$1,000,001 - \$2,000,000	0.85%
\$2,000,001 - \$3,000,000	0.80%
\$3,000,001 - \$4,000,000	0.70%
\$4,000,001 - \$7,000,000	0.60%
\$7,000,001 - \$9,000,000	0.55%
\$9,000,001 - \$12,000,000	0.50%
\$12,000,001 - \$20,000,000	0.45%
Above \$20,000,000	0.40%

Fee Billing

Individual Clients

Asset management fees are payable quarterly in arrears, and are calculated based on the value of the account's assets on the last business day of the previous month. Billable account values are calculated on the last business day of the calendar quarter. The asset management fee for the initial partial

calendar quarter on capital inflows and outflows will be prorated for the quarter. Either party may terminate the advisory contract for asset management at any time without cause. Fees will be prorated to the date that written notification of contract termination is received or sent by Canter Wealth. We will refund the unearned portion of pre-paid asset management fees to the client.

At Canter Wealth's discretion, assets of related accounts, such as family or business relationship, may be aggregated for purposes of calculating the applicable advisory fee. Management fees are negotiable. To the extent that fees are negotiable, some clients may pay more or may pay less than other clients for the same management services, depending, but not limited to, the account inception date, number of related investment accounts or total assets under management.

Other Fees

Individual Clients

In addition to Canter Wealth's advisory fees, clients may incur certain charges imposed by banks and custodians. Such fees may include but are not limited to custodial fees, charges imposed directly by a mutual fund or exchange-traded fund in the account (which will be disclosed in the applicable fund's prospectus), wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund fee and expenses are outlined in the applicable fund prospectuses. Additionally, clients may incur brokerage commissions and transaction fees. Such charges, fees, and commissions are exclusive of and in addition to our fee. Canter Wealth does not receive any portion of these commissions, fees or costs.

Financial Planning Services

Canter Wealth provides fee-only financial planning services, to establish the client's Investment Policy Statement (IPS), at rates from \$1,000- \$10,000, as agreed upon before engagement. The fee is due upon engagement.

Institutional Capital Introduction

The compensation for the firm's Institutional Capital Introduction services will be specific to each engagement and detailed in the written agreement. The fees are based on the size of the relationship and nature and complexity of the services to be provided. The frequency and methodology for payment of fees will also be detailed in each agreement. Fees are payable upon transfer of capital to the receiving institution.

Investment Strategist Services

The compensation for the firm's investment strategist services is specific to each engagement and detailed in the written agreement. The fees are based on the size of the relationship and nature and complexity of the services to be provided. The frequency and methodology for payment of fees are also be detailed in each agreement. Fees are generally 0.50% or less per annum of AUM, payable monthly or quarterly, in arrears.

- **Comparable Services Disclosure:** Clients should note that lower fees for comparable services may be available from other sources.
- **Conflicts of Interest Disclosure:** Under California Code of Regulations Section 260.238(k), in this Part 2, the Firm, its representatives, and employees have disclosed all material conflicts of interests that could reasonably be expected to impair the rendering of unbiased and objective advice. The conflicts of interest include, but are not limited to: (a) compensation arrangements connected with advisory services which are in addition to the advisory fees, (b) other financial industry activities or affiliations, or (c) participation of interest in Client transactions.

Performance-Based Fees & Side-by-Side Management

Canter Wealth does not receive performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Types of Clients

Canter Wealth provides supervisory management services to individuals and institutions. Individual clients include high-net-worth individuals, families and/or trust accounts. Our institutional clients would include other registered investment advisers, endowments, foundations, other non-profits, and retirement plans. There is no minimum account size.

Methods of Analysis, Investment Strategies & Risk of Loss

Methods of Analysis

Canter Wealth's method of analysis is fundamental. Canter Wealth provides customized investment recommendations and assists clients in creating an Investment Policy Statement ("IPS") based on each client's specific circumstances, including but not limited to: based on risk tolerance, investment goals, cash flow needs, liquidity requirement, stated objectives, and potential tax considerations. Once an IPS and investment strategy or asset allocation have been determined, Canter Wealth will select asset fund managers within each asset class that has met certain criteria as determined by Canter Wealth's Investment Committee.

Canter Wealth's Investment Committee evaluates the potential asset managers by employing both qualitative and quantitative analysis. Our qualitative and quantitative research focuses on evaluating the performance, fees, investment process, portfolio management team, research capabilities, trade execution, business operations, compliance, and risk management.

Risk of Loss

Although each potential sub-adviser is interviewed typically in person, our quantitative analysis relies in part on the assumption that the databases we utilize and the publicly available information is accurate and unbiased. Therefore, there is always a risk that our sub-adviser evaluation process may

be compromised by inaccurate or misleading information, which may cause the client to incur losses or miss opportunities.

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms or insulate clients from losses due to market corrections or declines. Past performance is not indicative of future results. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the distinct types of investments, there are varying degrees of risk.

The success of our investment activities will be affected by global, national and local economic and market conditions, as will the success of the investments selected by sub-advisers for client accounts. Economic or market conditions may move unpredictably, or with the correlation of market components behaving outside the range of expectations, which may result in material loss. Canter Wealth does not offer advice concerning individual securities, except potentially concerning securities such as mutual funds and ETFs. The below list is not all-inclusive, but details the risks of which client should be aware (*presented alphabetically*):

- **Business Risk:** Risks are associated with a specific industry or a particular company within an industry.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. (Currency Risk is also referred to as exchange rate risk.)
- **Exchange Traded Funds (ETF):** ETFs are securities that track an index, a commodity or a basket of assets like an index fund, but that trade like a stock on an exchange. ETFs experience price changes throughout the day as they are bought and sold.
- **Equity Investment:** Generally refers to buying shares of stocks by an individual or firm in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value; the investment may incur a loss.
- **Financial Risk:** The possibility that shareholders will lose money when they invest in a company that has debt if the company's cash flow proves inadequate to meet its financial obligations. When a company uses debt financing, its creditors will be repaid before its shareholders if the company becomes insolvent. Financial risk also refers to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money.
- **Inflation Risk:** When any inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.
- **Interest-rate Risk:** Fluctuations in interest rates will cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- **Liquidity Risk:** Liquidity is the ability to convert an investment into cash readily. Generally, assets are more liquid if there is a high interest in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Long-term Trading:** Long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include, but are not limited to, inflation (purchasing power) risk, interest-rate risk, economic risk, market risk, and political/regulatory risk.
- **Market Risk:** The price of a security, option, bond or mutual fund can drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions can trigger market events.
- **Mutual Funds:** Investing in mutual funds carries the risk of capital loss, and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned above).
- **Non-U.S. Investments:** Investment in non-U.S. issuers or securities principally traded outside the United States may involve certain special risks due to economic, political and legal developments, including favorable or unfavorable changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, and the imposition of withholding taxes on dividend or interest payments.
- **Real Estate:** Real Estate funds face several kinds of risk that are inherent in this sector of the market. Liquidity risk, market risk, and interest-rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.
- **REITs:** REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.
- **Reinvestment Risk:** This is the risk that future proceeds from investments have to be reinvested at a potentially lower rate of return (i.e., interest rate). Reinvestment Risk primarily relates to fixed income securities.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Disciplinary Information

Neither Canter Wealth nor any of its management personnel has been involved in a disciplinary proceeding. Also, they have not been involved in any legal proceeding that might reasonably be considered material to a client's evaluation of Canter Wealth's advisory business or the integrity of its management.

Other Financial Industry Activities & Affiliations

Broker-dealer or Registered Representative

Currently, no Canter Wealth Advisors are registered with any broker-dealer.

Material Relationships or Arrangements with Financial Industry

Canter Strategic Wealth Management, LLC (“CSWM”) d/b/a Canter Wealth (“Canter Wealth” or “CW”), is owned by Canter Wealth HoldCo, LLC, which is wholly owned by The Canter Group, LLC. The Canter Group, LLC is wholly owned by Canter Holdings, LLC, which is wholly owned by Andrew E. Canter, through a Trust.

Andrew E. Canter, Managing Member, and CCO of CSWM is a 90% owner of Canter Strategic Wealth Management, LLC (“CSWM”) d/b/a Canter Wealth (“CW”). Isaac G. Dixon, the Managing Member of CSWM, is a 10% owner of CSWM. Babak Gahvari, Managing Director of CSWM, and Todd A. Buchner, Managing Partner of CSWM, can each earn equity ownership in the firm (10% and 20%, respectively), based on the attainment of the specific asset under management (“AUM”) targets. Realization of AUM targets will result in Andrew Canter’s ownership of the firm decreasing from 90% to 60% over time; Andrew’s ownership percentage will incrementally decrease as triggered by employee equity compensation.

The Canter Group operates a range of businesses through controlled entities, collectively referred to as the Canter Companies, which are described below. The activities of the Canter Companies may be material to the business of Canter Wealth and its clients, particularly if clients of Canter Wealth also use the services of one more of the Canter Companies. Canter Wealth advisory clients should be aware that when they are using the services of affiliated entities of Canter Wealth, such services are not provided by Canter Wealth, are subject to separate contractual arrangements, and are not part of the advisory services provided by Canter Wealth. Moreover, the protections afforded a client under applicable investment advisory law and regulations generally do not apply to the services provided by non-advisory affiliates. The referral arrangements between Canter Wealth and its affiliates and vice versa may present conflicts of interest since personnel associated with the Canter Companies may have a financial incentive to recommend affiliates over other unaffiliated firms.

Canter Wealth recommends clients use the services and products of these related entities, and certain persons associated with the Canter Companies may refer their non-advisory clients to Canter Wealth. Through these related entities, employees, management personnel and owners of Canter Wealth receive additional compensation, including a portion of the advisory fees paid to Canter Wealth. Canter Wealth recommends related private funds to clients. Investment in private funds involves certain additional degrees of risk. Offers of investment may only be made to qualified clients with appropriate fund offering documents.

The following are affiliated businesses owned and operated by the Canter Companies:

- Canter Management, a wholly owned subsidiary of The Canter Group, is in the business of Real Estate Management.
- Canter Capital, a wholly owned subsidiary of The Canter Group, seeks investment opportunities related to Venture Capital, Private Equity and Private Real Estate Investments.
- Canter Development, a wholly owned subsidiary of The Canter Group, is a real estate developer that is currently active in the San Diego market.
- Canter Brokerage, a wholly owned subsidiary of The Canter Group, is a licensed real estate broker.

Also, Case Escrow is a full-service independent escrow company, licensed and regulated by the California Department of Business Oversight. Case Escrow is not owned by Canter Companies but is owned and controlled by Andrew E. Canter.

Isaac G. Dixon is a Vice President of Canter Companies. Isaac underwrites Canter real estate investments and developments. He also manages Canter real estate investments and developments. In the process, he communicates directly with investors, construction managers, and other outside third parties. Isaac underwrites Canter venture capital investments. Approximately 70% of his time is spent involved in these activities in the overall management and day-to-day operations of Canter Companies and its affiliated companies. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Canter Wealth always acts in the best interest of the client, and clients are in no way required to use services of any representative of Canter Wealth in connection with such individual's activities outside of Canter Wealth.

Recommend or Select Other Investment Advisers

All sub-advisers are reviewed on a quarterly basis by the Investment Committee of Canter Wealth to ensure they fit the criteria for the Canter Wealth models, as described in the *Methods of Analysis* section of this brochure. Canter Wealth and certain of its advisory representatives act as solicitors for third-party investment managers, whereby Canter Wealth and its advisory representatives will attempt to place the managers with other registered investment advisers and institutions. Such entities will enter into an advisory agreement with the third-party investment manager. Canter Wealth nor any of its advisory representatives will exercise discretion or make investment choices or recommendation in the account. Canter Wealth will receive the third-party investment manager's Disclosure Brochure and a Solicitor's Disclosure Statement, which will describe the relationship between the third-party investment manager and Canter Wealth, and the solicitor's fee paid to Canter Wealth.

Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

Code of Ethics

Canter Wealth has adopted a Code of Ethics (“Code”) under Rule 204A-1 that sets forth the standards of business conduct required of Canter Wealth’s Supervised Persons and requires an affirmative commitment that they will comply with federal securities laws. Canter Wealth’s Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain outside activities, and personal securities trading procedures for Access Persons, among other things. Our Code of Ethics is available free upon request to any client or prospective client.

Recommend Securities with Material Financial Interest

Canter Wealth currently does not recommend securities in which Canter Wealth has a material financial interest.

Invest in Same Securities Recommended to Clients

Access Persons may invest in securities that are purchased or held by client accounts. Under the manager-of-managers structure, sub-advisers are responsible for the purchase and sell decisions for client accounts. As a result, Access Persons typically are informed about investments for client accounts, and the timing of those investments after the transactions have been affected.

Personal Trading Policies

Canter Wealth requires that all Access Persons report their personal securities holdings annually and transactions at least quarterly.

Brokerage Practices

Selecting Brokerage Firms & Directed Brokerage

Under the multi-manager structure, in general, the sub-advisers will recommend or select a broker or dealer most capable of providing the services necessary to obtain the best execution of that transaction. However, upon request of the client, Canter Wealth will also make recommendations to certain sub-advisers for broker-dealers on behalf of the client. Canter Wealth also recommends certain brokerage firms for transition services. In such instances, Canter Wealth recommends that its clients custody assets at Schwab Institutional, a division of Charles Schwab & Co., Inc., (CRD # 5393), a registered broker-dealer, member SIPC (“Schwab”). The client is not required to effect transactions through any broker-dealer recommended by Canter Wealth. Canter Wealth and the sub-adviser may but is not required to, accept clients who instruct us to execute all transactions through a particular broker-dealer.

Best Execution

As a matter of policy and practice, Canter Wealth conducts initial and on-going due diligence on sub-advisers' policies, procedures and practices regarding soft dollars, best execution and directed brokerage. Canter Wealth seeks to ensure that each sub-adviser complies with the clients Investment Policy Statement and observes best practices.

The sub-advisers should act by their duty to seek "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where a sub-adviser determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, financial strength, commission rates and responsiveness. While the sub-advisers will seek competitive rates, they may not necessarily obtain the lowest possible commission rates for client transactions.

Directed Brokerage

A client may direct sub-advisers and/or Canter Wealth in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and neither Canter Wealth nor the sub-adviser will seek better execution services, better prices or be able to aggregate client transactions for execution through other broker-dealers with orders for other accounts managed by Canter Wealth or the sub-adviser. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, the sub-adviser and/or SCWM may decline a client's request to direct brokerage if, in the sub-advisor's or our discretion, such directed brokerage arrangements would result in additional operational difficulties.

Special Considerations for ERISA Clients

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

Review of Accounts

Periodic Reviews

Periodically, but no less frequently than annually, Canter Wealth's Investment Committee will review each account. On a quarterly basis, the Investment Committee formally conducts sub-adviser and asset manager due to diligence meetings and reviews portfolio exposures.

Review Triggers

More frequent reviews may be triggered by request from a client, material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Regular Reports

Each client will receive, monthly or quarterly account statements and trade confirms from the custodian showing all activity during the reporting period, including transactions and account holdings as well as the deduction of any fees, expenses or other charges from the account.

Canter Wealth provides additional written reports on at least a quarterly basis as requested by clients. This report package may include such items as:

- Performance
- Holdings
- Transactions
- Other pertinent information as deemed appropriate
- Documents necessary for tax preparation

Client Referrals & Other Compensation

Economic Benefits

Canter Wealth does not receive any economic benefit, directly or indirectly, from any third-party for investment advice or other advisory services that Canter Wealth renders to clients.

Third-Party Solicitors

Canter Wealth pays referral fees to solicitors, who are generally non-advisory personnel associated with affiliates of Canter Wealth. Each prospective client referred by a solicitor is furnished with a written statement that includes pertinent information about the referral arrangement. Solicitors are paid 20% - 35% the fee paid by each client they refer to Canter Wealth. Canter Wealth does not charge solicited clients fees greater than those charged to new Canter Wealth clients with similar portfolios managed by Canter Wealth who were not introduced by a solicitor, subject to fee negotiations

described in the *Fees & Compensation* section of this brochure. Compensated person(s) are properly registered as solicitors and follow the requirements under CCR 260.236(c)(2).

Custody

Canter Wealth does not have physical custody of client assets; all client assets are held by qualified third-party custodians. Under applicable custody rules, Canter Wealth is deemed to have custody because of its ability, under written instructions from the clients, to directly debit advisory fees from the client's custodial account. The qualified custodian, selected by the client, sends account statements directly to the clients at least quarterly. Canter Wealth urges clients to compare the account statements they receive from the qualified custodian with those reports they may receive from Canter Wealth. The reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Investment Discretion

Clients may engage us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client before each trade to obtain the client's permission. Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Voting Client Securities

As a matter of policy, Canter Wealth does not vote client securities. Clients either retain the responsibility to vote proxies or delegate such authority to the underlying sub-advisers. When clients retain proxy voting responsibility, clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

Financial Information

Balance Sheet

Canter Wealth does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Financial Conditions & Bankruptcy

Canter Wealth has never been the subject of a bankruptcy petition, and it is not aware of any financial condition that is reasonably likely to impair its ability to meet any contractual commitments to clients.

Requirements for State-Registered Advisors

Principal Executive Officers & Management Persons; Formal Education & Business Background

Canter Wealth currently has four (4) management personnel/executive officers:

- Andrew E. Canter, Managing Member & Chief Compliance Officer
- Todd A. Buchner, Managing Partner
- Isaac G. Dixon, Managing Member
- Babak Gahvari, Managing Director

Outside Business Activity

Advisors' outside business activities are available on the Form ADV Part 2B Supplemental Brochures.

Performance-Based Fees

Canter Wealth does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Material Disciplinary Disclosures for Management Persons

No management person at Canter Wealth or Canter Wealth has been found liable in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

Material Relationships That Management Persons Have with Issuers of Securities

Neither Canter Wealth nor its management persons, has any relationship or arrangement with issuers of securities.