



AKT®

WEALTH ADVISORS

Personal. Local. Global.

## AKT WEALTH ADVISORS LP

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[www.wealthadvisors.com](http://www.wealthadvisors.com)

MARCH 30, 2015

This Brochure provides information about the qualifications and business practices of **AKT Wealth Advisors LP**. If you have any questions about the contents of this Brochure, please contact us at **503-620-5329 or 888-299-3102**. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

**AKT Wealth Advisors LP** is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information from which you may determine to hire or retain an Adviser.

Additional information about **AKT Wealth Advisors LP** is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2 – Material Changes

Since our last annual update to our Brochure on 3/27/14, we have made no material changes.

New Brochures will be provided as necessary based on changes or new information, at any time during the year, without charge.

Currently, our Brochure may be requested by contacting Karen E. Price, Director of Client Services at 503-620-5329 or [kprice@wealthadvisors.com](mailto:kprice@wealthadvisors.com). Our Brochure is also available on our web site [www.wealthadvisors.com](http://www.wealthadvisors.com), also free of charge.

Additional information about AKT Wealth Advisors LP is available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site provides information about any persons affiliated with AKT Wealth Advisors LP who are registered, or are required to be registered, as investment adviser representatives of AKT Wealth Advisors LP.

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## Item 4 – Advisory Business

AKT Wealth Advisors LP provides investment management, consulting, planning, and tax services to its clients. AKT Wealth Advisors LP was formed in 1998 and has been in business continuously since. AKT Wealth Advisors LP is a partnership, whose primary owner is AKT Services, LLP. AKT Services, LLP is a partnership owned by over 20 individuals. No one individual owns more than 10%.

AKT Wealth Advisors LP offers its investment management services to two distinct types of clients contained within separate business divisions of the firm. It offers investment management to individuals, businesses, trusts, and other entities within its Wealth Management Division. It also offers investment management to self-directed retirement plans within its Corporate Retirement Plan Services Division.

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

Investment management services are offered on a discretionary or non-discretionary basis as granted by the client in a written advisory agreement. To Wealth Management clients, discretionary services will include the authority to purchase and sell securities and other investment instruments in the account, while implementing asset allocation strategies and product strategies that are aligned with the individual or entity's investment profile. Discretionary investment management for clients within the Corporate Retirement Plan Services Division grants the authority to add and/or remove securities from the participant investment line-up, but not to actually direct the specific investment decisions of the plan participants. Certain exceptions apply to this limitation, such as the need to default participant investment elections when no affirmative choice is made, or the need to transition participant investment choices with a particular asset class when securities are being removed from the investment line-up. If investment management services are offered on a non-discretionary basis to Wealth Management clients or Corporate Retirement Plan Services clients, then our services are similar, but our recommendations must be followed by written approval from clients before implementation.

AKT Wealth Advisors LP will primarily utilize mutual funds and exchange traded funds in asset allocation strategies, but will occasionally also use individual equity and fixed income securities, through Separate Account Managers, as well as alternative investments as explained further in Item 8 of this brochure.

As part of our Planning Services, we will provide to our Wealth Management clients analysis and reporting on retirement planning, estate planning, insurance planning, business transition planning, education planning and tax planning.

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

As of December 31, 2014 account values, AKT Wealth Advisors LP had discretionary management authority over approximately \$701,729,630 and non-discretionary management authority over approximately \$86,228,370 in client assets.

In some cases, AKT Wealth Advisors LP may choose to contract with another Registered Investment Advisor, called a Separate Account Manager (SAM), to obtain specialized expertise and services to benefit the client. AKT Wealth Advisors LP provides this service to its Wealth Management Clients. The SAM will tailor its advice to a specific individual client of AKT Wealth Advisors LP. AKT Wealth Advisors LP selects these SAM based on area of expertise, performance history, investment philosophy, and firm culture. AKT Wealth Advisors LP maintains an advisory relationship with the client and manages the SAM in an advocacy role for the client.

## **Item 5 – Fees and Compensation**

Compensation to AKT Wealth Advisors LP for its services will be calculated quarterly, in arrears, in accordance with the client's written fee schedule within their Investment Advisory Agreement. Fee schedules may be amended from time to time by AKT Wealth Advisors LP upon 30 days prior written notice to the client.

The client may be required to pay, in addition to AKT Wealth Advisors LP's fee, a proportionate share of any mutual funds' marketing and advertising expenses (12b-1 fees), management fees, and other mutual fund operating expenses. AKT Wealth Advisors LP does not receive any portion of these expenses.

Our Corporate Retirement Plan Services clients may also be required to pay, in addition to AKT Wealth Advisors' fee, a separate custodial fee that is passed on by Wealth Advisors directly back to the plan's custodian. These same clients may receive credits back, in the form of revenue sharing, from the mutual funds that their participants have investments in. AKT Wealth Advisors LP will pass these credits back, in full, to the client by reducing their fees by the credit amount, or as a direct credit back to the participants' accounts.

Payment of quarterly fees is due within 10 days of invoicing. The fee will be calculated based on the account's net asset value at the end of the quarter being billed. If the account is closed during the quarter, the fee will be based on the net asset value of the account on the last day the account was under the management of AKT Wealth Advisors LP, and prorated by the number of days managed in the quarter. New accounts to AKT Wealth Advisors LP are not subject to invoicing until active management of the client's portfolio begins. Partial quarters will be pro-rated.

Current standard fee schedules are as follows:

Clients with less than \$500,000 in assets will be charged at the flat rate of 1.25%.

**Wealth Management Clients Under \$3,000,000 (investment management services only):**

Assets	Annual Fee
First \$1,000,000	1.00%
Next \$1,000,000 up to \$2,000,000	0.75%
Next \$1,000,000 up to \$3,000,000	0.50%

*Client assets are billed at each level of the breakpoint for the corresponding assets. Should the client's assets exceed \$3,000,000 a new advisory agreement may be signed.*

**Wealth Management Clients Over \$3,000,000 (investment management services only):**

Assets	Annual Fee
\$3,000,000 to \$5,000,000	0.60% (flat/single rate)
\$5,000,000 to \$10,000,000	0.50% (flat/ single rate)

*Client assets are billed at a flat rate, determined by the assets under management at the time the advisory agreement signed. A new advisory agreement may be signed at any time, as the client's assets under management change.*

In addition, AKT Wealth Advisors LP may provide investment advisory services, financial / estate planning services, and tax planning and preparation services under a bundled fee schedule if the client's assets under our management exceed \$1,500,000.

**Wealth Management Clients Bundled Fee Schedule:**

Assets	Annual Fee
\$1,500,000 to \$ 3,000,000	1.10% (flat/single rate)
\$3,000,000 to \$ 5,000,000	0.80% (flat/single rate)
\$5,000,000 to \$10,000,000	0.60% (flat/single rate)

*Client assets are billed at a flat rate, determined by the assets under management at the time the advisory agreement is signed. A new advisory agreement may be signed at any time, as the client's assets under management change.*

Fee schedules for assets over \$10,000,000 – whether services are bundled or not – are negotiable.

**Corporate Retirement Plan Fee Schedule:**

Assets	Annual Fee
Up to \$ 1,000,000	1.25% (flat/single rate)
\$1,000,000 to \$ 2,500,000	1.00% (flat/single rate)
\$2,500,000 to \$ 5,000,000	0.85% (flat/single rate)
\$5,000,000 to \$10,000,000	0.70% (flat/single rate)
Over \$10,000,000	negotiable

*Client assets are billed at a flat rate, determined by the assets under management at the time the advisory agreement is signed. A new advisory agreement may be signed at any time, as the client's assets under management change.*

While we have listed our standard fee schedules in this document, it should be noted that all clients have the ability to negotiate fees.

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

In order to calculate fee amounts, the net asset value of the client accounts will be determined by AKT Wealth Advisors LP in good faith at the close of the New York Stock Exchange (the "Exchange") on the last business day at the end of the quarter being billed. For purposes of determining value, securities and other investment instruments traded on a market for which actual transaction prices are publicly reported will be valued at the prices publicly reported. In the case where the closing date is not a regular business day of the New York Stock Exchange, the net asset value will be computed as of the last prior business day of the Exchange.

For other readily marketable securities and investment instruments that may not trade on a market for which actual transaction prices are publicly reported, AKT Wealth Advisors LP will use a pricing service, information from the investment entity itself, or quotations from one or more dealers. All other assets will be valued at a reasonable value by AKT Wealth Advisors LP, using the most current information resources available at the time that fees are assessed. AKT Wealth Advisors LP may modify the terms in this Section with at least 30 days prior written notice to clients.

Hourly rates are charged clients in some circumstances. Hourly rates are generally charged at the standard hourly billing rate of the staff member providing the services. Hourly rates vary between \$150 and \$500 depending on the staff member and services being provided and will be disclosed to the client in an engagement letter outlining the services agreed upon. AKT Wealth Advisors LP will not be considered "hired" until such an agreement has been signed by the client and returned to AKT Wealth Advisors LP. Project costs are generally negotiable. Payment for these services are payable as the services are rendered and will be invoiced separately from any bundled or unbundled investment management fees charged quarterly.

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

All brokerage commissions, stock transfer fees, annual custodial charges and other similar costs incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to any other fees paid to AKT Wealth Advisors LP.

Item 12 further describes the factors that AKT Wealth Advisors LP considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

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

AKT Wealth Advisors LP does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

AKT Wealth Advisors LP provides investment management, consulting, planning, and tax services to individuals, corporations, retirement plans, other trusts, foundations, municipalities and non-taxable accounts.

In many situations, AKT Wealth Advisors LP requires a client to have at least \$50,000 in manageable assets to be eligible for its investment management services, and at least \$1,500,000 to be eligible for its bundled services, which include investment management services, financial / estate planning and tax planning and tax preparation. These minimum dollar values are negotiable. Standard minimum account size for a self-directed corporate retirement plan is \$1,000,000 – but is also negotiable.

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

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

AKT Wealth Advisors LP has created multiple asset allocation models that are designed to provide different expected risk and return combinations. The allocations range from conservative (*lower risk and lower expected returns*) to aggressive (*higher risk and higher expected returns*). Each allocation is designed to provide the maximum return for the selected level of risk (also called standard deviation). AKT Wealth Advisors LP has imposed minimum and maximum asset class levels to ensure portfolio diversification.

AKT Wealth Advisors LP uses third party asset allocation and trading software that is robust in terms of functionality and flexibility.



AKT Wealth Advisors LP uses long-term historical risk, return, and correlation data as inputs into the asset allocation modeling software. Historical data are provided by Morningstar, Inc. AKT Wealth Advisors LP believes long-term historical data combined with an informed outlook for the current market environment are the most reliable sources for framing clients' expectations regarding future investment performance.

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

AKT Wealth Advisors LP uses a combination of active and passive managers. *(Passive management is generally associated with mutual funds and exchange traded funds where the portfolio of the fund simply mirrors a particular market index. Active management refers to fund portfolios whose managers are attempting to better the returns earned by a specific market index and who typically choose investments that differ from the holdings of the index).* AKT Wealth Advisors LP monitors asset classes and attempts to determine which asset classes offer the best opportunity to add value by using active managers. In situations where AKT Wealth Advisors LP cannot clearly identify the benefits of active management, a passive approach is used.

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

AKT Wealth Advisors LP also uses alternative investments. Alternative investments have unique characteristics relative to equity and fixed income investments and historically, a very low correlation to stocks and bonds. Some non-registered alternative investments typically require a long-term commitment and can be very difficult to liquidate in a timely manner. Only accredited investors with substantial net worth are allowed to participate in privately held funds. *(An accredited investor is someone who can satisfy at least one of the following criteria: earns individual income of more than \$200,000 per year or joint income of \$300,000 in each of the last 2 years and expects to reasonably maintain the same level of income, has a net worth exceeding \$1 million, or is a general partner, executive officer, director or related combination thereof for the issuer of a security being offered.)*

AKT Wealth Advisors LP primarily uses registered funds or alternatives in a mutual fund vehicle. Registered funds offer much lower investment minimums compared to unregistered private funds. They are also required to register with the SEC *(Securities & Exchange Commission)* or CFTC *(Commodity Futures Trading Commission)* or NFA *(National Futures Association)* and provide periodic reports, which provide another level of transparency and oversight. Registered funds generally offer quarterly or monthly liquidity and are required to provide quarterly tender offers to existing investors. Alternatives packaged in mutual funds offer daily liquidity, are easier to implement and support periodic rebalancing.

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

## **Item 9 – Disciplinary Information**

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

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

AKT Wealth Advisors LP's parent company, AKT Services, LLP, also owns AKT Group LLP, AKT, LLP, AKT Retirement Plan Services LP, Cache Pension Services LLC, AKT Benefit Advisors LP, and AKT Business Services.

AKT Wealth Advisors LP shares fees and employees in some client arrangements with AKT, LLP and AKT Retirement Plan Services LP. AKT, LLP provides accounting, tax, and consulting services. AKT Retirement Plan Services LP provides corporate retirement plan administration and consulting. AKT Benefit Advisors LP provides group health benefit, life, and disability insurance services. Cache Pension Services LLC provides corporate retirement plan administration and consulting. AKT Business Services LTD provides corporate retirement plan administration and investment analysis support. AKT Wealth Advisors LP also shares a physical location with several of these firms.

## **Item 11 – Code of Ethics**

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

AKT Wealth Advisors LP anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which AKT Wealth Advisors LP has management authority to effect, and will recommend to investment management clients or prospective clients, the purchase or sale of securities in which AKT Wealth Advisors LP, its affiliates and/or clients, directly or indirectly, have a position of interest. AKT Wealth Advisors LP's employees and persons associated with AKT Wealth Advisors LP are required to follow AKT Wealth Advisors LP's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of AKT Wealth Advisors LP and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for AKT Wealth Advisors LP's clients. The Code of Ethics is designed to ensure that the personal securities

transactions, activities and interests of the employees of AKT Wealth Advisors LP will not interfere with (i) making decisions in the best interest of investment management clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of AKT Wealth Advisors LP's clients. In addition, the Code requires pre-clearance of some transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, to reasonably prevent conflicts of interest between AKT Wealth Advisors LP and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with AKT Wealth Advisors LP's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. AKT Wealth Advisors LP will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

AKT Wealth Advisors LP's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Karen E. Price, Director of Client Services.

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

## Item 12 – Brokerage Practices

Except to the extent the client directs otherwise, AKT Wealth Advisors LP will use its discretion in recommending the broker-dealer and therefore the commissions charged. The client will make the final decision of custodian to be used by signing the account application. AKT Wealth Advisors LP does not currently have the capacity to negotiate commission rates with custodians.

In selecting or recommending a broker-dealer, AKT Wealth Advisors LP will comply with its fiduciary duty to obtain best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as (a) price, (b) the broker-dealer's facilities, reliability and financial responsibility, (c) the ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size and execution of orders, (d) the research and related brokerage services provided by such broker-dealer to AKT Wealth Advisors LP, notwithstanding that the account may not be the direct or exclusive beneficiary of such services and (e) any other factors AKT Wealth Advisors LP considers to be relevant. Once a broker/dealer is chosen, AKT Wealth Advisors LP does not currently permit clients to direct brokerage for specific trades. All trades for client accounts are executed through the broker/dealer who custodies that account.

AKT Wealth Advisors LP is authorized in its discretion to aggregate purchases and sales and other transactions made for client accounts with purchases and sales and other transactions in the same or similar securities or instruments for other clients of AKT Wealth Advisors LP. When transactions are aggregated, the actual prices applicable to the aggregated transactions will be averaged, and each client account transaction will be fulfilled at the average price obtained. Each transaction will be charged any applicable transaction fees at a flat rate – transaction fees are not pro-rated by the size of the transaction or any other criteria.

AKT Wealth Advisors LP has relationships with various broker-dealer custodians (“custodians”), where access is provided to their institutional trading and custody services which may not be available to retail investors. Services offered include custody of securities, trade execution, clearance and settlement, research, and access to mutual fund share classes and investments that are otherwise generally available only to institutional investors. These custodians do not charge separately for custody, but are compensated by account holders through transaction-related fees for securities trades that are executed through them. These custodians also make available to AKT Wealth Advisors LP other products and services that benefit AKT Wealth Advisors LP, but may not benefit its clients directly. Some of these other products and services assist AKT Wealth Advisors LP in managing and administering clients' accounts. These include software and other technology that provide access to client account data, facilitate trade execution, provide research, pricing information and other market data; and assist with back-office functions, recordkeeping and client reporting. These custodians also make available to AKT Wealth Advisors LP other services intended to help AKT Wealth Advisors LP manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. As a fiduciary, AKT Wealth Advisors LP endeavors to act in its clients' best interests, but AKT Wealth Advisors LP recognizes that by recommending its clients maintain their assets in accounts at one of the custodians providing availability of the aforementioned products and services, it may create a perceived or actual conflict of interest. *(Please see further discussion under Item 14 below)*

AKT Wealth Advisors LP may, on occasion, recommend that all or a portion of the assets in the client account be managed by a third-party money manager or Separate Account Manager (SAM) as noted in Item 4 of this brochure. In all discretionary accounts, except to the extent the client directs otherwise, AKT Wealth Advisors LP is authorized to use its discretion in selecting or changing a SAM without prior notice to the client. The client may be required to execute a

limited power of attorney with a SAM selected by AKT Wealth Advisors LP under this section.

### **Item 13 – Review of Accounts**

In general, client accounts are reviewed on an on-going basis, or at least quarterly, by the Chief Investment Officer or the Senior Analyst under the supervision of the Chief Investment Officer. Reviews are conducted primarily for the purpose of assuring continued general compliance with the financial goals outlined in each client's investment profile and notes to the file. Material additions to, or subtractions from, an account will trigger additional portfolio reviews. The Chief Investment Officer also reviews monthly, the composite performance of client accounts managed similarly. Individual account performance that diverges materially from the composite will also trigger specific portfolio review.

All clients receive custodial statements at least quarterly. Some clients receive quarterly AKT Wealth Advisor LP reports that include performance calculations. Performance calculations are computed by our portfolio management software from downloads of portfolio activity and security prices provided electronically by each of our broker/dealer custodians. The information is downloaded, reviewed and reconciled daily.

Custodial statements include a list of account holdings and their market value as well as transactions occurring during the report period. AKT Wealth Advisors LP reports include allocation of the portfolio, the performance of the portfolio during the specified date range, a comparison of the portfolio's actual allocation versus its model, a list of portfolio assets and their market value, and a breakdown of the performance of the portfolio by asset class.

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

AKT Wealth Advisors LP, at times, provides additional cash and non-cash compensation to employees of AKT Wealth Advisors LP and its affiliates that is based, at least in part, on bringing clients to the Firm.

As disclosed under Item 12 above, AKT Wealth Advisors LP participates in the institutional advisor programs offered by Charles Schwab & Co. and TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA. Both Charles Schwab & Co. and TD Ameritrade Institutional are unaffiliated SEC-registered broker-dealers and FINRA members. AKT Wealth Advisors LP receives some benefits from Charles Schwab & Co and TD Ameritrade through its participation in these programs. AKT Wealth Advisors LP may recommend either Charles Schwab & Co. or TD Ameritrade Institutional to clients for custody and brokerage services. There is no direct link between AKT Wealth Advisors LP's custodial relationships and the investment advice it gives to its clients, although AKT Wealth Advisors LP receives economic benefits through its relationships that are not typically available to the retail investors at these custodians. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research-related products and tools; consulting services; access to a trading desk; access to block trading (*which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts*); the ability to have advisory fees deducted directly from client accounts; access to an

electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to AKT Wealth Advisors LP by third-party vendors. Custodians may also occasionally pay for business consulting and professional services received by AKT Wealth Advisors LP's related persons. The benefits received by AKT Wealth Advisors LP or its personnel do not depend on the amount of brokerage transactions directed to the custodians. As part of its fiduciary duties to clients, AKT Wealth Advisors LP endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by AKT Wealth Advisors LP or its related persons in and of itself creates a potential conflict of interest.

Specific to one custodian, TD Ameritrade Institutional ("TDA"), AKT Wealth Advisors LP participates in their Equity Management Program ("Program"). AKT Wealth Advisors LP may receive succession planning, practice valuation, and equity management services from third-party vendors through their participation. In addition to meeting the minimum eligibility criteria for participation in the Program, AKT Wealth Advisors LP may have been selected based on the amount and potential profitability to TDA of the assets in, and trades placed for, client accounts maintained with TDA. TDA is a discount broker-dealer independent of and unaffiliated with AKT Wealth Advisors LP and there is no employee or agency relationship between them. TDA has established the Program as a means of assisting independent unaffiliated advisors to grow and maintain their respective investment advisory business. TDA does not supervise AKT Wealth Advisors LP and has no responsibility for their management of client portfolios or other advice and services to clients.

AKT Wealth Advisors LP's participation in the TDA Equity Management Program raises potential conflicts of interest. AKT Wealth Advisors LP may encourage their clients to custody their assets at TDA and those client accounts are profitable to TDA. Consequently, in order to participate in the Program, AKT Wealth Advisors LP may have an incentive to recommend to clients that the assets under management be held in custody with TDA and to place transactions for client accounts with TDA. AKT Wealth Advisors LP's participation in the Program does not relieve them of the duty to seek best execution of trades for client accounts.

## **Item 15 – Custody**

Clients should receive at least quarterly, statements from the qualified custodian that holds and maintains the client's investment assets. AKT Wealth Advisors LP urges clients to carefully review such statements and compare them to any account statements that we may provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If material discrepancies are noted, clients are encouraged to contact a representative of AKT Wealth Advisors LP.

## **Item 16 – Investment Discretion**

AKT Wealth Advisors LP usually receives discretionary authority from the client at the outset of an investment management relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent

with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, AKT Wealth Advisors LP observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, AKT Wealth Advisors LP's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to AKT Wealth Advisors LP in writing.

### **Item 17 – Voting Client Securities**

As a matter of firm policy, AKT Wealth Advisors LP does not have any authority to and does not vote proxies on behalf of investment management clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. AKT Wealth Advisors LP may provide advice to clients regarding the clients' voting of proxies.

### **Item 18 – Financial Information**

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. *AKT Wealth Advisors LP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.*