



## **Wealth Navigation Advisors**

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### **Firm Brochure, March 2017**

This brochure provides information about the qualifications and business practices of Wealth Navigation, LLC. If you have any questions about the contents of this brochure, please contact us at 801-335-8200 and / or [info@wealthnavigation.com](mailto:info@wealthnavigation.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about Wealth Navigation, LLC also is available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

## **Item 2 - Material Changes**

The following material changes have occurred since our last filing in January 2017.

Scott Jones has been appointed Chief Compliance Officer.

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). We may, at any time, update this Brochure and send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Adam Fisher at 801-335-8200 or [Adam@wealthnavigation.com](mailto:Adam@wealthnavigation.com).

## **Item 3 -Table of Contents**

<b>Item 2 - Material Changes .....</b>	<b>i</b>
<b>Item 3 -Table of Contents .....</b>	<b>ii</b>
<b>Item 4 - Advisory Business.....</b>	<b>3</b>
<b>Item 5 - Fees and Compensation .....</b>	<b>7</b>
<b>Item 6 – Performance-Based Fees and Side-By-Side Management.....</b>	<b>9</b>
<b>Item 7 – Types of Clients .....</b>	<b>9</b>
<b>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>9</b>
<b>Item 9 – Disciplinary Information.....</b>	<b>11</b>
<b>Item 10 – Other Financial Industry Activities and Affiliations.....</b>	<b>11</b>
<b>Item 11 – Code of Ethics .....</b>	<b>14</b>
<b>Item 12 – Brokerage Practices .....</b>	<b>15</b>
<b>Item 13 – Review of Accounts .....</b>	<b>16</b>
<b>Item 14 – Client Referrals and Other Compensation.....</b>	<b>16</b>
<b>Item 15 – Custody .....</b>	<b>16</b>
<b>Item 16 – Investment Discretion .....</b>	<b>17</b>
<b>Item 17 – Voting Client Securities (i.e., Proxy Voting).....</b>	<b>17</b>
<b>Item 18 – Financial Information.....</b>	<b>19</b>
<b>Item 19 – Requirements for State-Registered Advisers.....</b>	<b>19</b>

## **Item 4 - Advisory Business**

Wealth Navigation, LLC (WN) has been in operation since 2007 and is wholly owned by WN Holdings, LLC. WN Holdings, LLC is wholly owned by Axis Family Holdings, LLC.

Wealth Navigation, LLC may do business under the name Wealth Navigation Advisors

WN provides both asset management services and fee based planning services. The asset management services we provide are for discretionary accounts. The investment recommendations made for these accounts follow the guidelines of our Investment Committee which include the following steps:

- 1) Comprehensive Evaluation of Investment Objectives. Each client is provided an Investment Portfolio Proposal (IPP) as a result of the initial client review. The IPP includes details of the portfolio asset allocation and manager selection. In addition to the IPP the client is also provided an Investment Advisory Agreement (IAA) which includes the fee structure and privacy policy. Under this authority, the Advisor has authority to purchase and sell securities for the client's account, arrange for delivery and payment in connection with security transactions, and act on behalf of a client in all matters necessary or incidental to the handling of a client's account. Unless specifically directed otherwise in writing by a client, the Advisor is authorized to receive and vote proxies on issues held in each account and receive annual reports.
- 2) Appropriate Asset Allocation Recommendation. WN will recommend one of its Investment Models, which includes a detailed allocation as explained below in the Investment Consulting Services section. WN will use its best judgment and good faith efforts in rendering this service to its clients. WN cannot warrant or guarantee any particular level of account performance, or that account will be profitable over time. Not every investment decision or recommendation made by WN will be profitable. Client assumes all market risk involved in the investment of the account assets under the terms of the IAA. Except as may otherwise be provided by law, WN will not be liable to the Client for
  - a) Loss that Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by Advisor with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use
  - b) Loss arising from Advisor's adherence to Client's instructions
  - c) Any act or failure to act by a custodian of Client's account, except as may be required by law. Federal securities laws impose liabilities under certain circumstances on persons who act in good faith and therefore, nothing herein shall in any way constitute a waiver or limitation of any rights, which Client may have under any federal securities laws.

As of December 2016, the total discretionary assets under management are \$72 million.

## Services Offered

### Investment Consulting Services

WN offers various Investment Consulting services as part of its investment management program. These services provide mutual fund asset allocation utilizing both “no load” and certain “load” mutual funds purchased at net asset value as well as investments in individual securities. Investment consulting service begins with a series of meetings between Advisor and Client to review Client’s long-term goals and objectives. These meetings include discussions on Client’s current financial situation, stated goals for investment assets, risk tolerance, time horizon, liquidity needs and so forth. Once these discussions have taken place, Client is asked to fill out a confidential profile questionnaire that becomes the guideline for investment recommendations. Investment decisions are based on a percentage allocation of investment classes as described in the IPP, and are reviewed at least annually. Reallocating and rebalancing in the portfolio may be deemed necessary to meet the client’s needs and objectives as defined by profile questionnaire.

In general, WN will allocate Client’s portfolio based on a series of five different investment models. These models are as follows:

- Aggressive Growth
- Growth
- Balanced
- Conservative Growth
- Conservative

The Client and WN may also agree to create a customized portfolio outside of the scope of the five investment models. Fees for Aggressive Growth, Growth, Moderate Growth, Conservative, and Income investment models are described below under the Standard Asset Management Fee Schedule. Fees for any customized portfolio will be determined by the WN advisor.

WN retains the right to use discretion in the purchase and sale of investment items such as but not limited to mutual funds, stocks, bonds, and variable annuity sub-accounts as part of its Investment Consulting program. In addition to standard brokerage confirmations and statements, clients are provided transaction confirmations and portfolio evaluations on a quarterly basis. Additionally, clients may receive information and comparable market indices detailing the performance of the mutual funds held in the portfolio.

WN Investment Consulting accounts are held at Charles Schwab and Company, Inc. Interactive Brokers LLC., Millennium Trust Company and TradePMR. For services provided by Charles Schwab and Company, Inc. Interactive Brokers LLC., Millennium Trust Company and/or TradePMR, a quarterly custodial fee is paid. This fee, as well as all brokerage commissions, custodial fees and service charges, stock transfer fees, and other similar charges incurred in connection with transactions for a client’s account will be paid out of the assets in a client’s account or billed separately to the client and is in addition to the

investment management fees paid to WN, all as set forth in WN Investment Advisory Agreement and Addendum B or Form ADV Part 2. Such fees are due and payable at the time orders are placed.

WN or its representatives will from time to time, serve as Manager or Managing Participant various unregistered limited liability companies or limited partnerships. WN may be engaged to advise its clients as to the appropriateness of investing in these investment vehicles as described more fully below. Investors in these various companies will be asked to waive any conflicts of interest that might occur due to these activities or those of WN's principals.

#### Comprehensive Financial Consulting

Wealth Navigation provides comprehensive financial and wealth consulting services for its Clients. Consulting fees are charged according to various factors such as the income and net worth of the client and the complexity of the client assets. The fee depends on whether the fee is for a new contract, a renewal of an existing contract, or for an ongoing service contract. All consulting fees are based on the specific consulting services provided to the client and the complexity of the client's financial situation and goals.

The General Areas of Comprehensive Financial Consulting/Planning include:

- Financial Consulting Services
- Investment Consulting Services
- Corporate Counseling
- Estate Planning
- Executive Consulting Services
- Insurance Solutions
- Income and Estate Tax Planning
- Retirement Planning and Pension Consulting Services
- Real Estate Consulting
- Family Office Services

The services included in the consulting process are limited to recommending strategies for the client to consider. Clients are in no way obligated to implement their consulting services; in addition, Clients who wish to implement their consulting services are not obligated to do so through an Advisor Representative. Should the Client choose to implement the recommendations contained in the Client's plan or consultation, the implementation of those recommended strategies is entirely at Client's discretion. In all legal matters, Advisor's consulting services are analytical and advisory only, and do not include any legal, accounting or other professional services. Clients are encouraged to review their plans on a regular basis, based on individual circumstances.

The fee also includes the time and activities necessary to work with Clients' attorney and/or accountant in reaching agreements on solutions, as well as assisting those advisers in implementation of all appropriate documents. Advisor is not responsible for attorney or accountant fees charged to Client as a result of the above activities.

WN also offers specific investment strategies to clients as appropriate. Currently, this includes WN Dividend Strategy and WN Growth Strategy. Certain specifics regarding the strategy such as fee calculations, minimum investments etc. may differ from other strategies offered by WN.

### **WN Dividend Strategy**

WN Dividend Strategy is an investment strategy involving the purchase and/or sales of individual investment securities. The strategy seeks to produce consistent yield through the use of high dividend paying stocks. The stocks traded may change from time to time as deemed necessary by the WN Investment Committee. The accounts investing in the strategy are discretion accounts only and are charged the following fees:

**Management Fee:** As compensation for services provided by Wealth Navigation, LLC or its Advisors for this strategy, the client will be assessed an asset under management fee based upon the account net liquidation value within the strategy at an annual rate of 1.75%. The fee will be applied on a daily basis based upon the annual percentage rate assessed.

**Minimum Capital Investment:** The investment strategy will only be offered to clients if Advisor determines it is appropriate based upon each client's suitability standards and investment philosophy. The minimum and maintenance level of investment is \$50,000. Wealth Navigation, LLC may modify these minimums at its discretion.

### **WN Growth Strategy**

WN Growth Strategy is an investment strategy involving the purchase and/or sales of individual investment securities. The strategy seeks to produce consistent growth through the use of rapidly growing company stocks that defer the paying of dividends to stockholders and invest earnings in the company's future. The stocks traded may change from time to time as deemed necessary by the WN Investment Committee. The accounts investing in the strategy are discretion accounts only and are charged the following fees:

**Management Fee:** As compensation for services provided by Wealth Navigation, LLC or its Advisors for this strategy, the client will be assessed an asset under management fee based upon the account net liquidation value within the strategy at an annual rate of 1.75%. The fee will be applied on a daily basis based upon the annual percentage rate assessed.

**Minimum Capital Investment:** The investment strategy will only be offered to clients if Advisor determines it is appropriate based upon each client's suitability standards and investment philosophy. The minimum and maintenance level of

investment is \$50,000. Wealth Navigation, LLC may modify these minimums at its discretion.

## **Item 5 - Fees and Compensation**

Annual fees are charged to a client and are to be paid quarterly in arrears based on the average daily balance of the preceding calendar quarter of the client's account. In some circumstances, specifically those accounts held at Interactive Brokers, the fee is charged on a daily basis based on the percentages explained below. Fees paid shall be in accordance with the fee schedule agreed upon by Advisor and client as illustrated in the Investment Advisory Agreement executed by the Client. Except to the extent client directs otherwise in writing, or in the event that client's invoice remain unpaid for 60 days or more, client authorizes and directs custodian to automatically deduct normal and customary transaction charges and all fees payable under the terms of the Investment Advisory Agreement from client's account as billed by WN. Fees may be paid directly to WN from an account by the custodian upon submission of an invoice to custodian showing the amount of fees, the value of client's assets on which the fees are based, and the specific manner in which the fees are calculated. Payment of fees may result in the liquidation of client's securities if there is insufficient cash in the Account. Copies of the fee invoices will be mailed to client as required under the Investment Advisors Act of 1940 or may be detailed on Client's account statement. Client may be required to pay, in addition to the Advisor fee, a proportionate share of any mutual funds fees and charges. Advisor may modify the terms of the Investment Advisor Agreement fee schedules prospectively on at least 30 days prior notice.

At Client's request, a handbill or documentation as otherwise required by law, may be generated and mailed directly to Client by WN's corporate office. Client is then responsible for direct payment to WN. Prior to deducting fees from the client's account, Advisor will send to Charles Schwab and Company, Inc., Interactive Brokers LLC, Millennium Trust Company and TradePMR simultaneously, a bill showing the fee amount. Interactive Brokers LLC and/or Charles Schwab & Company Inc., both provide quarterly account statements to each client, which show all amounts disbursed from the account including the amount of the advisory fee and the custodial fee. Termination charges are the responsibility of the client.

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your Account(s). The following list of fees or expenses are what you pay directly to third parties, whether a security is being purchased, sold or held in your Account(s) under our management. Fees charged are charged by the broker dealer and/or the custodian. We do not receive, directly or indirectly any of these fees charged to you. They are paid to your broker, custodian or the mutual fund or other investment you hold.

The fees include:



- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF), Exchange Traded Funds (ETFs)
- Advisory fees charged by sub-advisers (if any are used for your account);
- Custodial Fees;
- Deferred sales charges (on MF or annuities);
- Odd-Lot differentials;
- Deferred sales charges (charged by MFs);
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions;
- Among others that may be incurred.

If client's account includes investments related to the Advisor's Funds, Advisor will charge an advisory fee on these holdings plus receive a management fee as a partner of the Fund. Client's account value will be calculated based on share values from sources Advisor deems reliable, including independent pricing service agencies, custodians, mutual fund companies, and internet quote sites. In the instance of securities for which no readily available market exists, Advisor may value a security at its initial purchase price or its most recent historic valuation. Fees charged to Client can be a specific dollar amount but generally the fee is based on the value of assets in the accounts for which services will be provided to client by the Advisor. While fees may be negotiable in certain situations, Advisor typically uses the following fee schedule.

#### Standard Asset Management Fee Schedule

- 1.25% on assets under \$500,000
- 1.15% on assets between \$500,000 and \$1,000,000
- 1.00% on assets between \$1,000,000 and \$2,000,000
- 0.90% on assets in excess of \$2,000,000

#### Dividend Strategy and WN Growth Strategy Fee Schedule:

- 1.75% based upon the account net liquidation value within the strategy.

The fee described herein compensates Advisor for account management and reporting services only and is separate from other compensation paid by mutual fund companies. Mutual funds, annuities or index-based depository receipts purchased for a Client's account may be purchased directly from the sponsor or exchange without an advisory fee. However, in the event of a direct purchase, a sales charge may apply and the client would not receive the service described herein.

#### Comprehensive Financial Consulting

All consulting fees are based on the specific consulting services provided to the client and the complexity of the client's financial situation and goals. A fixed fee may be specified within the personal financial consulting contract, and a down-payment of up to 100% of the total fee is billed to the client when the contract is entered into. Fees charged to clients typically range from \$2,500 to \$25,000. This fee is based on the scope of planning and complexity of the plan being done. Fee will be based on an approximate hourly rate of between \$250-\$300 per hour. Depending on the services provided, the delivery of plan(s) range from 60 to 90 days. However, because situations affecting the consulting process may change, fees may be re-negotiated and adjusted with the Client's consent. Based on the client's individual financial situation and personal or business objectives, financial consulting services may be provided in separate phases with a different fee charged for each phase. The individual phases and applicable fees would be based on the various components of the consulting process, such as data collection and definition of objectives, and recommendations on specific areas in which the client requires financial consulting services.

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

WN does not charge performance fees.

## **Item 7 – Types of Clients**

We provide our services to a number of Clients, including:

- Individuals, including high net worth individuals
- Trusts, estates and charitable organizations
- Corporations or other business entities
- Not for profit entities
- Others as necessary

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

### **Analysis**

WN primarily utilizes both no load and certain load mutual funds, which may be purchased at net asset value as well as individual securities accounts. Appropriate asset allocation mixes of these portfolios are determined by the WN Investment Committee. Information used and analyzed comes from a variety of sources such as Dow Jones, Standard & Poors, Bloomberg, Morningstar, the U.S. Government, numerous periodicals, and personal discussions with fund managers and economists. WN has many proprietary models and systems for selecting mutual funds and outside money managers and recommending the proper asset allocation mix.

### **Investment Strategies**

WN offers investment-consulting services utilizing asset allocation models developed by WN and other non-affiliated independent service providers. The Program is designed to offer clients a diversified long-term approach to their personal investment goals and objects through asset allocation, re-balancing, monitoring, supervision, consolidated reporting and periodic recommendations. The focus of recommendations made by WN is directed primarily toward assisting the client in a diversified portfolio of investments with the risk and return characteristics consistent with those desired by the client. This strategy may include evaluation of the client's current allocation of assets among or within various broad categories, and may involve recommendations to reposition assets more in line with the client's long-term goals and objectives.

WN also provides investment advisory service in the area of non-public alternative investments to certain sophisticated and accredited investors as those terms are defined under federal and state law.

With regards to retirement plans that are subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), WN generally assumes the role of a fiduciary with respect to such ERISA plans. Additionally, the Responsible Plan Fiduciary for ERISA plans will be provided with an ERISA Fee and Services Disclosure pursuant to Section 408(b)(2) of ERISA, prior to the ERISA Plan engaging WN for advisory services.

Advisory services for performance fee accounts include the selection, monitoring and reporting of private equity investments in limited partnerships and other companies that make equity investments. Services are only offered to highly sophisticated, accredited investors, for a fee based on the performance of the recommended investments acquired by the client for its accounts.

Advisor will also provide advice to certain accredited investors relating to the following:

- Partnerships and other entities investing in venture capital, corporate restructures, leveraged buyouts and direct equity investments; and
- Private equity investments participating directly in companies or to their businesses which provide equity for venture capital, corporate restructures, leveraged buyouts, and direct equity investments.

### **Risk of Loss**

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized (the securities were not sold to "lock in" the profit). As you know, stock markets, bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We will do our very best in the management of your assets; however, we cannot guarantee any level of performance or that you will not experience a loss of your account assets.

## **Item 9 – Disciplinary Information**

J. Scott Cannon was a representative for Northwestern Mutual Investment Services, LLC prior to his employment with Wealth Navigation Advisors. During the time Scott was with Northwestern he had one client state they did not sign a specific non-variable annuity insurance form. Once notified of the discrepancy, Scott provided the details of the day in which the client signed the form in his presence. The complaint was resolved and no further action was taken.

D. Shane McMillan was a registered representative with Cambridge Investment Research, Inc. prior to joining Wealth Navigation Advisors. During the time Shane was with Cambridge he did have a written complaint filed. The client alleged that Shane failed to rollover the death benefit from a variable annuity following the death of a spouse and instead extended the policy. After review, Cambridge later denied the client's claim for any damages based on the client's written authorization for the account to be transferred as it was. No further action has been taken.

We do not have any other legal, financial or other “disciplinary” item to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client / Adviser relationship with us.

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

Often financial needs include a wider spectrum of professional help than is provided by WN. In these cases, certain associated individuals of WN may be involved with one or more of the following:

- Arete Wealth Management LLC, is the associated Broker Dealer of WN. WN is under common ownership, although, this ownership is not the majority. Representatives of WN may offer securities through the Broker dealer. Such offerings are dependent on a variety of factors including specific product requirement and other benefits to client. Such investments are not charged the AUM fees listed in item 5
- Strategic Capital Partners, LLC, is a real estate management LLC located in Centerville, Utah. SCP offers and solicits real estate loans and Private Placement Investments to accredited investors. Wealth Navigation may allocate a certain % of client assets to offerings provided through SCP. Wealth Navigation or its managers may have participated in ownership of those offerings. All SCP related funds are closed and are not being offered to investors.
- WN Insurance Group, LLC, is an affiliated insurance group under common ownership and control. Representatives of WN Insurance may offer insurance products to clients of WN. Individual associated persons may be licensed as insurance agents under WN Insurance Group, LLC and appointed as agents for various insurance companies. Some associated persons of Advisor are also

separately employed or licensed with other related professions. These individuals may spend as much as 40% of their time on these related activities.

- City Creek Capital, LLC, is an affiliated company under common ownership. The company was established in the State of Utah to manage the City Creek Capital Fund I, LLC and may manage other similar funds. Neither City Creek Capital nor any of its affiliated entities are being offered to clients for new investment. Neither WN or its representatives are involved in the management of this company.

WN's clients are under no obligation to engage these businesses.

WN may enter into agreements with developers of limited partnership products whereby WN may participate in the management of the partnership itself or the underlying products. WN may, from time to time, recommend securities to clients in which key Executive Officers or associated persons may have a financial interest. If such recommendations are made, complete disclosure of all interests will be made at the time of the recommendation. WN may also, from time to time, recommend securities to clients in which WN may hold an investment position. WN will never sell clients securities from its proprietary position nor will it cross trade with a customer for its own account, prior to obtaining written approval from Client.

One or more of the principals of the funds below is affiliated with WN. Interests in the Funds may be recommended by investment adviser representatives that may be affiliated with WN, and the fair market value of such interests may be subject to an asset under management fee. As a result, WN or one or more of the principals may receive compensation indirectly as a result of investments in the Fund due to WN or the principal's ownership.

### **City Creek Capital Fund I, LLC**

City Creek Capital Fund I, LLC a Utah limited liability company, was formed in July 2013. The Fund was established to engage in the collateralized asset lending business. A portion of the business will include making loans to leasing companies in order to finance the purchase of equipment. They may also directly or indirectly make working capital loans to small businesses, loans to homebuilders or developers secured by real property and loans in various other contexts, as long as the loans are secured. This fund is no longer accepting new investments.

### **Management Fee**

The Fund will pay to the Manager a management fee equal to 2% of the remaining cost basis for all unrealized investments. The Management Fee is intended to cover the operating costs of the Manager and fund administration and tax services expected to be provided by a third party. The Management Fee is calculated and paid on a quarterly basis in an amount equal to 25% of 2% of the remaining cost basis for all unrealized investments as of the last day of the previous calendar quarter.

### **Minimum Capital Investment**

The minimum amount of Preferred Units an investor may purchase is \$25,000, which minimum we may waive in our sole discretion.

### **Strategic Capital Partners Fund I, L.P.**

Strategic Capital Partners, LLC (SCP) and SCP Management I, LLC have formed Strategic Capital Partners Fund I, L.P. (SCPF) to acquire distressed and opportunistic real estate assets in the Intermountain West, with an emphasis in Utah. Interests in these partnerships are privately placed to accredited investors only. SCPF intends to invest in opportunities that can deliver above average returns with an appropriate level of risk. SCP will purchase, reposition, develop and sell quality real estate assets that adhere to the valuation parameters used by the Fund for underwriting. The acquisition strategy will seek to invest in a mixture of assets, some of which will provide cash flow and others that will be development or appreciation oriented. Cash flow will primarily be derived from commercial properties (office, industrial and retail) as well as apartments, but will also include hard money loans and note purchases. In capitalizing its investments, the Fund will attempt to utilize debt prudently to enhance equity returns without creating unnecessary risk to principal. In some cases, the Fund may invest with outside investors affiliated with SCP to accommodate larger acquisitions. In these cases, side-by-side investments may also be offered to Limited Partners.

### **Management Fee**

In consideration for its services, SCPF investors will pay to the General Partner an annual "Management Fee" equal to 2.0% of the aggregate Capital Commitments of the Partners. Following the Investment Period, the Management Fee will be equal to the lesser of 2.0% of the aggregate Capital Commitments of the Partners and 2.0% of the total cost basis of the invested capital of SCPF in its assets as of the last day of the previous calendar quarter. The Management Fee will be assessed and paid quarterly. The General Partner may waive all or any portion of any Management Fee in its discretion. In addition, the General Partner is entitled to a carried interest allocation equity to 30% of any profits above a priority return. As a result of this structure, the General Partner's compensation is limited if the Fund is unprofitable or experiences low levels of profits, and the General Partner's compensation is significant if the Fund is highly profitable. The risk of losses is borne primarily by the Limited Partners.

### **Minimum Capital Commitments**

\$250,000 per Limited Partner, subject to waiver in the General Partner's sole discretion.

## **Item 11 – Code of Ethics**

WN has adopted a Code of Ethics (Code) designed to comply with Rule 204A-1 under the Investment Advisers act of 1940. As required by regulation (and because it's good business), we have adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our Client (or Prospective Client) and to emphasize a culture of compliance within our firm.

The Code is designed to ensure that the high ethical standards long maintained by WN continue to be applied. The purpose of the Code is to preclude activities, which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee and Investment Advisor Representative.

WN expects every employee to demonstrate the highest standards of ethical conduct for continued employment with WN. Our Code is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code with annual training and on-going monitoring of employee activity. Our Code includes the following:

- Requirements related to the confidentiality of your Information
- Prohibitions on:
  - Insider trading (if we are in possession of material, non-public information);
  - Rumor mongering;
  - The acceptance of gifts and entertainment that exceed our policy standards;
- Reporting of gifts and business entertainment;
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call “reportable securities” as mandated by regulation); and,
- On an annual basis, we require all employees to re-certify to our Code, identify members of their household and any account to which they have a beneficial ownership (they “own” the account or have “authority” over the account), securities held in certificate form and all securities they own at that time).

Our Code does not prohibit personal trading by employees (or our firm). As you may imagine, as a professional investment adviser, we follow our own advice. As a result, we may purchase or sell the same or similar securities (or securities that are suitable for an employee or related account but not suitable for any client, including you) at the same time that we place transactions for your account and the accounts of our other Clients.

Strict compliance with the provisions of the Code shall be considered a basic condition of employment with Wealth Navigation. WN's reputation for fair and honest dealing with its clients has taken considerable time to build. This standing could be seriously damaged as the result of even a single securities transaction being considered questionable. Employees are urged to seek the advice of the Chief Compliance Officer or designated person, for any

questions about the Code or the application of the Code to their individual circumstances. A material breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with Wealth Navigation. The provisions of the Code are not all-inclusive. Rather, they are intended as a guide for employees of WN in their conduct. In situations where an employee may be uncertain as to the intent or purpose of the Code, he/she is advised to consult with the Compliance Department. All questions arising in connection with personal securities trading should be resolved in favor of the client even at the expense of the interests of the employee.

If you have any questions or concerns regarding the Code of Ethics or would like to receive the Code in its entirety, please contact us at 801-335-8200.

## **Item 12 – Brokerage Practices**

WN is a non-clearing firm that cannot directly execute trades, but must direct trades to a clearing firm. Clearing charges imposed by a clearing firm could result in clients paying higher commission rates than otherwise available through unaffiliated broker-dealers. WN uses the services of Arete Wealth Management, LLC, a FINRA broker-dealer and SIPC member. As a result of this clearing relationship, WN has a conflict of interest when it receives compensation for directing client order flow to unaffiliated entities. Arete Wealth Management, LLC, clears through National Financial Services, LLC, a FINRA broker-dealer and SIPC member.

WN will execute, clear and settle transactions that are registered under the Securities and Exchange Act of 1934 as broker-dealers. In selecting brokers to execute transactions, WN need not solicit competitive bids and does not have an obligation to seek the lowest available commissions cost. It is not WN's practice to negotiate "execution only" commission rates, thus WN may be deemed to be paying for other products and services provided by the broker, which are included in the commission rate. Based on WN's knowledge of the industry, WN will attempt to have brokerage arrangement competitive with similarly situated companies.

In making its selection of brokers, WN will take into account the broker's reliability, accuracy of recommendations on particular securities, reputation, financial responsibility, and stability, ability to execute trades, nature and frequency of sales coverage, commission rate and responsiveness to WN.

WN has no fixed internal brokerage allocation procedures designating specific percentages of brokerage commissions to particular firms. WN will seek best execution in transactions for its clients.



### **Item 13 – Review of Accounts**

Review of client accounts happens on an annual basis. Often reviews can occur more often due to the nature of the alternative investments some of our accredited clients hold. These investments often receive an updated price on a monthly basis. Such changes in value are mailed from the current custodian of the funds to the client as described in the private placement memorandum provided prior to the sale of the security. Any funds held in a brokerage account through Charles Schwab and Company, Inc. will generate a monthly statement mailed direct to the client's address of record. WN does use a data aggregation system to provide a combined view of all accounts currently held, but discloses that although we make every effort to ensure the data is correct, we suggest the client refer to the product sponsor's statement for the most accurate value.

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

WN may occasionally enter into arrangements with unaffiliated third parties to obtain client referrals. If applicable, the referral agreements may address the terms and conditions described in the Investment Advisers Act under Rule 206(4)-3. Under certain referral arrangements, WN agrees to pay the unaffiliated broker-dealer or registered investment advisor a percentage of the management fee paid to the firm by the referred investor. Investors are made aware of the referral arrangements prior to the referral taking place. Referral fees may vary and may include fixed and annual fees that are based on assets invested by referred clients.

### **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. WN does not hold or maintain custody of client funds. Checks received which are made payable to the respective custodian are promptly forwarded to the account custodian (Charles Schwab and Company Inc., Interactive Brokers, Millennium Trust Company, Trade PMR or another direct sponsor).

WN also prepares an aggregate account report in an effort to provide a clear view of all client accounts in one statement. This report is for illustration purposes only and should not be deemed accurate. Values may be estimations and may not be audited. Performance figures are purely historical and are gross of investment advisory fees. We believe the information contained in this report to be reliable, however, the accuracy and completeness of the information is not guaranteed. In the event of any discrepancy the sponsor's valuation shall prevail. Performance data quoted represents past performance and does not guarantee future results. The return and principal of an investment will fluctuate and when redeemed, it may be worth more or less than original cost. Investments are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Investments such as direct participation program securities (e.g., partnerships, limited liability companies, and real estate investment trusts which are not listed on any exchange), commodity pools, private equity, private debt and hedge funds are generally illiquid investments and their current values may be different from the purchase price. Unless otherwise indicated, the values shown in this statement for such investments have been provided by the management, administrator or sponsor of each program or a third-party vendor and represent their estimate of the value of the investor's participation in the program. Therefore, the estimated values shown herein may not necessarily reflect actual market values or be realized upon liquidation.

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

WN primarily provides advisory services on a discretionary basis. As such, prior to engaging WN to provide any investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with WN setting forth the terms and conditions under which WN shall manage client assets, including discretionary authorization when applicable. In addition, WN will provide the Investment Portfolio Proposal for client approval prior to allocating assets.

### **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

WN has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy voting policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.

#### Background

Proxy Voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. Investment advisers registered with the SEC, and which exercise voting authority with respect to client securities, are required by Rule 206(4)-6 of the Advisers Act to:

- adopt and implement written policies and procedures that are reasonably designed to ensure that client securities are voted in the best interests of clients, which must include how an adviser addresses material conflicts that may arise between an adviser's interests and those of its clients
- disclose to clients how they may obtain information from the WN with respect to the voting proxies for their securities;
- describe to clients a summary of its proxy voting policies and procedures, and upon request, furnish a copy to its clients

- Maintain certain records relating to the WN's proxy voting activities when the adviser does have voting authority.

### Responsibility

The CCO, or a designated person, has the responsibility for the implementation and monitoring of our proxy voting policy, practices, disclosures and recordkeeping, including outlining our voting guidelines in our procedures.

### Procedure

WN has adopted procedures to implement our policy and conduct reviews to monitor and insure it is observed, implemented properly and amended or updated. WN's voting procedures are:

- All employees will forward any proxy materials received on behalf of clients to the Proxy Manager;
- The Proxy Manager will determine which client accounts hold the security to which the proxy relates;
- Absent material conflicts, the Proxy Manager will determine how Wealth Navigation should vote the proxy in accordance with applicable voting guidelines, complete the proxy and vote the proxy in a timely and appropriate manner.

### Disclosure

WN will provide conspicuously displayed information in its Disclosure Document summarizing this proxy voting policy and procedure, including a statement that clients may request information on how WN voted a client's proxies, and that clients may request a copy of these policies and procedures. The Proxy Manager will also send a copy of this summary to all existing clients who have previously received WN's Disclosure Document; or the Proxy Manager may send each client the amended Disclosure Document. Either mailing shall highlight the inclusion of information regarding proxy voting.

All client requests for information regarding proxy votes, or policies or procedures, received by any employee should be forwarded to the Proxy Manager. In response to any request, the Proxy Manager will prepare a written response to the client with the information requested, and as applicable will include the name of the issuer, the proposal voted upon, and how WN voted the client's proxy with respect to each proposal.

### Voting Guidelines

In the absence of specific voting guidelines from the client, WN will vote proxies in the best interests of each particular client. WN's policy is to vote all proxies from a specific issuer the same way for each client absent qualifying restrictions from a client. Clients are permitted to place reasonable restrictions on WN's voting authority in the same manner that they may place such restrictions on the actual selection of account securities.

WN will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selections of auditors absent conflicts of interest raised by an auditor's non-audit service.

WN will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights. In reviewing proposals, WN will further consider the opinion of management and the effect on management, and the effect on shareholder value and the issuer's business practices.

#### Conflicts of Interest

WN will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of WN with the issuer of each security to determine if WN or any of its employees has any financial, business or personal relationship with the issuer. If a material conflict of interest exists, the Proxy Manager will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation. WN will maintain a record of the voting resolution of any conflict of interest.

#### Recordkeeping

The Proxy Manager shall retain the following proxy records in accordance with the SEC's five-year retentions requirement.

- These policies and procedures and any amendments;
- Each proxy statement that WN receives;
- A record of each vote that WN casts;
- Any document WN created that was material to making a decision how to vote proxies, or that memorializes that decision including periodic reports to the Proxy Manager or proxy committee, if applicable
- A copy of each written request from a client for information on how WN voted such client's proxies, and a copy of any written response.

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

Annual fees are charged to a client and are to be paid quarterly in arrears based on the average daily balance of the preceding calendar quarter of the client's account. WN does not require any clients to pay fees in advance. Please see *ITEM 5* for fee amounts and procedures.

### **Item 19 – Requirements for State-Registered Advisers Principal Executive Officers and Management Persons**

**Adam C. Fisher, CRPC®**, Co-Founder and Chief Executive Officer, has been an Investment Advisor Representative with Wealth Navigation Advisors since October 2006 as well as a

Registered Representative and General Securities Principal of Arete Wealth Management since March, 2009. Mr. Fisher attended Weber State University and has earned the designation of a Chartered Retirement Planning Counselor® through the College for Financial Planning in 2009. Mr. Fisher worked in the financial services and banking industry from 08/1999 to 9/2006, as Vice President of Financial Services for Deseret First Federal Credit Union. Mr. Fisher was a Registered Representative with The Private Consulting Group from 09/2006 to 02/2009.

**M. Scott Jones**, Director of Operations and Chief Compliance Officer, has been an Investment Advisor Representative with Wealth Navigation Advisors since January 2015 as well as a Registered Representative of Arete Wealth Management since February 2015. Mr. Jones attended the University of Utah where he earned a Bachelor of Arts degree in Economics. Prior to joining Wealth Navigation Advisors, Scott was a Vice President at Goldman Sachs & Co. where he worked in Private Wealth Management Operations from 2006 to 2015. Prior to Goldman Sachs & Co., he worked at Wells Fargo Investments from 2005-2006.

## **Education and Business Experience**

The education and business background of our investment professionals is provided in the Brochure Supplements, Form ADV Part 2B.

### **Other Business Activities**

Our investment professionals engage in other business activities besides providing investment advice. See Item 10 - Other Financial Industry Activities and Affiliations and the Brochure Supplements, Form ADV Part 2B for the Advisory Representatives which are attached hereto, for additional information on those other business activities of our investment professionals.

## **Legal and Disciplinary Issues**

In addition to the information provided herein by WN on its advisory business, officers and management, and other business activities, we are required to disclose all material facts regarding whether we or a management person of ours has:

- An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving: (i) an investment or an investment-related business or activity; (ii) fraud, false statement(s), or omissions; (iii) theft, embezzlement, or other wrongful taking of property; (iv) bribery, forgery, counterfeiting, or extortion; or (v) dishonest, unfair, or unethical practices.

- An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following: (i) an investment or an investment-related business or activity; (ii) fraud, false statement(s), or omissions; (iii) theft, embezzlement, or other wrongful taking of property; (iv) bribery, forgery, counterfeiting, or extortion; or (v) dishonest, unfair, or unethical practices.