

## Wrap Fee Program Brochure

Form ADV Part 2A, Appendix 1



**This brochure provides clients with information about the following wrap fee wealth management advisory options sponsored by 1914 Advisors:**

- **Asset Advisor**
- **Custom Choice**
- **Private Investment Management (PIM)®**
- **Private Advisor Network**
- **Boenning & Scattergood Advisors Platform**

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This wrap program brochure provides information about the qualifications and business practices of 1914 Advisors. If you have any questions about the contents of this brochure, please contact Compliance at: 800-883-1212, or by email at: [complianceteam@boenninginc.com](mailto:complianceteam@boenninginc.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. Please note that the use of the term “registered investment adviser” and description of 1914 Advisors as “registered” does not imply a certain level of skill or training.

Additional information about 1914 Advisors is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

October 7, 2021

## **MATERIAL CHANGES**

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March 31, 2021

### *ANNUAL UPDATE*

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The Material Changes section of this brochure will be updated at least annually or when material changes occur to the Wrap Fee Program Brochure since the previous release.

The last update to this brochure was dated May 15, 2020.

### *MATERIAL CHANGES*

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Since the last update, 1914 Advisors has added an affiliate firm, Columbus Macro, LLC, located outside of Pittsburg, PA. 1914 Advisors' holding company, Boenning & Scattergood Holdings, Inc., owns 85% of Columbus Macro, LLC through acquisition.

The SECs website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) provides additional information about our new affiliate firm.

In addition, 1914 Advisors will now offer a new service: the "Boenning & Scattergood Advisors Platform". The Boenning & Scattergood Advisory Platform gives 1914 Advisors discretion over investing assets in the account, including the authority to delegate responsibility to invest all or a portion of the account assets to either affiliated or unaffiliated third-party managers. For more information, see "Services – Boenning & Scattergood Advisors Platform" below.

Lastly, we have expanded our disclosure regarding the Cash Sweep Program offered through our Clearing Firm, First Clearing. Through this program client accounts earn a rate of return on the uninvested cash balances in the Account by automatically placing ("sweeping") cash balances into a sweep vehicle until such balances are invested or otherwise needed to satisfy obligations arising in connection with your Account. 1914 Advisors receives a rebate or fee based on the aggregate amount of client funds invested in these programs. This rebate will lower the interest rate clients receive from this Program. For further Information see "Other Fees and Charges" below.

### *FULL BROCHURE AVAILABLE*

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A complete copy of 1914 Advisor's most current Wrap Fee Program Brochure is available on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may also request a copy of the brochure by telephone at 800-883-1212, or by email [complianceteam@boenninginc.com](mailto:complianceteam@boenninginc.com). We will provide you with a new brochure at any time without charge.

Additional information about us is available via the SEC's website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). This website also provides information about any persons affiliated with 1914 Advisors who are registered as investment adviser representatives. Furthermore, you may request a copy of your representative's brochure supplement which will contain additional information on your advisory representative.

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## SERVICES, FEES AND COMPENSATION

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### Wrap Fee Programs

This wrap fee program brochure describes the wrap fee investment advisory services of 1914 Advisors (also “we,” “us,” and “our” in this brochure). “Wrap fee” means that investment advice, trading and custody are included for a single asset-based fee.

We sponsor a number of wrap fee advisory programs that are designed to help you meet your investment objectives and goals. This Disclosure Document deals solely with the following programs: Private Investment Management, Asset Advisor, Private Advisor Network, CustomChoice and Boenning & Scattergood Advisors Platform (collectively referred to as “the Programs”). Descriptions of the services and fees for the other programs and services we offer can be found in separate disclosure documents, copies of which are available upon request.

1914 Advisors has entered into an agreement with Wells Fargo Clearing Services, LLC (“WFCS”), dba Wells Fargo Advisors (“WFA”), pursuant to which WFA provides certain services with respect to the Program. Unless otherwise specified, WFCS, dba First Clearing, will maintain custody of client assets in the WFA Programs. First Clearing qualifies as a “qualified custodian” as described by Rule 206(4)-2 of the Investment Advisers Act. WFA and First Clearing each reserve the right to reject and not provide services to any client or with respect to any client account for any reason. WFA provides certain non-advisory services which enable 1914 Advisors to offer these wrap fee programs.

Boenning & Scattergood has a pre-existing Clearing Agreement with Wells Fargo Clearing Services (“First Clearing” or “WFCS”). This means if you choose to open an account with Boenning and Scattergood WFCS would custody your account. The decision to use WFCS is based on past experiences, minimizing commissions and other costs as well as offerings or services WFCS provide that 1914 Advisors and clients require or find valuable. Other services include, but are not limited to, account custody, trade execution services, clearing services, access to information and account information look-up services for Registered Representatives and clients, record-keeping services, 27 exception reporting and access to various financial products, including institutional share class mutual funds. Boenning & Scattergood received an incentive fee from its clearing firm upon execution of extending the Clearing Agreement. If the Company terminated its relationship with the Clearing firm prior to the end of its term, an early termination fee would apply. In addition, the Boenning & Scattergood receives an annual incentive fee from WFCS if the total amount of funds (including client funds) custodied at the clearing firm exceeds certain amounts as defined by the Agreement.

This incentive fee creates a conflict of interest for Boenning & Scattergood and 1914 Advisors because Boenning may be incentivized to continue to clear through First Clearing, rather than another clearing firm, which could have lower client fees or better execution.

If you direct brokerage to another broker-dealer, as described in the previous section, we can not negotiate custodial fees on your behalf, and you will likely not be paying the same custodial fees as other 1914 clients.

A separate Firm Brochure describes other investment advisory services we offer, including non-wrap Individual Customized Portfolios and Financial Planning. To request a brochure for another of our investment advisory services, contact your FA or call 800-883-1212. Copies are also available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## Services

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### Asset Advisor

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Under Asset Advisor, your financial advisor (“FA”) advises you about the assets in your account based on an understanding of your financial position, objectives and any investment restrictions. Your FA will discuss with you your income, financial resources and goals for your assets at the outset of the account relationship.

In the Asset Advisor program, 1914 FAs provide clients with non-discretionary investment recommendations; this means that your FA will contact you with recommendations, but any trading will require your prior approval. FAs recommend equity securities, fixed income securities, certain options strategies, mutual funds, exchange-traded funds (ETFs), closed-end

funds, and/or unit investment trusts (UITs). Collectively, these are referred to as “Program Assets”. The Program offers periodic rebalancing by WFA of the mutual funds in the client’s account, at the client’s request. Rebalancing is available at predetermined intervals (e.g., annually) or upon the client’s direction. 1914 Advisors provides monitoring and reporting of portfolio performance to clients on a periodic basis.

In some cases, we permit you to hold certain assets in your account(s) as an accommodation, and they are not eligible as Program Assets. These assets are referred to collectively as “Excluded Assets.” In addition, certain assets in the accounts participating in the Asset Advisor Program (e.g., non-program mutual funds) are designated as Excluded Assets. Excluded Assets will not be included in the calculation of the quarterly Program fee or account performance reporting. Excluded Assets purchased or sold in an Asset Advisor account will incur commissions or other transactional charges. The minimum account size for Asset Advisor is \$25,000. See also “Fees” below.

## CustomChoice

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Under Custom Choice, your FA advises you about the assets in your account based on an understanding of your financial position and objectives. At the outset of the account relationship, your FA will discuss with you your income, financial resources and goals for your assets.

The CustomChoice Program is a non-discretionary investment advisory service designed for those who want to be consulted before any allocation among open-end mutual funds. Working with your FA, you select the mutual funds from an allowable mutual fund roster for the account and the target allocation. You can also direct, if you choose, that the account be rebalanced periodically in order to maintain the mutual fund holdings in conformance with your target asset allocation.

In some cases, we permit you to hold certain assets in your account(s) as an accommodation, and they are not eligible as Program Assets. These assets are referred to collectively as “Excluded Assets.” In addition, certain assets in the accounts participating in the CustomChoice Program (e.g., non-program mutual funds or individual securities) are designated as Excluded Assets. Excluded Assets will not be included in the calculation of the quarterly Program fee or account performance reporting. Excluded Assets purchased or sold in an CustomChoice account will incur commissions or other transactional charges. The minimum account size for CustomChoice is \$25,000. See also “Fees” below.

## Private Investment Management

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In this program, select FAs manage the assets in your account on a discretionary basis based upon an understanding of your financial position and objectives. At the outset of the account relationship, your FA discusses with you your income, your financial resources, and your goals for your assets. Your FA will advise you on the investment strategy and will provide ongoing counseling by reviewing the strategy with you at least annually and more frequently as your needs require. Your FA will invest in equity securities, fixed income securities, certain options strategies, mutual funds, ETFs, closed end funds, and/or UITs depending on your investment needs. Your FA has discretion to make investment decisions on your behalf. FAs participating in this program have their own investment styles and manage accounts per their individual style(s). Some investment styles may be riskier than other styles. You should discuss your risk tolerance with your FA and consider the risks before choosing an investment style for your account. The minimum account size for Private Investment Management is \$50,000. See also “Fees” below.

## Private Advisor Network Program

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Under Private Advisor Network (“PAN”), you, with the advice of your FA, select a money manager for your assets. This is a dual contract program which means you enter into one contract with us and one contract with the money manager. We will provide assistance in selecting the money manager/strategy, limited oversight on the money manager you choose, trading, and custody services. You will enter into a second contract directly with the money manager for the provision of investment management services. The money manager will have discretion over your account and will make investment decisions on your behalf. Each Private Advisor Network manager will have a different investment timeframe. Investments in fixed income strategies may take an extended period to become fully invested. You should consult with the manager directly to determine the expected investment timeframe.

Generally, this program is for clients that have a preexisting relationship with a registered investment advisor that they would like to continue. The minimum account size for PAN is \$100,000 and subject to money manager minimums. See also “Fees” below.

1914 Advisors has no discretionary trading authority with respect to PAN program accounts. For more complete information on the investment management strategy provided you should review the current Form ADV Part 2A Brochure of the money manager you have selected which may be requested and obtained from your 1914 Advisors FA.

## Boenning & Scattergood Advisors Platform

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Under Boenning & Scattergood Advisors Platform (“BSAP”), the FA will have full discretion to invest your assets in mutual funds, exchange traded funds, other types of pooled investment vehicles, individual securities, short-term money market instruments, cash, options or a combination thereof.

Your FA may also utilize a model portfolio or strategy (“Model”) which is developed by us or by one or more affiliated or unaffiliated investment managers (each a “Manager”). Where an FA utilizes a Model, he or she will generally implement the Model Manager’s recommendations without change.

Unless instructed otherwise by you, we have discretion to delegate our responsibilities with respect to investing BSAP assets to one or more Managers. If we delegate management of BSAP assets to a Manager, the Manager, and not us, will be responsible for making investment decisions with respect to such assets and for the day-to-day oversight of the assets. You will be notified of any such delegation. 1914 Advisors will maintain responsibility for overseeing the relationship with each Manager that manages BSAP assets, provided, however, if you enter into a direct relationship with a Manager through a separate agreement with the Manager, the Manager will be directly responsible to you.

The FA and/or Managers will invest the assets in your account on a discretionary basis based upon an understanding of your financial position and objectives. Prior to the opening of a BSAP account, your FA will discuss with you; (i) your income; (ii) your financial resources; (iii) your goals for your assets; and (iv) and reasonable investment restrictions you may have. Your FA will advise you on the investment strategy and will provide ongoing counseling by reviewing the strategy with you at least annually or more frequently as your needs require.

The minimum account size for BSAP is \$100,000 (or \$250,000 in the case of a family) and subject to Manager minimums. See also “Fees” below.

[Our FAs are paid based on the fee retained by 1914 Advisors after other fees and expenses are paid. This creates a conflict of interest as an FA will have a higher compensation if they provide more services to the account or select lower cost Managers to manage an account. In order to minimize this conflict, our FAs will make their recommendations in the best interest of our clients and our clients are provided with an opportunity to select Managers which the FA is not permitted to utilize.]

For more complete information on the investment management strategy provided you should review the current Form ADV Part 2A Brochure of the money managers which may be selected. These Brochures may be requested and obtained from your 1914 Advisors FA.

## Investment Discretion

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The Private Investment Management, Private Advisor Network Program and Boenning & Scattergood Advisors Platform advisory agreements grant 1914 Advisors discretionary investing power over the assets in such accounts. Such discretionary authority allows the FA, for Private Investment Management, or money manager, for Private Advisor Network, or either, for Boenning & Scattergood Advisors Platform, to execute the trades they believe are suitable for your account.

Asset Advisor and CustomChoice are non-discretionary programs. This means that your FA will contact you with recommendations, but any trading will require your prior approval.

## Voting Client Securities

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You are responsible for voting your own proxies in Asset Advisor, Custom Choice and Private Investment Management. You will receive their proxies or other corporate actions directly from the custodian or transfer agent.

Your investment manager agreement determines responsibility for proxy voting in Private Advisor Network and Boenning & Scattergood Advisors Platform. Please refer to the money manager’s Disclosure Document for the specific Program information.

In the case of mutual funds, the investment company management has adopted proxy voting policies and guidelines and will vote the proxies on the underlying securities of the fund.

## Fees

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Unless agreed upon otherwise, annual investment management fees for Program Assets are deducted directly from your account quarterly in advance. based upon the market value of the account, including cash, as of the close of business on the last trading day of the preceding quarter. Accounts opening mid-quarter are initially charged a pro-rated fee. Advisory account fees will be prorated if the month-end net deposit or withdrawal of cash or securities would result in an advisory fee change of greater than \$40 between billing periods. Our fee covers our portfolio management or advice, custody and commissions for trades through First Clearing/Boenning & Scattergood (except as described below). **Paying a “wrap fee” may cost you more than if you paid separately for investment advice, brokerage commissions and other services, such as in a traditional broker-dealer account relationship in which commissions are paid on a trade-by-trade basis.**

Whenever there are changes to the fee schedule, the schedule charges previously in effect shall continue until the next billing cycle. To the extent a minimum fee is established for these Program accounts, the fee may cause the effective Program Fee rate (expressed as a percentage) to be greater than the fee rate specified.

The Program fee covers the cost of brokerage commissions and other transaction fees for Program Asset transactions effected on an agency basis. Your account will be charged a separate additional charge for (a) brokerage commissions on transactions effected for “Excluded Assets”, (b) brokerage commissions on transactions effected through outside brokers (step-outs), (c) dealer mark-ups, mark-downs, and “spreads” (whether charged by us or another broker-dealer), (d) odd lot differentials, (e) option clearing and execution fees (f) transfer taxes, (g) exchange fees (among which SEC fees may be included) and other required by law, and (h) overnight fees and other miscellaneous services fees and events.

Certain Programs (Asset Advisor and CustomChoice) made available by WFA allows the account to hold non-program assets. These assets are excluded from the quarterly fee, however brokerage fees and charges will apply.

We generally execute trades through our clearing firm First Clearing, but money managers in separately managed account programs like Private Advisor Network may determine that placing trades with another broker-dealer is necessary to comply with their best execution obligations. These are called “step out trades.” If your money manager “steps out” trades, you will incur additional trading costs.

Either party may terminate the advisory agreement at any time by written notice of either party to the other party. If an agreement terminates, you will receive a pro rata refund of the unearned fee. If an account terminates and transfers away from us, we will charge your account standard brokerage account termination and transfer fees.

The fee schedules below are negotiable. Therefore, the fee agreed on in the contract supersedes the fee schedule set forth below. Factors we consider in negotiating fees include the size of your total relationship with us. In addition, employees of 1914 Advisors and Boenning and Scattergood are eligible for discounts from the fee schedule for their personal accounts. Since fees are negotiable, clients should review their account agreement for their specific fee schedule or consult their FA.

### Advisory program annual fee schedules

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#### **Asset Advisor** (minimum account size \$25,000)

| <u>Value of Account</u> | <u>Standard Fee</u> |
|-------------------------|---------------------|
| First \$250,000         | 3.00%               |
| Next \$750,000          | 2.50%               |
| Over \$1,000,000        | 2.00%               |

#### **CustomChoice** (minimum account size \$25,000):

| <u>Value of Account</u> | <u>Standard Fee</u> |
|-------------------------|---------------------|
| First \$250,000         | 1.75%               |
| Next \$750,000          | 1.50%               |
| Over \$1,000,000        | 1.15%               |

#### **Private Advisor Network** (minimum account size \$100,000 or subject to manager minimums)



| <u>Value of Account</u> | <u>Standard Fee</u> |
|-------------------------|---------------------|
| First \$250,000         | 2.75%               |
| Next \$750,000          | 2.50%               |
| Over \$1,000,000        | 2.00%               |

**Private Investment Management** (minimum account size \$50,000)

| <u>Value of Account</u> | <u>Standard Fee</u> |
|-------------------------|---------------------|
| First \$250,000         | 3.00%               |
| Next \$750,000          | 2.50%               |
| Next \$1,000,000        | 2.00%               |

**Boenning & Scattergood Advisors Platform** (minimum account size \$100,000, or in the case of a family, \$250,000)

| <u>Value of Account</u> | <u>Standard Fee</u> |
|-------------------------|---------------------|
| First \$500,000         | 1.95%               |
| Next \$500,000          | 1.75%               |
| Next \$1,000,000        | 1.55%               |

All of these fees are negotiable between you and the firm.

## Compensation

Your FA receives as compensation a portion of the 1914 Advisors advisory fee that you pay. FAs therefore have a financial incentive to recommend advisory services to clients. At the same time, the management fee is based upon the value of the client's account, not upon the number of transactions, so the FA also has an incentive to maximize the performance of each client's account. Different advisory products have different fee schedules which provide an incentive to FAs to offer one account type over another, although FAs are obligated to act in your best interest.

## Other Fees and Charges

Custodians charge reporting fees for the sales of securities. These charges are usually small and incidental to the purchase or sale of a security.

The investment strategies used in your account and transactions that occur in your account, including liquidations and rebalancing transactions, may cause the realization of gains or losses for tax purposes. In addition, your account may be invested in investment products that result in unique tax treatment, including Schedule K-1 reporting. Investment in international securities may generate additional tax consequences from foreign taxes. MLPs can generate Unrelated Business Income Tax for retirement accounts. ETFs that invest in alternative investments like precious metals, currency or commodities have varying tax treatments. You should consult with your tax adviser regarding the tax implications of investing in any of the advisory services described in this brochure. We do not provide tax advice.

### **Mutual Funds**

Mutual funds and Exchange Traded funds generally charge a management fee for their services as investment managers. This management fee, along with other charges, is included in the "expense ratio". For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. The expense ratio of a mutual fund and ETF affects the total return of your investment. Higher mutual fund and ETF fees and expenses reduce your returns. Fees vary depending on the mutual fund and ETF. These fees are in addition to the fees you pay to 1914 Advisors. You should read each fund's prospectus carefully to understand the fees and expenses associated with the fund.

Certain mutual funds charge an early termination fee if you sell shares prior to the fund's required holding period. You should refer to the fund's prospectus for specific information regarding early redemption fees.

## **LOANS**

### **Margin**

Certain accounts held at Boenning & Scattergood, Inc. are eligible to trade on Margin. Before trading stocks in a margin account, you should carefully review the margin agreement. Consult your Financial Advisor/Professional regarding any questions or concerns you may have with your margin account(s) or regarding eligibility of margin trading.



When you purchase securities through your brokerage firm, you may pay for the securities in full or you may borrow part of the purchase price from First Clearing (the 'clearing firm'). If you choose to borrow funds, you will open a margin account with your brokerage firm. The securities purchased are First Clearing's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan. And, as a result, First Clearing or Boenning and Scattergood can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account.

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

- **You can lose more funds than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to First Clearing, the firm that has made the loan, to avoid the forced sale of those securities or other securities or assets in your account(s).
- **First Clearing or your brokerage firm can force the sale of securities or other assets in your account(s).** If the equity in your account falls below the maintenance margin requirements or First Clearing's higher "house" requirements, First Clearing can sell the securities or other assets in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.
- **First Clearing or your brokerage firm can sell your securities or other assets without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the brokerage firm cannot liquidate securities or other assets in their accounts to meet the call unless the brokerage firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to you.
- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, First Clearing or your brokerage firm has the right to decide which security to sell in order to protect its interests.
- **First Clearing or your brokerage firm can increase its "house" maintenance margin requirements at any time and is not required to provide you advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause First Clearing or your brokerage firm to liquidate or sell securities in your account(s).
- **You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

*Securities in your margin account may be loaned to or by First Clearing. To the extent First Clearing determines, in accordance with Federal tax regulations, that your securities have been loaned, payments received by you with respect to such securities (including payments in lieu of dividends) may be reclassified as substitute payments. Substitute payments may be reported on different tax reporting forms than payments received on the underlying securities and may be subject to different tax consequences and rates. You are advised to contact your tax advisor to discuss the tax treatment of substitute payments.*

When investing in Margin you will be charged an annual rate of interest to the daily adjusted debit balance in your Account. The annual rate of interest charged on net debit balances is computed at a rate selected by Boenning. You further understand and agree that rates tiers and methods of calculations may be changed from time to time at Clearing Firm's sole discretion with prior notice to you.

At the close of each monthly interest period during which credit was extended to you, the interest charge is computed by multiplying the daily-adjusted debit balance by the applicable interest rate and by the number of days during which a debit balance was outstanding and then dividing by 360. Should the applicable rate change during the interest period, separate computations will be made with respect to each rate charged for the appropriate number of days during the interest period. Interest charged is calculated on a settlement date basis. A divisor of 360 days is used in determining the interest charged.

Boenning and Scattergood Inc. has a conflict of interest in recommending a margin loan because Boenning & Scattergood (in its capacity as a broker-dealer) receives a markup on the interest charged on the loan. The mark-up is set by Boenning & Scattergood and is negotiable. Not all clients are paying the same rate.

Your Financial Representative has a conflict of interest in recommending the use of margin as well because the representative receives higher quarterly fees on margin accounts. In most cases, if you authorize the use of margin in managing the account, the market value of the account and corresponding fee payable to Advisor and Representative will be increased. You should refer to the Advisory contract you signed to see whether this applies to you (see section titled "Fees"). Any margin fees incurred will be in addition to any fees charged to the Client under the Advisory Agreement.

You do not have to trade on Margin. Client's must opt-in to utilize margin and if you do not wish to utilize Margin you simply have to not opt in. In this case, you will have a 'Cash Account'. No loan will be distributed to you, and you must have the cash to pay in full for each trade by settlement date.

The Firm maintains policies and procedures to ensure recommendations made to you are in your best interest. You should review the Margin Disclosure Statement and your Account Agreement to understand this type of account's unique considerations before opening a margin account.

### Collateralized Loans

1914 Advisers provides personal lending services through WFCS in the form of a collateralized loan or line of credit. The Priority Credit Line is a revolving non-purpose margin credit facility established for you for a purpose other than purchasing, carrying, or trading in securities, or reducing or retiring indebtedness incurred to purchase, carry, or trade in securities. Wells Fargo Clearing Services, LLC ("Clearing Firm") will carry the Priority Credit Line, which you have opened with Boenning and Scattergood, Inc. and extend credit to you under the Priority Credit Line Agreement.

Prior to obtaining a Priority Collateralized Loan it is important that you fully understand the risks. These risks include the following:

- **You can lose more funds than you deposit in your pledged account(s).** A decline in the value of securities that are pledged for the Priority Credit Line may require you to provide additional funds to Wells Fargo Clearing Services, LLC ("First Clearing"\*), which has made the loan, to avoid the forced sale of those securities or other assets in your account(s).
- **We can force the sale of securities or other assets in your pledged account(s).** If the equity in your account(s) falls below the maintenance requirements or our higher "house" requirements, we can sell the securities or other assets in any of your accounts held with us to cover the maintenance deficiency. You also will be responsible for any shortfall in the account after such sale.
- **We can sell your securities or other assets without contacting you.** Some investors mistakenly believe that firms such as ours must contact them for a maintenance call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. While we will try to notify you of maintenance calls, we are not required to do so. However, even if we have notified you and provided a specific date by which you can meet a maintenance call, we can still take necessary steps to protect our financial interests, including immediately selling the securities without notice to you.
- **You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a maintenance call.** It is vital for you to understand that because the securities are collateral for the Priority Credit Line, we have the right to decide which security to sell in order to protect our interests. Because our interests may not be aligned with yours, you should understand that we may sell securities or assets, which you may desire to keep. If there are securities or assets, which you desire to own during the term of your Priority Credit Line, you should not pledge them as collateral for the loan.
- **We can increase our "house" maintenance requirements at any time and are not required to provide you with advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance call. Your failure to satisfy the call may cause us to liquidate or sell securities in your account(s).

- **You are not entitled to an extension of time on a maintenance call.** While an extension of time to meet maintenance requirements may be available to customers under certain circumstances, a customer does not have a right to the extension.

Boenning and Scattergood will instruct the Clearing Firm to charge you an annual rate of interest on the daily adjusted aggregate principal amount of Priority Credit Line Advances outstanding, if any. Your annual rate will vary depending on the outstanding debit balance in your account calculated on a daily basis. Your rate is negotiable and not all clients are paying the same rate.

Boenning & Scattergood is charged less than you the client on your loan funds. When you borrow against your line of credit, Boenning earns the difference between what you are charged and what the clearing firm charges us ("the spread"). This spread is income to the firm which is shared with your Financial Advisor. The spread is earned monthly and is paid on an ongoing basis while you have a loan taken out.

This payment creates a conflict of interest to the firm and your Financial Advisor. Your Advisor and the Firm are incentivized to recommend that you open a PCL and borrow on that line of credit because it increases our income on your account.

Interest is computed daily on the basis of a 360-day year using the following formula:  $(\text{Adjusted Debit Balance}/1) \times (\text{Interest Rate}/100) \times (\text{Number of Days}/360)$ . The Adjusted Debit Balance is the net total of the balance in your Priority Credit Line Account, reduced by any payments/cash transfers to the Priority Credit Line Account. At the close of each monthly interest period during which credit was extended to you, the interest charge is computed by multiplying the daily adjusted debit balance by the applicable interest rate and by the number of days during which a debit balance was outstanding and then dividing by 360. Should the applicable rate change during the interest period, separate computations will be made with respect to each rate of charge for the appropriate number of days at each rate during the interest period. Interest charged is calculated on a settlement date basis. A divisor of 360 days is used in determining the interest charged. If not paid, the interest charge for credit extended to your Account at the close of the interest period is added to the opening debit balance for the next interest period. Credit and debit balances will be combined daily and interest will be charged on the resulting average daily net debit balances for the interest period.

Interest assessed to your account may exceed the income generated by the collateral in your Collateral Account(s) and, as a result, you may experience negative cash flow.

### **Cash and Cash Sweep**

1914 Advisors/Boenning & Scattergood Inc, through our clearing firm (First Clearing), offers cash sweep options in all accounts. Through the Cash Sweep Program, you may earn a rate of return on the uninvested cash balances in your Account by automatically placing ("sweeping") cash balances into a sweep vehicle until such balances are invested or otherwise needed to satisfy obligations arising in connection with your Account (*e.g.*, distributions). Current options include Bank Sweep Deposit Programs and Money Market Mutual Funds made available by First Clearing. Eligibility into each sweep is determined by account type. Refer to the Cash Sweep Program Disclosure Statement for more information/disclosure on these options.

Cash sweep options will have a yield that varies based on prevailing interest rates. 1914 Advisors benefits financially from cash balances placed in Sweep Programs. Specifically, the firm receives a rebate from First Clearing that is determined by the amount of total client funds placed in Bank Deposit Programs and a fee based on the amount of funds placed in Money Market Sweep Programs. The interest rate provided to you through these Sweep Programs (specifically the Bank Deposit Program and the Expanded Bank Deposit Program) are lower than market rates and other available cash alternatives because they reflect the rate you receive after the rebate to our firm and others (like our clearing firm) are paid (*i.e.*, the rebate monies paid out lower your return). The rebate to us is calculated based on a formula that considers the aggregate firm investments in the program, the current LIBOR rate and a compression schedule that is determined by our clearing firm. This rebate creates a conflict of interest, as the Firm has an incentive to recommend that clients opt into the Cash Sweep Program. Our Financial Professionals do not, however, receive any portion of the bank sweep compensation paid to the Firm.

We generally recommend the Cash Sweep Program to all of our clients. Should you wish to not participate in this program you can either: 1) choose no sweep option, meaning that the cash will be held in your account and be readily available; or 2)

choose an alternative cash investment option (*i.e.*, a money market fund). If you choose the no sweep or “free credit balance” option, you will not earn any interest on your cash balances. However, our clearing firm does still earn interest, and shares some of that interest with us in the form of a rebate to us.

With respect to cash investment alternatives (*i.e.*, money market funds), such investments do not pay revenue to our firm so there is no reduction to your return due to such revenue sharing with our firm. Cash alternatives may also have interest rates that are higher than under the Sweep Program, depending on market conditions. However, unlike cash invested using the Sweep Program, cash invested in money markets is not swept (it is traded), may not be immediately available, and is not FDIC insured, though it would be protected by SIPC for certain losses (please see below for more details).

The Bank Deposit Program and Expanded Bank Deposit Program are FDIC insured. The Bank Deposit Sweep will provide up to \$250,000 in FDIC insurance per Program Bank (\$500,000 per Program Bank for joint accounts with two or more owners). As of the date of the most recent Cash Disclosure Statement, the Standard Bank Deposit Sweep will provide a minimum of \$500,000 in FDIC insurance (\$1 million for joint accounts with two or more owners). The Expanded Bank Deposit Sweep makes five Program Banks available, resulting in up to \$1.25 million in available FDIC insurance (\$2.5 million for joint accounts with two or more owners). This amount is an aggregate amount of cash deposits at all banks by the depositor. Any funds above of this amount are not principally protected in the event of bank failure. Cash you hold in these banks outside of the Sweep Program may reduce the FDIC coverage you receive for cash held under the Sweep Program because your cash assets are typically aggregated at each bank for coverage purposes.

Money market Mutual Funds or other cash alternatives are protected by SIPC, which protects against the custodial risk (and not a decline in market value) when a brokerage firm fails by replacing missing securities and cash up to a limit of \$500,000, of which \$250,000 may be cash. For more information on SIPC coverage, please visit [www.sipc.org](http://www.sipc.org).

Whether you are investing in a sweep asset or another cash alternative, you should consider that, if you are paying an ongoing management fee on your cash investment (*i.e.*, the annualized fee the firm charges to manage your assets), and that fee is higher than the rate of interest your cash is paying, you will lose money on these investments. These losses will be magnified in the Sweep Program due to the rebate described above.

When speaking with your Financial Professional, you should discuss whether one of these funds or other cash equivalent investments better suit your financial needs.

Asset Advisor, Private Investment Management, Boenning & Scattergood Advisors Platform and Private Advisor Network accounts may hold shares in UITs. You will not pay a sales charge on these securities; however, we will receive a selling commission from the sponsor based on the number we sell.

You will pay several fees and charges when you invest in an annuity. Be sure you understand all the charges before you invest. These charges will reduce the value of your account and the return on your investment. You should read the prospectus of the annuity carefully before investing to understand the various expenses associated with annuities.

### Additional Compensation (also see section “Client Referrals and Other Compensation”)

Our advisors often receive additional compensation when selling particular products and securities. This compensation is in addition to the fee that the FA receives from you for managing your account. There is always an inherent conflict of interest when there are opportunities and incentives for FAs to receive extra compensation for selling certain products. We aim to mitigate as much of this conflict as possible at all times.

When you purchase an insurance product (Life Insurance, Annuity, Deferred Compensation Plans, Corporate Pension Plans, among other products) your FA typically receives a commission, which can vary greatly by insurance company and can be significant compensation to your FA. These commissions generally increase as the value of your insurance product increases. Insurance companies pay your FA in a lump sum or in the form of asset-based trails paid quarterly during the number of years your contract remains in force. If you switch insurance companies, your FA receives additional compensation from the new insurance company.

Many mutual funds pay FAs 12b-1 fees, which are additional fees charged by mutual funds for promotion, distributions, and/or marketing expenses of the fund's shares. If a mutual fund with 12b-1 fees is purchased as a program asset, WFA will receive a portion of the 12b-1 fees directly from the mutual fund company as additional compensation. These 12b-1 payments are not currently paid to 1914 Advisors or its FAs. Specific information about mutual fund fees can be found in the fund's prospectus.

Your FA also receives non-cash compensation and other benefits from mutual fund companies or other product sponsors with whom Boenning does business. Such non-cash compensation includes invitations to attend conferences or educational seminars sponsored by mutual fund companies or their advisers or distributors, payment of related travel, lodging and meal expenses, and receipt of gifts and entertainment. This practice presents a conflict of interest and gives us an incentive to recommend investment products based on the compensation received, rather than on a Client's needs. We address this conflict by maintaining policies limiting gifts and gratuities and disclosing this conflict to you. You should review all mutual fund prospectuses and other offering documents for further explanation.

Boenning receives a selling concession when purchasing new issue securities for your account and pays a portion of the compensation received from such transaction to your FA. In occasions where Boenning acts as an underwriter or dealer, Boenning is compensated for selling securities on behalf of an issuer. In occasions where Boenning acts as an underwriter or dealer, you will pay the public offering price for securities purchased from Boenning. This payment is not added or related to the advisory fee you pay.

Private investment vehicles such as limited partnerships, hedge funds or private placements also pay FAs a selling concession or placement fee if one of our clients invests in their product. This compensation is separate from the advisory fee that you pay to your FA.

## Performance-based Fee and Side-by-Side Management

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### **Sharing of Capital Gains**

We do not use a performance-based fee structure because of the potential conflict of interest.

### **Side-by-Side Management**

Many of our FAs also manage commission-based accounts for clients. Certain advisory Programs are allowed to have both Commission based assets and advisory assets. Clients' financial backgrounds, risk tolerance, and investment objectives for brokerage assets may be different than those of advisory accounts. As such, at times, FAs execute trades for brokerage assets that are in direct conflict to trade recommendations for your advisory account. Additionally, clients with brokerage assets outside of the advisory Programs receive execution prices which are higher or lower than your execution prices.

Our FAs do not act as advisor to any hedge funds, outside funds, or other products that may cause conflicts of interest in relation to their fiduciary obligation to you as an Adviser.

## Client Referrals and Other Compensation

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### **Incoming Referrals**

1914 Advisors has been fortunate to receive many client referrals over the years. These referrals come from our current clients, attorneys, accountants, employees, personal friends of employees and other similar sources. In many cases, we will compensate an individual who refers clients to the firm pursuant to applicable federal and state securities laws. Compensation is typically based on a fixed percentage of assets under management and is paid to the referring party quarterly or on a one-time basis. All compensated referrals must be executed via a Solicitation Agreement, and in compliance with the applicable federal and state securities laws. Solicitation Agreements are signed by the FA, the firm's Chief Compliance Officer or designee, the client, and the referring individual.

### **Other Compensation**

Boenning currently has a revenue sharing agreement with WFCS, whereby Boenning receives a rebate based on the total Client assets under management in Wells Fargo FDIC insured bank deposit products and Federated money market funds.

All FAs of 1914 Advisors are eligible to receive compensation for recruiting new FAs to the firm. This compensation is typically based on a percentage of the new advisor's first 12 months production.

## *INCENTIVE PROGRAMS*

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Boenning has adopted an incentive compensation program, as applicable with current law, which rewards eligible employees who offer a business lead that results in a sale of certain broker dealer or advisory products or services to existing clients and prospects. These rewards are applicable for employees who refer business to affiliates as well. These rewards create conflicts of interest for Boenning and Scattergood, Inc. and its representatives because it creates an incentive to encourage our clients to engage in transactions with other business units, based on the compensation that we will receive for these referrals.

Additionally, certain new hire FAs receive special one-time compensation upon joining the firm and/or reaching specified production levels within their first year of employment. Certain new hire FAs also receive an enhanced commission payout percentage during their first 12 to 14 months employment. There is an inherent conflict of interest in these types of compensation arrangements whereby the FA may be persuaded to engage in riskier transactions in order to meet production goals. We maintain very strict oversight of FAs with these agreements to ensure that any such activities do not occur and that clients are not disadvantaged in any way due to special compensation arrangements.

## **TYPES OF CLIENTS**

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### **Description**

We provide investment advice to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, business entities, and others not mentioned here.

Client relationships vary in scope and length of service.

### **Account Minimums**

Requirements to open or maintain an account, such as minimum account size and minimum fees, are described above under "SERVICES, FEES AND COMPENSATION - Fee Schedules."

## **PORTFOLIO AND PORTFOLIO MANAGER SELECTION AND EVALUATION**

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### Methods of Analysis

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Security analysis methods for FA recommendations include charting, fundamental analysis, technical analysis, and cyclical analysis, as appropriate.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Some specific sources of information available to 1914 Advisors include:

Newsletters/subscriptionservice: Kiplinger; Valueline; The Chartist

Research Provider: Boenning; Credit Suisse; S&P; UBS

Online Sources: Argus; Bloomberg; CNN Finance; Dealbreaker; Dorsey Wright; iShares; Fortune; Google Finance; MarketFolly; Morningstar; Seeking Alpha; SmartMoney; Yahoo Finance; Yahoo Stock Screener.

Print: WSJ, Barrons, Investment News Daily

In Private Advisor Network, we evaluate potential money managers as requested by the client and conduct an annual review of the money managers. Such reviews are strictly quantitative in nature and do not incorporate on-site manager visits, conferences, or in-depth qualitative reviews. We do not verify the money managers' performance information. Performance information may not be calculated on a uniform or consistent basis.

### Client Information Provided to Portfolio Managers

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Portfolio Managers rely on the information provided as part of the account opening process.

For the Asset Advisor, CustomChoice, Private Investment Management and Boenning & Scattergood Advisory Platform Programs the Account Profile outlines your investment objectives, financial circumstances, risk tolerance and any restrictions you wish to impose on your investment activities. At least annually, the 1914 Advisors FA will contact you to determine whether there have been any material changes in your financial circumstances, investment objectives or instructions and to provide a review and evaluation of your portfolio in light of these investment considerations. It is important to remember to update your FA promptly when any of your information changes so that your goals and objectives can be updated accordingly.

In the case of Private Advisor Network, your program model selection is provided to the money manager for implementation.

## Client Contact with Portfolio Managers

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Your FA is your primary point of contact. 1914 Advisors FAs are generally available on a routine basis during normal working hours or by arranged appointments outside of these hours to consult with clients. Under the Private Advisor Network program, upon request, your FA will attempt to coordinate the contact with your selected money manager; for restrictions on the ability to contact portfolio managers refer to money manager's Disclosure Document.

## Investment Strategies

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Your personal investment strategy is based upon the objectives you discuss with your FA during consultations. We encourage you to discuss risk tolerance and liquidity needs with your FA to devise a portfolio that best meets your needs. You may change these objectives at any time. It is important to remember to update your FA promptly when any of your information changes so that your goals and objectives can be updated accordingly. You should keep in mind that certain of the Programs described in this brochure only invest in certain types of assets.

## Risk of Loss

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All investment programs carry the risk of loss and there is no guarantee that any investment strategy will meet its objective. Diversification may mitigate the risk of loss, but it cannot prevent loss in an overall down market. Depending on the types of securities you invest in, you should consider the following investment risks:

**Interest-rate Risk:** Fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Market Risk:** The price of a security, bond, or mutual fund may 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 may trigger market events. Additionally, unexpected events and their aftermaths, including broad financial dislocations (such as the "great recession" of 2008-09), war, terrorism, natural and environmental disasters and the spread of infectious illnesses or other public health emergencies (such as the COVID-19 coronavirus pandemic first detected in December of 2019), may adversely affect the global economy and the markets and issuers and securities of all types. These events could reduce consumer demand or economic output, result in market closures, travel restrictions or quarantines, or widespread unemployment, and generally have a severe negative impact on the global economy. Furthermore, such events could cause financial markets to experience elevated or even extreme volatility and losses and could result in the disruption of trading and the reduction of liquidity in many instruments. Governmental and quasi-governmental authorities and regulators throughout the world have in the past responded to major economic disruptions with a variety of significant fiscal and monetary policy changes, including but not limited to, direct capital infusions into companies, new monetary programs and dramatically lower interest rates. An unexpected or quick reversal of these policies, or the ineffectiveness of these policies, could increase volatility in securities markets, which could adversely affect the value of your investments.

**Inflation Risk:** When any type of 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.

**Currency Risk:** Investments with exposure to overseas assets are subject to fluctuations due to changes the value of the dollar against the currency of the asset's originating country. This is also referred to as exchange rate risk.

**Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.



**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

**Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of unprofitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**Liquidity Risk:** When consistent with a client's investment objectives, guidelines, restrictions and risk tolerances, the FA may invest portions of Client portfolios in illiquid securities, subject to applicable investment standards. Investing in an illiquid (difficult to trade) security may restrict your FA's ability to dispose of investments in a timely fashion or at an advantageous price, which may limit the ability to take full advantage of market opportunities.

- Accounts may hold securities which are partnerships. Some partnerships are relatively liquid and may be either exchange listed or traded over-the-counter. However, most partnership securities are often illiquid and are subject to significantly less regulation than public investments.

**Issuer Risk:** Securities may decline in value because of changes in the financial condition of the issuer. An individual security may perform differently than the market as a whole.

**Fixed income Risks:** Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce the yield that an investor receives from his or her portfolio. These risks may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets.

- Debt securities have a stated maturity date when the issuer must repay the principal amount of the bond. Some debt securities, known as callable bonds, may repay the principal earlier than the stated maturity date. Debt securities are most likely to be called when interest rates are falling because the issuer can refinance at a lower rate.
- The credit rating or financial condition of an issuer may affect the value of a debt security. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest fully and return principal in a timely manner. The issuer of an investment-grade security is more likely to pay interest and repay principal than the issuer of a lower rated bond. Credit ratings are not an absolute standard of quality but, rather, general indicators that reflect only the view of the originating ratings agencies from which an explanation of the significance of such ratings may be obtained. If an issuer defaults or becomes unable to honor its financial obligations, the security may lose some or all of its value.
- High yield or "junk" bonds are highly speculative securities that are usually issued by smaller, less credit worthy and/or highly leveraged (indebted) companies. Compared with investment-grade bonds, high yield bonds carry a greater degree of risk and are less likely to make payments of interest and principal. Market developments and the financial business conditions of the corporation issuing these securities influences their price and liquidity more than changes in interest rates, when compared to investment-grade debt securities. Insufficient liquidity in the junk bond market may make it more difficult to dispose of junk bonds and may cause the portfolio to experience sudden and substantial price declines.

**Foreign, Emerging Markets Equity and Fixed Income Risk:** Investments in these types of securities have considerable risks. Investments in securities of foreign and emerging markets issuers involve different investment risks than those affecting obligations of U.S. issuers, including:

- Public information may be limited with respect to foreign and emerging markets issuers; foreign and emerging markets issuers may not be subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies.
- There may also be less government supervision and regulation of foreign and emerging markets securities exchanges and are less liquid and more volatile than securities of comparable domestic issuers.
- Brokerage commissions and other transaction costs on foreign and emerging markets securities exchanges are generally higher than in the U.S. Dividends and interest paid by foreign and emerging markets issuers may be subject to withholding and other foreign taxes, which may decrease the net return on foreign investments as compared to dividends and interest paid by U.S. companies.
- Such markets often have different clearance and settlement procedures for securities transactions.

- Additional risks include future political and economic developments, the possibility that a foreign jurisdiction might impose or change withholding taxes on income payable with respect to foreign and emerging markets securities, and the possible adoption of foreign governmental restrictions such as exchange controls.
- Since the securities purchased in a foreign or emerging markets portfolio can be denominated or quoted in currencies other than the U.S. dollar, changes in foreign currency exchange rates may affect the value of securities in the portfolio.

**High-yield fixed-income Securities Risk:** Investments in high-yielding, non-investment grade bonds involve higher risk than investment grade bonds. Adverse conditions may affect the issuer's ability to make timely interest and principal payments on these securities.

**Small/Mid Cap Risk:** Stocks of small and mid-capitalization companies may have less liquidity than those of larger companies and may be subject to greater price volatility and risk than the overall stock market. In addition, the frequency and volume of trading in securities of smaller and mid-size companies may be substantially less than what is typical of larger companies. Therefore, the securities of smaller and mid-size companies may be subject to greater and more abrupt price fluctuations.

**Micro Cap Risk:** Stock prices of micro-cap companies are especially sensitive to changes in a company's activities and financial condition and in overall market and financial conditions and therefore may be subject to greater share price fluctuations than other companies. Also, securities of these companies are often less liquid, thus possibly limiting the ability to dispose of such securities. As a result of these factors, securities of these micro cap companies may expose shareholders of such companies to above average risk.

**Diversification Risk:** Investments that are concentrated in one or few industries or sectors may involve more risk than more diversified investments, including the potential for greater volatility.

*Specific products recommended to you also have inherent risks:*

**American Depository Receipt ("ADR") Risk:** ADRs are typically issued by a U.S. bank or trust company and represent ownership of underlying foreign securities. There are several risks unique to ADRs that must be considered. For instance, while they will react to normal market fluctuations like regular stocks, ADRs are still vulnerable to currency risks. If the value of the company's home currency falls too much relative to the U.S. Dollar, the effect will trickle down to the ADR eventually. The same can be said for changes in the home country's government. See the "Foreign, Emerging Markets equity and fixed income Risk" section for more information.

**REIT Risk:** Listed REITs' share prices may decline because of adverse developments affecting the real estate industry such as declining real estate values, changing economic conditions and increasing interest rates. The returns from REITs may trail returns from the overall market. Additionally, there is always a risk that a given REIT will fail to qualify for favorable tax treatment or may not qualify or may not remain qualified as a REIT.

**Exchange Traded Funds (ETFs):** Equity-based exchange traded funds are subject to risks similar to those of stocks; fixed income-based ETFs are subject to risks similar to those of bonds. An ETF may not efficiently track the value of the underlying asset it is designed to track.

**Leveraged ETFs:** Most leveraged ETFs seek to provide a multiple of the investment returns of a given index or benchmark on a daily basis. Inverse ETFs seek to provide the opposite of the investment returns, also daily, of a given index or benchmark, either in whole or by multiples. Due to the effects of compounding and possible correlation errors, leveraged and inverse ETFs may experience greater losses than one would ordinarily expect. Compounding can also cause a widening differential between the performances of an ETF and its underlying index or benchmark, so that returns over periods longer than one day can differ in amount and direction from the target return of the same period. Consequently, these ETFs may experience losses even in situations where the underlying index or benchmark has performed as hoped. Aggressive investment techniques such as futures, forward contracts, swap agreements; derivatives and options can increase ETF volatility and decrease performance. If you invest in these ETFs, you should monitor their positions as frequently as daily.

**Derivative Strategy:** Options carry a high level of risk and are not suitable for all investors. Certain requirements must be met to trade options. Covered calls provide downside protection only to the extent of the premium received and limit upside potential to the strike price plus premium received. Multiple-leg strategies will involve multiple commissions. Please read the Options Disclosure Document called Characteristics and Risks of Standardized Options for more detail.

**Annuities:** Annuities carry a number of risks which you should consider before investing including but not limited to:

- **Liquidity Risk:** Although annuities do allow for complete access through surrendering the contract, the fees and penalties that could be triggered could adversely impact the principal amount. An investment in an annuity needs to be made with the knowledge that it is a long-term investment which may not perform to expectations if funds are accessed too early in the contract. Annuities should not be considered if there is not a sufficient amount of liquid assets available elsewhere in your portfolio.
- **Market Risk:** Market risk is not an issue for fixed annuities as the rate of return is based on a fixed yield and supported by rate guarantees. However, with variable annuities, which include separate investment accounts, the risk of fluctuation in the value of the accounts is tied directly to the performance of the markets.
- **Interest Rate Risk:** For fixed annuities, especially those with a multi-year rate guarantee, the risk is that interest rates rise quickly while your funds are locked into a lower yield. Conversely, if your rate is guaranteed for just one year, the risk is that interest rates suddenly fall, and your renewed rate is lower than your initial rate.
- **Inflation Risk:** The risk of inflation affects the long-term impact of your annuity accumulation, and ultimately, the purchasing power of future annuity income. In terms of its devaluing capabilities, a dollar today will be worth half as much in 20 years based on the current rate of inflation. Should the rate of inflation increase, that timeframe will shorten.
- **Taxation risk:** Changes in your tax bracket or tax laws can affect your annuity. You should consult with your tax consultant prior to investing in any annuity product.
- **Credit Risk:** Annuity contracts and all of their guarantees and obligations are backed strictly by the assets of the issuing life insurance company. There is always the risk that the issuing life insurer runs into financial trouble or becomes insolvent.

**Structured Products:** Structured products are not for everyone. Some of the risks include:

- **Issuer default risk:** In the event that a structured product issuer becomes insolvent and defaults on their listed securities, you will be considered as an unsecured creditor and will have no preferential claims to any assets held by the issuer. You should therefore pay close attention to the financial strength and credit worthiness of structured product issuers.
- **Uncollateralized product risk:** Uncollateralized structured products are not asset backed. In the event of issuer bankruptcy, you can lose your entire investment. You should read the listing documents to determine if a product is uncollateralized.
- **Gearing risk:** Structured products such as derivative warrants and callable bull/bear contracts (CBBCs) are leveraged and can change in value rapidly according to the gearing ratio relative to the underlying assets. Investors should be aware that the value of a structured product may fall to zero resulting in a total loss of the initial investment.
- **Expiration considerations:** Structured products have an expiration date after which the issue may become worthless. Investors should be aware of the expiration time horizon and choose a product with an appropriate lifespan for their trading strategy.
- **Extraordinary price movements:** The price of a structured product may not match its theoretical price due to outside influences such as market supply and demand factors. As a result, actual traded prices can be higher or lower than the theoretical price.
- **Liquidity risk:** The role of liquidity providers is to provide two way quotes to facilitate trading of their products. In the event that a liquidity provider defaults or ceases to fulfill its role, investors may not be able to buy or sell the product until a new liquidity provider has been assigned.

**Margin:** Investing on margin involves the extension of credit to you and your financial exposure could exceed the value of your securities. Margin lending has specific risks outlined in the Margin Risk Disclosure document. Considerations include:

- You can lose more funds than you deposited in the margin account. A decline in the value of securities that are purchased on margin may require you to deposit additional funds into your account in order to avoid the forced sale of those securities or other securities in your account.
- If you are unable to cover a margin call by providing additional funds to your account, the Agent may force the sale of securities in your account, without contacting you prior to a sale. The Agent may decide which securities to sell in order to meet the maintenance requirements without advanced notice to you.

- Margin maintenance requirements may be increased at any time without advanced written notice.
- You may not be granted an extension of time in which to meet a margin call.

## Review of Accounts

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### Periodic Reviews

Your FA is involved in a continuous and on-going monitoring of your accounts to ensure that each security or asset allocation is suitable for the account based on the information you provided us. Activity in advisory accounts is reviewed by the Branch Supervisor regularly and the Chief Compliance Officer, or designee, periodically.

More frequent reviews will be triggered by material changes in variables including but not limited to your individual circumstances, product underperformance, style change, and market conditions. At least annually, we will request in writing that you update your FA with any changes to your financial status, investment objectives, risk tolerance or other important information.

### Review Triggers

Other conditions that trigger a review include changes in the securities laws, new investment information, and changes in your personal financial situation.

### Custodian and Performance Reports

You will receive periodic reports directly from your custodian on a monthly basis if there is activity, quarterly in the absence of activity. Clients have the option of electing e-notification for statements and other documents rather than paper delivery.

Periodic portfolio monitoring reports (generally quarterly) are prepared by WFA or its affiliates. 1914 Advisors does not audit the accuracy of the calculations performed on client Program account information or warrant that the portfolio monitoring report was prepared in accordance with industry standards. Upon request, the FA will review each client's quarterly portfolio monitoring report with the client.

Please contact the Chief Compliance Officer of 1914 Advisors at 800-883-1212 immediately if you notice inconsistencies in your reports or do not receive a custodian statement.

## OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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Boenning & Scattergood Inc., d.b.a 1914 Advisors, is a division of Boenning & Scattergood, Inc., a wholly owned subsidiary of Boenning & Scattergood Holdings, Inc. 1914 Advisors may enter into business arrangements with affiliated entities as described below. In some cases, these business arrangements create a potential conflict of interest, or the appearance of a conflict of interest, between 1914 Advisors and its client. 1914 Advisors has developed and implemented policies and procedures designed to minimize or mitigate conflicts of interest involving its dealings with affiliated entities. For more information about other potential conflicts of interest, and how we address these conflicts, see Item 11 (CODE OF ETHICS). Harold F. Scattergood, Jr. is the controlling shareholder of B&S Holdings (54% as of December 31, 2019).

Boenning & Scattergood, Inc. is registered as a securities broker dealer, and through 1914 Advisors, as a registered investment adviser. As such, representatives of 1914 Advisors are dually registered as representatives of the broker dealer, and they offer securities and receive normal and customary commissions as a result of securities transactions in brokerage accounts. This poses a conflict of interest between the interests of our Clients and the interests of the firm.

Some of our FAs are licensed insurance agents. They offer insurance products and receive customary fees as a result of insurance sales. Some FAs make insurance recommendations as a result of the financial planning services described on our Firm Brochure. A conflict of interest may arise as these insurance sales create an incentive to recommend products based on the compensation your FA and/or our supervised persons earn. You have the option to implement an insurance recommendation at a different provider.

The compensation paid to us by third party money managers varies by manager and by program, and thus, creates a conflict of interest in recommending certain programs that share a larger portion of its advisory fees over another program. In order to minimize this conflict, our FAs will make their recommendations in the best interest of our clients.

1914 Advisors is indirectly affiliated with the Matthew 25 Management Corp, an SEC registered investment advisor to a registered mutual fund called the Matthew 25 Fund through a registered representative of Boenning. Some FAs purchase the Matthew 25 Fund in managed accounts after they review the clients' objectives and financial situation; normal mutual fund distribution compensation will be received by Boenning and your FA (see "Client Referrals and Other Compensation" for more information on mutual fund compensation).

1914 Advisors is affiliated with an investment advisor, Columbus Macro, LLC, through common ownership (Boenning & Scattergood Holdings, Inc.). Columbus Macro, LLC provides discretionary and non-discretionary asset management services through sub-advisory arrangements, providing model portfolios, and direct advisory. Certain 1914 Advisor Representatives may refer their clients to use Columbus Macro's money management strategies within their portfolio after that Representative reviews that client's objectives and financial circumstances. In this circumstance both the 1914 Advisor Representative and Columbus Macro will receive an asset-based fee for services provided. However, 1914 Advisors will pay Columbus Macro out of its fee. As such, the total fee paid to both 1914 Advisors and Columbus Macro will not exceed the fee otherwise payable to 1914 Advisors for its services. Clients should review their advisory contract and fee schedules provided by 1914 Advisors AND Columbus Macro, if applicable, for further information on these fee schedules. Although Clients will pay only a single fee, the relationship between 1914 Advisors and Columbus Macro creates a conflict of interest because Columbus Macro will receive ancillary benefits from managing Client assets, such as having greater assets under management or revenues.

## **DISCIPLINARY INFORMATION**

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### **LEGAL AND DISCIPLINARY**

#### ***1914 Advisors***

1914 Advisors has no legal or disciplinary actions against it.

#### ***Boenning & Scattergood, Inc.***

As stated above, 1914 Advisors is a division of Boenning & Scattergood, Inc. which is registered as broker dealer. Details of Boenning's disciplinary information are described in more detail in Part 1 of Form ADV, available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Below, you will find a summary for the past 10 years:

On April 16, 2020, the Securities and Exchange Commission (SEC) accepted Boenning's Settlement offer in regard to an Administrative Cease-and Desist Proceeding. Without admitting or denying the findings, the firm consented to disgorgement of \$110,395.14, prejudgment interest of \$20,172.56, and a civil monetary penalty of \$75,000 related to trading conduct of the firm when purchasing New Issue Municipal Bonds between 2014 and 2016 from firms known in the industry as 'flippers.' These 'flippers' would purchase New Issue Bonds and immediately resell those bonds in the marketplace. The Administrative Order finds that the firm conduct violated certain MSRB rules, failed to supervise the trading activities of employees, and otherwise caused the flippers' violations of the broker-dealer registration requirements.

On August 24, 2016, Boenning entered into an Acceptance, Waiver & Consent (AWC) with the Financial Industry Regulatory Authority (FINRA). Without admitting or denying the findings the firm consented to a \$100,000 monetary sanction and entry of books and records and supervisory findings related to: timely reporting of representatives' Outside Business Activities on FINRA's form U4; properly recording a representative's outside registered investment advisor (RIA) private securities transactions; supervising a representative's use of consolidated reports for performance reporting; fully documenting branch inspections and periodic inspections of non-branch locations; and archiving of instant messages due to a technology related issue.

On February 2, 2016, Boenning received a cease-and-desist order from the Securities and Exchange Commission (SEC) as part of the Municipalities Continuing Disclosure Cooperation (MCDC) Initiative. Without admitting or denying the findings, except as to the commission's jurisdiction over it and the subject matter of the proceedings, the firm agreed to a \$250,000 monetary sanction with respect to inadequate due diligence as an underwriter in certain municipal securities offerings.

On December 27, 2013, Boenning entered into an AWC with the FINRA, the self-regulatory organization for the brokerage industry. Without admitting or denying any findings by FINRA, the firm agreed to a fine of \$7,500 with respect to inaccuracies in municipal securities transaction reports.

On March 12, 2013, Boenning entered into an AWC with the FINRA. Without admitting or denying any findings by FINRA, the firm agreed to a \$50,000 monetary sanction with respect to inaccurate short interest reporting and lack of a supervisory system reasonably designed to prevent violations of FINRA Rules 2010, 4560, NASD Rules 2110, 3010, 3360.

## CODE OF ETHICS

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The employees of 1914 Advisors have committed to a Code of Ethics that is available for your review upon request. The Code sets out the basic principles to help guide the daily conduct of all Supervised employees, with particular focus on employee personal trading. The underlying policy states that all employees will follow the highest standards of honest conduct and business ethics in all aspects of their activities on behalf of 1914 Advisors and that they will always act in the best interests of our clients, vendors or fellow directors, officers or employees. In addition, all Supervised Persons are expected to comply with the spirit and letter of all applicable laws, regulations and Company policies, and be sensitive to, and act appropriately in, situations that may give rise to actual as well as perceived conflicts of interest or violations of this Code.

The Code prohibits certain transactions by employees and requires pre-clearance for certain personal trades. It also sets forth the principals of fiduciary responsibility that our employees are to follow. The Code places de minimis limits on gifts given to and received from employees. We will provide a copy of the Code of Ethics to you upon request.

### Participation or Interest in Client Transactions

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Participation in Client Transactions always involves real or perceived conflicts of interest. It is important that you understand these issues as it may affect your decision to buy or sell certain securities.

We buy and/or sell securities that are also held by our clients. Employees may not trade their own securities ahead of client trades.

Certain employees of 1914 Advisors are also registered representatives of Boenning or otherwise employed by Boenning, thereby creating an inherent conflict of interest. There are instances where a dually registered employee executes commission-based trades in a brokerage account, executes an excluded asset transaction in a wrap program account, and acts as an investment advisor for the advisory portion of the wrap program account.

In certain instances, our employees are permitted to purchase and sell for themselves securities identical to those they recommend to you. Your FA may also make trades in a security for his or her own account that, at times, is directly opposite of the advice recommended to you. For example, your FA may recommend that you sell a security in your account while purchasing the same security for his own account. This is because your FA and you may have vastly different investment objectives, risk tolerances, and financial backgrounds.

There is an inherent conflict of interest between our fiduciary duty to our clients and the apparent self-interest of employees trading in the same securities contemporaneously.

When trading for their own accounts, FAs must comply with all of the fiduciary provisions outlined in the 1914 Advisors Code of Ethics.

### Personal Trading

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The Chief Compliance Officer of 1914 Advisors, or designee, reviews exception reports of employee trades at least quarterly. These reviews help ensure that advisors do not get preferential treatment over their clients. Most employee trades are typically small in the number of shares and do not affect the securities markets.

## **CUSTODY**

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WFCS holds all Program assets as a qualified custodian and provides account statements directly to clients at their address of record at least quarterly. Boenning & Scattergood acts as broker dealer to these accounts and therefore 1914 Advisors is considered to have custody of Client funds and securities. In addition, advisory accounts in which the FA is appointed as Trustee or Power of Attorney are accounts for which we have custody. Those accounts allow the firm to move and transfer funds or securities and change account information once requests are received from authorized persons.

Due to these custody relationships, we are required by law to undergo an annual surprise custody audit by an independent, third party accredited accountant. The purpose of the audit is to ensure that we are not in violation of the safekeeping requirements of your assets. Our auditors may will contact you some of our clients during the course of their audit to verify the funds you have custodied with us.

You should contact the Chief Compliance Officer of 1914 Advisors at 800-883-1212 immediately if you notice major inconsistencies in your reports or do not receive a custodian statement.

## **FINANCIAL INFORMATION**

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Our firm does not have any financial impairment that will preclude us from meeting contractual commitments to clients.

A balance sheet is not required to be provided because we do not serve as a qualified custodian for client funds or securities, and do not require prepayment of fees of more than \$1,200 per client and six months or more in advance.

## **BUSINESS CONTINUITY PLAN**

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### **General**

Boenning & Scattergood, Inc. maintains electronic and hardcopy information which is essential to performing services for our clients. Similar to any other capital resources owned by the company, these resources are to be viewed as valuable assets over which the company has both rights and obligations to manage, protect, and secure. A summary of our updated business continuity plan can be found on our website: [www.boenninginc.com/bcp/](http://www.boenninginc.com/bcp/).

### **Disasters**

The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

### **Alternate Offices**

We maintain alternate offices to support ongoing operations in the event the main office is unavailable. It is our intention to inform clients via our website promptly if a disaster forces us to move operations to an alternate location.

### **Loss of Key Personnel**

In the event of a loss of key personnel, we will attempt to contact all affected clients promptly and communicate who the appropriate replacement person should be.

Earlier this year, the firm implemented its Business Continuity Plan in response to the orders by the Governors of the Commonwealth of Pennsylvania, State of Ohio and State of New Jersey, in connection with the “stay at home” orders resulting from the Novel Coronavirus (also known as COVID-19) pandemic. The majority of the firm’s staff are working remotely and expect to continue to do so for some time. Personnel from the firm continue to be reachable via electronic mail and telephone, as before. Should a client need to get items to or from the firm (or its personnel), clients are encouraged to call, email or send hard copy mail as currently, the physical offices are not accepting visitors. Additionally, the firm applied for and received a loan, as part of the Coronavirus Aid, Relief, and Economic Security Act, in order to ensure that firm employment and compensation levels of all employees including those who perform advisory or advisory support functions are not negatively impacted by the economic impacts resulting from the COVID-19 pandemic. The firm expects these funds (of approximately \$2.9 million) to assist it in keeping employees, and their salaries steady for the immediate future since the firm’s revenue is expected to decrease as a result of the pandemic. The firm also expects that these funds will allow the firm to continue to operate and service accounts with minimal disruption.



## INFORMATION SECURITY PROGRAM

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We maintain an information security program to reduce the risk that your personal and confidential information may be breached. We employ the use of firewalls, virus scanners and other methods of securitization to ensure that your information is protected.

## PRIVACY NOTICE

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**Our Commitment:** 1914 Advisors is committed to protecting the confidentiality and security of the information we collect from our advisory clients. We do not share your personal information with any unaffiliated third parties, except with your consent for the specific purposes described below.

**Collection and Gathering of Information:** We limit the use of the information we gather from you to the minimum requirements set forth by regulatory obligations, and what is required to service your account with the highest standards. Most of this information is collected from your investment adviser when you open an account at 1914 Advisors. We use third party vendors, such as credit reporting bureaus or other business partners or vendors, to verify the information you provide to us, such as first and last name, address, date of birth and social security numbers/ tax identification numbers. We also use your information to provide our asset management services to you, such as managing your investment account. In instances where a third-party manager is engaged to offer discretionary services to your account, we will share the information necessary for such manager to affect transactions on your behalf.

**Protection of Your Information:** 1914 Advisors employees are committed and required to protect the confidentiality of client information. They access your information only when necessary to perform their job functions. We also maintain physical, electronic and procedural safeguards to help protect your information.

**Disclosure of Information:** We may disclose any information to or as directed by your Advisor in the normal and necessary course of business, or when required by law. Your information may be disclosed in such circumstances as regulatory audits, attorneys or judges as part of litigation, or law enforcement or other government agencies to help prevent, among other things, fraud and money laundering. We also provide information to our service providers which enable them to provide services for us or your investment adviser, for things such as reporting, effect transactions on your behalf, or performing maintenance on your account. Outside companies providing services on our behalf, such as mail vendors, check printers or data processing companies are all required to sign confidentiality agreements. By law, they may only use the information we provide them to perform the job for which they have been contracted. Violations of confidentiality agreements are prosecutable by law. Other than the exceptions above, we will not make any disclosures of your information to any other businesses or third parties who may want to offer their services to you. We do not sell customer lists of any kind to catalog companies or telemarketers.

**To Whom this Policy Applies:** This policy applies to all current, prospective and former clients. Even if you no longer have active accounts with us, this Policy will continue to apply to you.

**Access to and Correction of Information:** If you desire to review any file we maintain for your personal information, please contact your broker, investment advisor or one of its officers.

**Further Information:** We reserve the right to change this Privacy Policy at any time without prior notification. Please contact us at 800-883-1212 for additional information.

We are required by law to deliver this *Privacy Notice* to you annually, in writing.