

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

Part 2A of Form ADV: TKC Wealth Management, LLC

TKC Wealth Management, LLC
12900 Preston Road, Suite 700
Dallas, TX 75230

214-389-2000

As of March 1st, 2024

TKC Wealth Management, LLC (“TKC,” the “Advisor,” or the “Firm”) is an investment advisor registered with the States of Texas. Being registered as an investment advisor does not imply a certain level of skill or training. In addition, TKC may be registered or exempt from registration in additional states where business is conducted.

This brochure provides information about the qualifications and business practices of TKC Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 214-389-2000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about TKC Wealth Management, LLC is also available on the SEC’s Website at <http://www.sec.gov>. To search for TKC Wealth Management, LLC you may enter the company name or CRD # 158498.

Item 2 Material Changes As Of March 1, 2024

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by rules promulgated by the SEC and the Texas State Securities Board (“TSSB”). This Brochure dated as of March 1, 2024, provides updated information regarding material changes at the Firm from its previous Brochures.

The following items highlight the material changes that have occurred at TKC:

- Effective April 1, 2015, Ting Kuo Chen purchased 100% of the membership interest in Civitas Wealth Management, LLC.
- The firm changed its name from Civitas Wealth Management, LLC to TKC Wealth Management, LLC.
- The firm changed its physical address to 12900 Preston Road, Suite 700, Dallas, TX 75230.
- Tracy Morris resigned as President of the Firm.
- Laura Roberts and Maureen O’Brien resigned as Co-Chief Compliance Officers of the Firm.
- Ting Kuo (Daniel) Chen was appointed President and Chief Compliance Officer of the Firm
- February 23, 2016 Debra Snetting was appointed Chief Compliance Officer of the Firm.
- April 15, 2019 A branch office to TKC Wealth Management, LLC was opened in the State of California. The Branch is located at 4100 Newport Place Dr., Suite 660, Newport Beach, CA 92660. The Firm will manage the Branch using the same written supervisory procedures as the main location in Dallas Texas. Daniel Chen will manage the Branch and Debra Snetting will be the supervisor.
- January 30, 2020 TKC Wealth Management, LLC changed its clearing firm from Fidelity Investments to Interactive Brokers, Corp. Three Pickwick Plaza, 1st Floor Greenwich, CT 06830
- March 1, 2021 Tyler Reinhard was appointed Chief Compliance Officer of the Firm.
- March 31, 2021 Debra Snetting resigned as Chief Compliance Officer of the Firm.
- April 1, 2023 TKC Wealth Management, LLC changed its clearing firm from Interactive Brokers, Corp. to Charles Schwab & Co., Inc.
- October 31, 2023 The branch office at 4100 Newport Place Dr., Suite 660, Newport Beach, CA 92660 was closed.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of changes. The Firm will also reference the date of our last annual update of our brochure.

Pursuant to new Regulatory Agencies’ Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of the Firm’s fiscal year. The Firm may also provide additional disclosures or other information about material changes as necessary.

The Firm will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, the Firm's Brochure may be requested by contacting the Advisor at 214-389-2000 or via email at info@tkcadvisors.com.

Additional information, about the Advisor is also available via the SEC's Website www.adviserinfo.sec.gov. The SEC's Website also provides information about any persons affiliated with the Advisor who are registered or are required to be registered as investment advisor representatives of the Advisor.

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Item 4 Advisory Business

TKC Wealth Management, LLC is a Texas Limited Liability Corporation formed on February 26, 2015. The direct owner of the firm is T. K. Chen International Advisors, Ltd., a State of Texas Limited Partnership.

The general partner of T. K. Chen International Advisors, Ltd. is T.K. Chen Management, LLC, a Texas Limited Liability Company formed in February 2015. Prior to March 31, 2015, the TKC Wealth Management LLC was known as Civitas Wealth Management, LLC, a Texas Limited Liability Company formed on June 6, 2011.

The Firm provides investment portfolio management services for individuals, small businesses, institutional clients, pension consulting, and selection of other advisors via separate accounts, and accounts covered by the Employee Retirement Income Security Act (“ERISA”) of 1974, as amended. Should client request information on insurance products we will provide at no cost to the client information on insurance products that may meet their needs. The client will make their own decision whether to invest in insurance products or not to invest. A conflict of interest will exist with the affiliation between TKC Wealth Management, LLC (RIA) and TKC Risk Advisors, LLC (insurance) do to shared ownership. We advise on investment strategies involving, but not limited to, the following: (i) equity; (ii) fixed-income (taxable and non-taxable); (iii) options, and other derivative instruments; (iv) international securities (equity and fixed income); (v) real estate and related assets; (viii) private placement of equity and debt interests in both affiliated entities and non-affiliated entities; (ix) insurance and annuity products; and (x) special situations. Annuities and insurance products will be subject to additional fees being charged. In general, the Firm aims to construct individual portfolios designed to provide above-market, risk-adjusted returns within a portfolio’s risk tolerance level. TKC may also utilize top-tier, nonaffiliated portfolio managers along with various investment vehicles to further enhance the diversification and return of a portfolio.

TKC incorporates the needs of the client related to investments, insurance, and estate planning. The firm may recommend third-party providers, including affiliated entities (e.g., TKC Risk Advisors LLC and non-affiliated trust attorneys), which may offer products and services to complete a client’s financial profile. In the event a product recommendation is made, a conflict of interest will exist due to the shared ownership. TKC’s clients are under no obligation to purchase or sell such product. Fees and/or cost associated with products offered to TKC clients will be charged separately by the third-party provider.

We tailor our advisory services to the individual needs of our clients. To meet our clients’ investment needs, we provide the following:

1. **Individual Account Management.** We individually manage portfolios according to each client’s risk profile and tolerances. TKC provides several investment strategies (see Item 8: Methods of Analysis Investment Strategies, and Risk of Loss) which vary in terms of risk and expected return characteristics as well as level

of client involvement in the investment decision-making process. Clients may impose restrictions on their investment portfolio(s).

2. **Disclaimer for Unmanaged Assets.** If the Account contains only a portion of the Client's total assets, Manager shall be responsible for those assets that the Client has designated to be the subject of the Manager's investment management services under this Agreement without consideration to those additional assets not so designated by the Client.
3. **Performance Reporting.** Clients will receive quarterly reports from TKC's third party custodian highlighting individual securities held, total return (net of all fees and expenses), and comparisons to relevant market indices in addition to the required reports provided by our third-party custodians. Black Diamond provides TKC the S&P 500 and mutual fund products that are used as benchmarks against TKC returns.
4. **Retirement or Employee Benefit Plan Accounts.** If ERISA or other applicable law requires bonding with respect to the assets in the Portfolio, the Client will obtain and maintain at its expense bonding that satisfies this requirement and covers the Manager and its affiliates.
5. **Department of Labor (DOL).** TKC complies with requirements set for by the DOL in regard to fiduciary standards as they apply to retirement account investors.
6. **Access to Money Managers.** TKC's senior management meets directly with clients as requested. We encourage clients to communicate frequently with us. Clients may arrange quarterly meetings to review investment performance and their objectives. Investment performance reports are provided quarterly.

We do not participate in wrap fee programs.

As of January 1, 2024, the Firm had approximately \$88,546,612 of discretionary regulatory assets and \$0 of non-discretionary regulatory assets under management.

7. **Educational Seminars/Workshops.** TKC will at various times and in various locations provide clients and prospective clients educational seminars/workshops on various topics in the financial arena.

Item 5 Fees and Compensation

TKC is compensated based on a percentage of assets under management (“AUM”) for separate accounts including individual, joint, small business, institutional, and pension. AUM Fees are negotiable at the Firm’s sole discretion. Below are schedules of asset-based fees:

Percentage of Assets Under Management (“AUM”) Annual Fee Schedule		
AUM	Applicable Fee (At Charles Schwab & Co., Inc.)	Applicable Fee (Not at Charles Schwab & Co., Inc.)
\$0 - \$2,000,000	1.50%	1.00%
\$2,000,000 - \$5,000,000	1.25%	1.00%
\$5,000,000 - \$10,000,000	0.75%	1.00%
\$10,000,000 +	0.50%	1.00%

Lower fees for comparable services may be available from other sources. In addition, as outlined below, associated persons of TKC may also be compensated by commissions and fixed fees on broker dealer related securities transactions and insurance related transactions not included in the AUM calculations above.

Unless an alternative invoicing arrangement is made in advance and approved in writing at the sole discretion of the Firm, clients will be invoiced directly from TKC and have management fees deducted from the assets held by the Firm’s third-party custodian, based on the applicable fee schedule(s) above. Deducted management fees will be shown on the client’s statement as provided by the custodian. Asset-based fees are invoiced in advance at the beginning of each calendar quarter based upon the applicable fee schedule. Should a customer join the firm before the end of a calendar quarter, the Firm charges a pro rata fee for the number of days until the next quarterly invoicing cycle.

Client is provided the options below to select one and authorizes the Manager to:

- (a) deducted quarterly in advance from managed account that is held by the Client or its affiliated entity and also advised by the Manager; or
- (b) Invoiced to the client on a quarterly basis, in advance, pursuant to the terms shown above.

Neither TKC nor its affiliates have custody of managed funds.

Client accounts will be subject to other third-party fees and/or expenses, which will vary based on the amount of assets managed and the types of securities in which the account is invested. These fees may include certain custodial fees, mutual fund fees/expenses, and brokerage and transaction fees. Please refer to Item 12: Custodial Practices for a more complete discussion relating to brokerage fees and expenses.

Clients are required to inform the account Manager in advance of the upcoming quarter their intention to make a withdrawal from their investment account. Management fees are paid in advance for account management. If notice of withdrawal is provided to the Manager prior to the fees being charged, the client will not be charged management fees on the amount to be withdrawn. If the funds are not withdrawn during the quarter and continued to be managed the management fee for management of those investments will be included in the next quarter’s management fee.

Additionally, funds of twenty-five thousand plus (\$25,000+) deposited by the client into an existing account within a quarter and then withdrawn within the same quarter will be subject to a pro-rated advisory management fee from date of deposit to date of withdrawal, the time period the assets are being managed.

Insurance and annuity products will be subject to other third-party fees and expenses.

Clients working with non-affiliated attorneys in the formation of trust documents or startup business documents will be subject to third party fees or expenses.

TKC principal Ting Kuo Chen and certain employees, who are affiliated with the brokerage firm Landolt Securities, Inc. (See Item 10: Other Financial Industry Activities and Affiliations for more details) receive compensation from selling variable annuities. Additionally, Mr. Chen and employees or independent investment advisors may also be compensated for registered securities and alternative investments transacted through their registration with Landolt Securities, Inc., a FINRA member broker dealer. There is a conflict of interest in that Mr. Chen and employees are able to make recommendations regarding the above products. Any conflict of interest which can be reasonably expected to impair the rendering of unbiased and objective investment by the investment advisor, its representatives or any of its employees will be addressed by providing appropriate client disclosure of any such business relationships.

TKC's principals and IARs are licensed life and health insurance agents with several broker-dealer approved insurance companies and may receive commission payments for products sold. In addition to providing investment planning services, they undertake business in the placement and sale of life and health insurance. Whenever life or health insurance is identified as a viable business, personal financial or estate planning strategy, the client is specifically advised that there is no obligation to purchase any such recommended product from any TKC principal or IAR. Should a client decide to purchase insurance products from the IAR, full disclosure shall be made as to the presence and nature of any commission to be received by the IAR.

TKC principal Ting Kuo Daniel Chen is personally associated with HC2 Capital LLC principal Tina Hou. HC2 Capital LLC is the issuer of non-registered private placement products. Mr. Chen, TKC Wealth Management, LLC may offer HC2 Capital LLC private placement products to existing clients or prospective clients, creating a conflict of interest. It will be disclosed to the client or prospective client that this relationship exists. It will also be disclosed that management fees will be earned by Daniel Chen on this investment and that Mr. Chen will also receive indirect compensation due to his personal association with HC2 Capital LLC principal Tina Hou.

Should any conflict of interest exist in any product recommendation, TKC's clients are under no obligation to purchase or sell such product.

Investments may be held at Custodians other than Charles Schwab & Co., Inc. Investments may include private placements, REITS, variable annuities, and 529 Plans.

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

Neither TKC nor its supervised persons accept performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 Types of Clients

TKC manages investment portfolios for individuals, high net worth individuals, pension and profit-sharing plans (including ERISA plans), and business entities on a separate account basis. The minimum initial account balance for a separately managed account is \$100,000 USD, which may be waived at the sole discretion of TKC. Acceptance of separate account management is determined on a case-by-case basis at the sole discretion of TKC.

TKC Wealth Management, LLC is committed to maintain the confidential, security, and integrity of our client's nonpublic information including financial status, investment experience and investment objectives. TKC adheres to high standards in order to protect such information. As part of our commitment, we have adopted a Privacy Policy, which is located in our Client Information & Account Form.

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

The following investment philosophy statement describes the methods of analysis and investment strategies we use in formulating investment advice or managing assets on a separate account basis. Investing in securities involves risk of loss and clients should be prepared to bear such risk of loss.

Investment Philosophy

Our investment philosophy is based on traditional and strategic fundamental financial analysis incorporating tactical investment opportunities:

The following tenets guide our investment approach:

1. We attempt to identify and invest in opportunities that highlight discrepancies between an issuer's intrinsic values and market prices. We also allocate client funds to equity and fixed income mutual funds based on the projected stage of the macro-economic cycle.
2. We may allocate client funds to mutual funds, stocks, non-traded REITs, private placements, UITs, bonds, and ETFs; believing this will ultimately be reflected in their price or valuation.
3. We recommend moderate portfolio diversification but believe excessive diversification does not necessarily add value or provide risk reduction. We maintain the weightings of individual investments within a portfolio in an attempt to achieve above market risk-adjusted rates of return within the client's risk tolerances.
4. Capital markets can be volatile, especially on a short-term basis. Even though we attempt to build risk-adjusted portfolios, there is no guarantee that TKC will be able to provide above market risk-adjusted returns.

Types of Portfolios

TKC and its separate account clients develop portfolios appropriate to their respective risk profiles that are based upon one of the broad frameworks outlined below:

1. Flexible Portfolios – The asset allocation mix is managed across all asset classes and investment opportunities with the goal of maximizing long-term risk-adjusted returns. These portfolios are created for clients willing to accept significant short-term volatility in the pursuit of superior long-term investment performance.
2. Balanced Portfolios – The asset allocation mix includes an average equity exposure range of 40% - 60%. These portfolios are designed for investors willing to accept a slightly diminished long-term performance expectation in exchange for smaller short-term account fluctuations and cash flows.

3. Conservative Portfolios – The asset allocation mix includes an average equity exposure range of 20% - 40%. These portfolios are designed for investors who wish to have current cash flows, while reducing exposures and volatility of the equity market.
4. Client-Driven Portfolios – The asset allocation is developed accordingly for clients to approve or disapprove the recommendation, for clients who want to exercise specific or complete control over certain aspects of the management of their portfolios. Short-term volatility and long-term performance may greatly vary depending on individual portfolio allocations. These accounts are non-discretionary in nature.
5. Growth Portfolios – The asset allocation mix includes 100% of equity exposure. These portfolios are designed for investors willing to forgo immediate income for the opportunity to receive long-term performance.

Clients may place restrictions on discretionary accounts managed by TKC. Each client is responsible for notifying TKC in writing of any restrictions or special considerations if they are not noted on the Investment Management Agreement. Restrictions or special considerations may be noted on the Investment Management Agreement upon opening of the brokerage account.

Below is a discussion of the material risks involved with the significant investment strategies and methods of analysis used by the Firm.

Risk Factors

Market Risk. The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate entities, changes in interest or currency rates, or adverse investor sentiment generally. A security's market value may also decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

Issuer Risk. The value of a security may decline for a number of reasons, which directly relate to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's products or services.

Concentration Risk. Under normal circumstances, TKC will attempt to properly diversify and limit overconcentration or exposure to any position through any particular instrument for separate accounts; however, this may not be the case regarding alternative investments including REITS and private placements due to the nature of their respective strategies. Higher concentrated portfolios may experience greater volatility losses or lack of liquidity than a more diversified portfolio, based on the specific markets and valuations attributable to specific market sectors or asset classes.

Industry Specific Risk. Various industries are subject to risks unique to the involvements of each particular industry. Regulatory changes and other variables may lead to events that could potentially have a significant negative impact on the valuation, liquidity, and pricing of particular securities.

Liquidity Risk. Certain securities may trade less frequently than those of larger companies due to their smaller capitalizations. In the event certain securities experience limited trading volumes, the prices of such securities may display abrupt or erratic movements at times. Additionally, it may be more difficult for TKC to buy and sell significant amounts of such securities without an unfavorable impact on prevailing market prices. As a result, these securities may be difficult to dispose of at a fair price at the times when TKC believes it is desirable to do so. The investments in securities that are less actively traded or over time experience decreased trading volume may restrict the Firm's ability to take advantage of other market opportunities or to dispose of securities.

Investors in private funds in addition to the above-mentioned liquidity risks, may also be subject to certain holding periods or specific redemption dates, hence reducing the liquidity of a portfolio. Holding periods and redemption policies will be detailed in the respective private fund or sponsor/issuer / manager's Prospectus/PPM. As witnessed in the 2008 global financial crisis, markets, in general, are susceptible to liquidity events across all asset classes.

Reliance on the Advisor. TKC's ability to achieve clients' and private investment funds' investment objectives is dependent on its ability to identify profitable investment opportunities.

Geopolitical Risk. Securities and businesses are subject to various types of geopolitical risk such as war, civil unrest, and political changes such as coup d'états. These risks could have a negative impact not only on the valuation of the assets but also on the liquidity of the markets.

Currency Risk. International securities and businesses are subject to moves in the currency markets. Currencies can be very volatile and negatively impact the value of an asset in an investor's domestic currency. As an example, if the U.S. dollar strengthens versus the Japanese yen, the value of an asset based in Japan may lose value to a US dollar-based investor.

Inflation Risk. Inflation can cause the value of assets to deteriorate, with fixed payment securities such as bonds having a larger exposure to inflation. For clients that invest in fixed income products or have portfolios that have a larger concentration in fixed income versus other classes, an increase in inflation could have a negative impact on the value of the portfolio.

Valuation Risk. An asset is overvalued and is worth less than expected.

Liquidity Risk. For a certain period of time a financial asset cannot be liquidated at all or on a very limited basis.

The Firm recommends and trades in mutual funds, stocks, non-traded REITS, private placements, UITs, bonds and ETFs the generalized risks of which are described above and throughout this disclosure statement. From time-to-time TKC may refer TKC clients interested in and suitable for private placements or alternative investments to non-affiliated entities who offer such investment vehicles. These investments have a risk profile that is separate from TKC's generalized investment advisory services. These risks include but are not limited to liquidity and concentration issues holding time frame, value determination, and the impact of issuer experience, regulatory and generalized business risks. These risk items are discussed at length in the private placement memoranda associated with the investment vehicles and disclosed to the potential investors.

Item 9 Disciplinary Information

There are currently no legal or disciplinary events that are material to a client or prospective client's evaluation of TKC's advisory services or the integrity of management.

Neither TKC, nor any of its affiliates and their respective principals, senior management, and associated persons have ever been disciplined or sanctioned by any regulatory, self-regulatory, state agency and other regulatory organization.

Item 10 Other Financial Industry Activities and Affiliations

Daniel Chen is dually registered with TKC Wealth Management, LLC and an unaffiliated broker dealer Landolt Securities, Inc. Other associated persons of TKC may only be dually registered with unaffiliated broker dealer Landolt Securities, Inc. through which the Firm offers some of its products.

Neither the Firm nor any of its management persons are registered, or have an application pending to register, as a options principal, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Below is a list of related persons of TKC, as well as a description of their primary businesses:

- **T. K. Chen International Advisors, Ltd. (“Limited”)** – is a Texas Limited Partnership which is the Direct Owner of TKC, and TKC Risk Advisors, LLC. is subsequently controlled by a General Partner (“TKGP”) and owned by several family members acting as Limited Partners (“TKLP”)
- **T. K. Chen Management, LLC (“TKGP”)** – This is the General Partner of Limited and is wholly owned by Ting Kuo Chen
Ting Kuo Chen acts as the owner of the TKGP and as one of the TKLP limited partners.
- **T.K. Chen Financial Services, LLC (“TKCF”)** – This is a Limited Liability Company registered in the State of Texas, owned and controlled by Ting Kuo Chen. Provides broker dealer products to clients through an unaffiliated broker dealer.
- **CPA – Ting Kuo Chen is a CPA.** Mr. Chen continues to keep his continuing education current to maintain his license. He does not have a CPA company, nor does he act in the capacity of CPA for clients. He does not have signing authority as a CPA.
- **TKC Risk Advisors, LLC (“TRA”)** – is an insurance firm under common with the Firm. TRA is registered with the Texas Department of Insurance and may market insurance products to clients of TKC Wealth Management, LLC.
- **Hong Kong Association of Northern Texas** - Daniel Chen is President and coordinator of networking and promotion of US and HK trade. Not investment related.
- **GDE Management** - Family real estate. Not investment related.
- **HC2 Capital LLC** – is a sponsor and issuer of private placement products. Tina Hou, wife of Ting Kuo Daniel Chen, is one of four Managing Directors; her focus is on Marketing.

It is anticipated that TKC and its clients may transact with these business entities discussed above which creates a conflict of interest given the shared ownership and related person overlap, this conflict will be addressed by providing the client disclosure in writing at the time of any such recommendation.

TKC may share employees and certain services with TKC Risk Advisors and broker dealer, Landolt Securities, Inc.

In a situation where a client of a TKCW investment advisor (IA) inquires about insurance products and the IA also licensed as a TKC Risk Advisor, LLC insurance agent makes a recommendation of an insurance product to the client, a conflict of interest is in play. This conflict of interest would allow the IA to collect a fee on the managed account and also a separate commission on the insurance product. The manager has a fiduciary duty to explain these conflicts of interest to his/her client, that fees will be collected from both the managed account and the insurance product purchase. The client has the right to choose what advice to accept and who to execute the trades/purchases with.

In a situation where a client of TKC Wealth Management, LLC inquires about or has recommendations made by their account manager regarding alternative investments including but not limited to REITS and Private Placements. A conflict of interest is created. The alternative product can be purchased through a non-affiliated broker dealer (Landolt Securities, Inc.) that the manager is currently licensed with, where the manager will earn a commission on the purchase, or with another broker dealer that the manager is not licensed with and will not earn a commission from the purchase. The fiduciary responsibility of the manager is to provide the details of the conflict of interest to the client and the options listed above so the client can make an educated decision on the purchase of the alternative product.

In a situation where a client of TKC Wealth Management inquires about or has recommendations made by their account manager regarding private placements offered by sponsor HC2 Capital LLC where Tina Hou is a Managing Director and spouse of Ting Kuo Daniel Chen a conflict of interest is created. It is the fiduciary duty of the account manager, Daniel Chen to provide the details of this conflict of interest and the options the client has, whether to invest in the product or not to invest in the product. The final decision whether to invest or not is made by the client.

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

Not an SEC registered adviser.

CODE OF ETHICS

All Personnel of TKC Wealth Management, LLC must:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, former clients, TKC Wealth Management, LLC's Personnel, colleagues in the investment profession, and other participants of the global capital markets.
- TKC Wealth Management, LLC and its personnel have a fiduciary duty to act in the clients' best interest.
- Use a level of care a fiduciary uses exercising independent professional judgment when conducting investment analyses, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to ethically and professionally practice investment services that will reflect credit on the profession.
- Promote the integrity and uphold the rules governing capital markets.
- Strive to maintain and improve their professional competencies, as well as those of other TKC investment professionals.

GENERAL STANDARDS OF PROFESSIONAL CONDUCT

I. Professionalism

- a. **Knowledge of the Law.** All Personnel of TKC Wealth Management, LLC must comply with these WSPs, the Code and Standards, and with all applicable laws, rules, and regulations of any federal and state government authority, regulatory organization, self-regulatory authority, licensing agency, or professional association governing their professional activities. All Personnel must disclose any violation(s) of such laws, rules, and regulations and must not knowingly participate or assist in any such violation(s).
- b. **Independence and Objectivity.** All Personnel of TKC Wealth Management, LLC must use reasonable care and judgment to achieve and maintain independence

and objectivity in their professional activities. All Personnel must not offer, solicit, or accept any gifts, benefits, compensation, or considerations that could reasonably be expected to compromise their independence and objectivity.

- c. **Misrepresentations.** All Personnel of TKC Wealth Management, LLC must not knowingly make any misrepresentations or omit pertinent information relating to investment analyses, recommendations, actions, services, or other professional activities.
- d. **Misconduct.** All Personnel of TKC Wealth Management, LLC must not engage in any professional conduct involving dishonesty, fraud or deceit, or commit acts that reflect adversely on their professional reputations, integrity, or competencies.

II. Integrity of Capital Markets

- a. **Material Nonpublic Information.** All Personnel of TKC Wealth Management, LLC who possess material nonpublic information that would reasonably be expected to affect the value of an investment must not disclose such information to anyone, nor may such TKC Wealth Management, LLC Personnel act on such information, without the prior written approval of the Chief Compliance Officer.
- b. **Market Manipulation.** All TKC Wealth Management, LLC Personnel must not engage in practices that distort prices or artificially inflate trading volumes with intent to mislead.

III. Duties to Clients

Loyalty, Prudence, and Care. All Personnel of TKC Wealth Management, LLC are held to fiduciary standards to act in the best interest of all clients.

Fair Dealing. All Personnel of TKC Wealth Management, LLC must deal fairly and objectively with clients when providing investment analyses, making investment recommendations,

- a. **Performance Presentation.** When communicating investment performance information, all Personnel of TKC Wealth Management, LLC must make reasonable efforts to ensure that the communication is fair and balanced, accurate, and complete
- b. **Preservation of Confidentiality.** All Personnel of TKC Wealth Management, LLC must keep confidential information about current, former, and prospective clients unless:
 - i. The information discloses illegal activities of the current, former, or prospective clients.
 - ii. Disclosure is required by law or regulation.
 - iii. The current, former, or prospective client authorizes the disclosure of the information.

IV. Duties to Employer

- b. Loyalty.** To the extent that it does not conflict with fiduciary duties to Clients, all Personnel of TKC Wealth Management, LLC must act for the benefit of TKC Wealth Management, LLC and not deprive it of their skills and abilities or otherwise cause harm to TKC Wealth Management, LLC
- c. Additional Compensation Arrangements.** All TKC Wealth Management, LLC Personnel must disclose all conflicts of interest with clients that will be created by the recommendation of insurance products or broker dealer products to clients that may provide compensation to TKC Wealth Management personnel. Other gifts, benefits, or compensation of any kind from any persons that would reasonably be expected to create conflicts of interest with any of our clients will not be accepted by TKC Personnel. It is possible that at times there may be opportunities for TKC Wealth Management, LLC to be offered research reports and the like at no additional cost to the firm from its clearing firm. These reports are advantages to all personnel by providing them current market information and in turn may benefit the client.
- d. Responsibilities of Management.** All TKC Wealth Management, LLC supervisory Personnel must make reasonable efforts to detect and prevent violations of applicable laws, rules, regulations, the WSPs, and the Code and Standards by anyone subject to their supervision or authority.

V. Investment Analyses, Recommendations, and Actions

- a. Diligence and Reasonable Basis.** All Personnel of TKC Wealth Management, LLC must:
 - i. Exercise due diligence, independence, and thoroughness in analyzing investments, making investment recommendations, and taking investment actions.
 - ii. Have a reasonable and adequate basis, supported by appropriate research and due diligence, for any investment analyses, recommendations, and/or actions.
- b. Communications with Clients and Prospective Clients.** All Personnel of TKC Wealth Management, LLC must:
 - i. Disclose to current and prospective clients the basic principles of the investment process used to analyze investments, select securities, construct portfolios, and must promptly disclose any change to those principles that may materially affect the processes.
 - ii. Use reasonable judgment as required as a fiduciary in identifying factors important to such investment analyses, recommendations, and/or actions, and include those factors in communications with current and prospective clients.
 - iii. Distinguish between fact and opinion in the presentation of investment analyses, recommendations and/or actions.
- c. Record Retention.** All Personnel of TKC Wealth Management, LLC must develop and maintain appropriate documentation (including records and documents required by these WSPs and by any applicable laws, rules and

regulations) to support their investment analyses, recommendations, and/or actions.

VI. Conflicts of Interest

- a. **Disclosure of Conflicts.** All Personnel of TKC Wealth Management, LLC must make full and fair disclosures to the Chief Compliance Officer on all matters that could reasonably be expected to impair their independence and objectivity and, as a result, interfere with their duties to clients, prospective clients, and TKC Wealth Management, LLC. Such disclosures, whether written or verbal, should be delivered promptly and communicated clearly.
- b. **Priority of Transactions.** Investment transactions for our clients must have priority over those for TKC Wealth Management, LLC and any of its Personnel. All TKC's employees must understand and comply with the Firm's policies on employee trading and the use of average pricing and allocation of trades which ensure that Clients are treated fairly, and that personal trading does not affect Client interests.
- c. **Personal Trades.** All personal transactions, trades including buy or sell, for any TKC Wealth Management, LLC Personnel employed or otherwise associated with TKC Wealth Management, LLC must be reviewed by the Chief Compliance Officer or his/her designee.
- d. **No Personal Benefit.** Without the prior written consent of the Chief Executive Officer and the Chief Compliance Officer, no person employed or otherwise associated with TKC Wealth Management, LLC may personally receive any compensation, consideration, or other benefit from or provided by a client, prospective client, or other person, nor may any such TKC Wealth Management, LLC Personnel personally pay or provide any compensation, consideration, or other benefit to a client, prospective client, or other person.

It is anticipated that TKC may offer investment products, funds or services that are available through related companies and/or related persons companies. These companies or persons may have control or beneficial interest in such companies. Having access to these products, funds, or services creates a conflict of interest given the shared ownership and related person overlap. This conflict will be addressed by disclosing the affiliation to clients including the fact that an affiliate of TKC may receive a monetary incentive and/or have a material financial interest in the affiliated investment in writing at the time of any such recommendation. Additionally, if any private placement business is conducted between Principal Ting Kuo Daniel Chen, TKC Wealth Management, LLC and Tina Hou, Managing Director of HC2 Capital LLC, disclosure will be provided to clients or prospective clients in writing of their personal relationship and the conflict of interest that exists.

The Firm may recommend securities to its clients, or buy or sell securities for its client accounts, at or about the same time that the Advisor or its related persons buys

or sells the same securities for their own accounts. This creates a conflict of interest with respect to matters including, but not limited to, allocation of client transactions, trading best execution, and front-running of client transactions. To address these conflicts of interest, the Firm has implemented policies and procedures Requiring a process of block trading be utilized providing all client and employee accounts will receive the same execution price. TKC employee trades are reviewed by the CCO or his/her designated person. The custodian trade blotter is reviewed by the CCO or designated person to ensure that clients are treated as per the fiduciary duty of the IAR in regard to trading activity. The direct business trade blotter is reviewed monthly. In addition, the Firm will disclose in writing such conflict of interest to its clients.

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

Under this special rule's provisions, we must:

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

VII. Access Person

All Access Persons of TKC Wealth Management, LLC must complete a report of securities holdings, at the time the person becomes an access person and at least once a year thereafter.

Item 12 Brokerage Practices

Broker-Dealer Selection and Commissions. Generally, under an investment management agreement, TKC has broad authority to select custodians and to negotiate commissions with those broker-dealers with a fiduciary duty to seek best execution when it places trades with TKC approved custodians. In general, TKC uses Charles Schwab & Co., Inc. as the platform and custodian for its investment management accounts because of its reputation, financial position, established technology, trading and execution access and quality and research and reporting tools.

Thus, the determinative factor of which custodian TKC uses is not cost of trading but rather the overall reputation and standing of the platform or custodian used.

The Firm will also consider the additional factors when placing a trade for a client with a particular custodian:

- The ability of the executing custodian to maintain the confidentiality of all proprietary position information provided;
- The range of services offered by the executing custodian, including the range of markets and products covered, quality of research services provided, and recommendations made by the executing custodian;
- The soft dollar arrangements that may provide research and market data to the advisor for use with some but not necessarily all clients;
- The quality and timeliness of market information provided by the executing custodian; and
- The executing custodian's ability and willingness to allocate shares of desirable initial public offerings;

For derivative transactions, the following factors will also be taken into consideration regarding the prospective counterparty:

- The range of derivative products offered by the counterparty;
- The operational expertise of the counterparty in providing confirmation, documentation, timely settlement, and ongoing operational support for derivative products;
- The terms and appropriate documentation of the derivative transaction products offered by the counterparty;
- The counterparty's financial responsibility;
- The availability of the particular derivative product; and
- The counterparty's credit worthiness.

Periodic and Systematic Review. The SEC has stated that investment advisors should periodically and systematically evaluate the trade execution performance of custodian's securities transactions.

TKC's President, Daniel Chen shall review at least annually the execution performance of the custodians in use by TKC. TKC's President will be responsible for documenting the results of reviews, and if applicable recommending changes to another platform if the Clients' needs are not being met by the existing custodians.

The Firm will continually monitor and evaluate custodian execution performance by, among other things, reviewing commission summaries and transaction reports. From time to time, quantitative performance data about custodians may be acquired from third party evaluation services to assist the review process.

Periodically, the Firm shall review records on the trade reporting system and compare the prices obtained in the trades with historical prices in the relevant markets.

- **Soft Dollars.** TKC manages accounts on a discretionary and nondiscretionary basis, subject to client-imposed limitations and goals. When managing an account on a discretionary basis, TKC generally determines which securities are to be purchased or sold, the amount of the securities to be purchased or sold, the amount of commission to be paid, and the custodian to be used. TKC's primary consideration in selecting a custodian is its financial stability, ease of client and advisor access to trading and reporting tools, and then its ability to provide the most favorable price and execution under the circumstances.

TKC has opted to participate in the use of soft dollar arrangements. TKC may choose to allocate custodian business based, in part, upon the ability to make payments with "soft" or commission dollars for products or services utilized for the benefit of its clients and/or the Firm such as Bloomberg, LLC, a market data providing company. TKC has chosen to use a custodian which provides useful research and securities transaction services even though a lower transaction cost could be incurred by using a custodian which offers limited research services and minimal securities transactions assistance. TKC will generally consider the aforementioned factors and services as they relate to its portfolio management capabilities generally as opposed to a particular client account.

Research and custodian related products and services received by TKC from soft dollar arrangements may be useful in servicing some or all of TKC's clients, and not all or any of such product or service may be useful for the account for which the particular transaction is affected. Some soft dollar services and products provided may be used for both research and non-research purposes.

Utilizing client commissions for soft dollar payments for research and custodial products and services benefits the Firm because it reduces its expenditures for those items that the Firm would have to incur without the use of soft dollars. As mentioned, this may also conflict with seeking best execution for client transactions as it creates an incentive to trade with those custodians that do provide, directly or indirectly, soft dollar research or other products and payments.

Currently, all soft dollar products and services are eligible under the safe harbor of Section 28(e) of the Securities and Exchange Act of 1934.

- **Client Referrals.** The Firm does not consider client referrals in selecting or recommending custodians to its clients.
- **Directed Brokerage Arrangements.** If the Client directs the adviser to use a particular broker (*e.g.*, if a direction to utilize a prime broker is contained in the limited partnership, LLC or comparable agreement), the contract should contain an acknowledgment by the Client that this arrangement may impair the adviser's ability to obtain the lowest commissions or to obtain best execution (through bunched orders or otherwise) in all cases. ERISA may not permit directed brokerage arrangements to the extent they impede the adviser's ability to obtain best execution.
- **Cross and Agency Cross Transactions.** If the portfolio manager determines that the best execution of a transaction could be obtained through a cross trade, the following procedures must be followed:
 - The portfolio manager, members of the portfolio management team and the Chief Compliance Officer will review the Client records to determine the type of account and any restrictions limiting accounts that may not participate in inter-account trades, and the nature of the restrictions on them.
 - If applicable pursuant to Section 206(3), the portfolio manager will provide disclosure to and obtain prior consent from the client.
 - The portfolio manager will effect the cross trade through an independent broker and keep documentation of the trade.
 - The portfolio manager must obtain and record price information on the security from the broker or data vendor.

Block Trades TKC, as a matter of policy, combines or bunches orders for execution. If orders are executed in a large block of trades in a short amount of time these trades will be posted to clients' accounts at the executed price with all clients receiving the same executed price. Proprietary accounts of TKC and those of TKC personnel may participate in such orders in accordance with our policies and procedures on allocation of investment opportunities and trades. These bunched or block trades may be used if not disadvantageous to the Client and to manage lower transaction costs.

The Firm will place securities orders for two or more clients for the same security in accordance with its securities orders aggregation procedures for block trading. The Firm, in advance of placing a block order, will either:

- Designate the number of shares of the aggregated order to be allocated to each specific client account; or
- Make a pro-rata allocation of the shares to each client account based upon account size.

The Firm may make exceptions to its trade allocation procedures under the following circumstances:

- Specialized accounts receive priority. For example, an emerging market private fund managed by the custodian would receive first right to an opportunity to purchase a limited number of shares of an emerging market's company; and
- A client account will not receive its pro-rata allocation of shares if the total number of shares is below a de minimis amount (*e.g.*, 10 shares). These shares would be reallocated to larger client accounts.

Item 13 Review of Accounts

Review of Accounts. Documentation regarding each client's investment objectives, restrictions, and guidelines is reviewed by the Advisor responsible for such client's account(s). Such documentation will generally be in the form of a schedule, log, memo or exhibit attached to the investment management agreement executed by the client and the Firm.

Each account's portfolio is regularly monitored by the applicable advisor. Before any investment is added to the portfolio, the advisor determines if it is within the investment parameters of the account. The respective advisor regarding separate accounts reviews, on at least an annual basis, with some accounts being reviewed on semi-annual or a quarterly or monthly basis, the investment objectives, investment restrictions, risk tolerances, and portfolio structure guidelines of the account. The Chief Compliance Officer reviews accounts periodically to ensure that clients are treated as per the fiduciary duty of the IAR in regard to trading activity and to ensure the portfolio structured guidelines are being followed.

Reporting. Clients receive written quarterly reports from TKC highlighting individual securities held, total return (net of all fees and expenses), and comparisons to relevant market indices (if applicable) in addition to the statements provided by our third-party custodian(s).

Item 14 Client Referrals and Other Compensation

No persons other than the Advisor's clients provide an economic benefit to the Advisor for providing investment advice or other advisory services to its clients. In addition, the Advisor may receive additional economic benefit by referring clients to other third parties. The Advisor's ability to receive economic benefit from these activities creates a conflict of interest. A conflict of interest will exist with the affiliation between TKC Wealth Management, LLC (RIA) and TKC Risk Advisors, LLC (insurance) due to shared ownership. Additionally, Mr. Chen and employees or independent investment advisors may also be compensated for registered securities and alternative investments transacted through their registration with Landolt Securities, Inc., a FINRA member broker dealer. There is a conflict of interest in that Mr. Chen and employees/independent contractors are able to make recommendations regarding the above products. The Firm and/or its related persons may invest in the same securities that are recommended by TKC to its clients. This creates a conflict of interest with respect to matters including, but not limited to, allocation of client transactions, trading best execution, and front-running of client transactions. The Firm may recommend securities to its clients, or buy or sell securities for its client accounts, at or about the same time that the Advisor or its related persons buys or sells the same securities for their own accounts. This creates a conflict of interest with respect to matters including, but not limited to, allocation of client transactions, trading best execution, and front-running of client transactions.

TKC may pay for client referrals. Any such arrangement would be conducted in compliance with all applicable laws and regulations including obtaining a written signed agreement between TKC and the solicitor and maintaining a copy of that agreement, the agreement will state the compensation terms, by obtaining two separate signed documents with the prospective client confirming the solicitor provided the prospective client a copy of the investor advisor brochure and a separate disclosure that the solicitor is being compensated for referring or recommending. The client will not be responsible for paying any of the referral compensation to the solicitor.

Additional non-direct compensation may be received from private placement products purchased from clients of Ting Kuo Daniel Chen, offered by sponsor and issuer HC2 Capital LLC where Tina Hou is a Managing Director. Mr. Chen and Mrs. Hou are husband and wife. Compensation earned by Ting Kuo Daniel Chen from account management fees will not be in any way affected.

Item 15 Custody

TKC and its affiliates are not custodians, nor do they hold client assets. Hence TKC does not provide account statements or trade confirmations to separate account holders. Authorization to deduct management fees from specified client accounts given by the client to TKC may be seen as constructive custody of funds. In no way does this qualify as TKC having custody of client assets.

A qualified custodian, either a bank, clearing firm or broker-dealer, maintains separate accounts and/or private investments, securities and cash. The qualified custodian provides monthly or quarterly statements, as applicable, and trade confirmations, sent directly to clients that maintain separate accounts. Refer to Item 5 for full fee disclosure.

Please review these custodial statements carefully and compare them to the reports sent by TKC. Minor differences may occur due to accounting policies and pricing sources.

Item 16 Investment Discretion

TKC accepts discretionary authority to manage securities on behalf of clients. See Item 8 - Methods of Analysis Investment Strategies and Risk of Loss regarding limits clients may place on this authority. We receive a limited power of attorney (also called a trading authorization) to buy or sell securities for the client's account.

TKC may manage clients' assets on a discretionary and non-discretionary basis. As a fiduciary, TKC must formulate investment strategies on behalf of each suitable separate account.

As a discretionary investment manager, TKC implements such strategies by making decisions as to which securities to buy and sell, when to buy and sell, and in what amounts to buy and sell. TKC's discretion is both guided and circumscribed, however, by clients' investment objectives, any account restrictions, and allocation guidelines, if any.

As a non-discretionary investment manager, TKC acknowledges that the IA must secure client permission prior to effecting securities transactions for the client in the client's brokerage account(s).

Generally, under a written investment management agreement, TKC is granted broad authority to determine the type and amount of securities to be bought and sold, as well as the timing of such purchases and sales for a client account.

It is the Firm's policy to obtain, in writing, each client's investment objectives and restrictions and to periodically review each client's investments for consistency with that client's investment objectives and restrictions.

Item 17 Voting Client Securities

TKC does not vote on Client Securities. Clients will receive their proxies directly from the transfer agents. If the client has questions about proxies, they can contact TKC Wealth Management, LLC at (214) 389-2000 or by email at info@tkcadvisors.com.

Item 18 Financial Information

- A. TKC generally requires prepayment of quarterly fees. Fees may vary in amount and are calculated based on a percentage of assets under management on the last day of the prior quarter, using the appropriate fee schedules as presented in Item 5 – Fees and Compensation. Because TKC does not maintain custody of client funds or securities, or require or solicit prepayment of more than six months or more in advance, there is no requirement to provide an audited balance sheet for the most recent fiscal year. Because TKC does hold discretionary authority over client funds or securities an end of the fiscal year unaudited balance sheet is not required to be filed annually with the State.
- B. At this time, the Firm has no material financial information or condition that requires disclosure.
- C. The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19 Requirements for State-Registered Advisers

Ting Kuo Chen, CPA, CFP

A. Ting Kuo Chen (Daniel) is the President and a founder of TKC Wealth Management, LLC (formerly known as Civitas Wealth Management, LLC). He specializes in US domestic and offshore investment planning strategies for Pacific Rim clients, with an emphasis on mainland China and Taiwan. He has twenty-five years of banking and wealth management experience prior to co-founding TKC Wealth Management (formerly known as Civitas Wealth Management) in 2015.

During those 25 years of banking career, Mr. Chen spent ten years serving with JPMorgan Chase Investments' Wealth Management Group, twelve years corporate lending with Comerica Bank- Texas, and three years of International Trade Finance with Chase Manhattan Bank. He is experienced with tax-efficient portfolio construction for international clients, and frequently consults with his clients on international transactions, estate planning and asset management. He is a frequent speaker for local and Chinese Chambers, holds seminars for High Net Worth Individuals and provides internal training for TKC Wealth Management staff.

Mr. Chen began his banking career in Taipei in 1984 with what was then Chase Manhattan Bank. After moving to Dallas in 1988, he worked with Comerica Bank after he finished his graduated degree. Mr. Chen holds a Master of Managerial Administrative Science from the University of Texas at Dallas and a Bachelor of Arts in Business Administration from Taiwan Fu-Jen University. He has been a Certified Public Accountant since 1989, a Certified Financial Planner since 1993, and holds an insurance Group 1 license since 1994. Mr. Chen is a licensed registered representative, FINRA Series 6 and 63 since 1993, Series 7 since 1994 and a licensed investment advisor Series 65 since 2002.

Tyler Reinhard

A. Tyler Reinhard is the Chief Compliance Officer of TKC Wealth Management, LLC. He has ten years' experience in the financial industry.

During those ten years he has been affiliated with Landolt Securities, Inc., and currently serves as their COO and Co-CCO. In addition, since 2016 he is a licensed registered representative and a licensed investment advisor representative.

Mr. Reinhard has an Associate Degree in Computer Information Science. He holds FINRA licenses, Series 7, 24, and a 66-investment advisor license.

B. Stated in Item 10

C. TKC does not receive performance-based compensation.

D.

1. No TKC management person has been involved in an award or otherwise found liable in an arbitration claim alleging damages in excess of \$2,500.
2. No TKC management person has been involved in an award or otherwise found liable in a civil, self-regulatory organization or administrative proceeding.