



## **Balboa Wealth Partners, Inc.**

### **Form ADV Part 2A – Disclosure Brochure**

**Effective: August 19, 2022**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Balboa Wealth Partners, Inc. (“Balboa Wealth” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at 949-445-1465.

Balboa Wealth is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Balboa Wealth to assist you in determining whether to retain the Advisor.

Certain Advisory Persons of Balboa Wealth provide advisory services under a practice name or “doing business as” name. **However, advisory services are engaged exclusively through Balboa Wealth.** Additional information about Balboa Wealth and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 282329.

**Balboa Wealth Partners, Inc.**  
140 Newport Center Drive, Suite 200, Newport Beach, CA 92660  
Phone: 949-445-1465 \* Fax: 949-524-8383  
<https://balboawealth.com/>

## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of Balboa Wealth.

Balboa Wealth believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. Balboa Wealth encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

The following material changes have been made to this Disclosure Brochure since the last filing and distribution to Clients:

- Balboa Wealth has re-drafted our Form ADV 2A Brochure Supplement. The result of the re-draft were updates throughout the entire Disclosure Brochure.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 282329. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at 949-445-1465.

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## Item 4 – Advisory Services

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### A. Firm Information

Balboa Wealth Partners, Inc. (“Balboa Wealth” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission. The Advisor is organized as a Corporation under the laws of the State of Delaware. Balboa Wealth was founded in December 2015 and is owned and operated by Jeffrey Gilbert (President and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Balboa Wealth.

Certain Advisory Persons market and deliver advisory services under a practice name or “doing business as”, whose names and logos may appear on marketing materials as approved by Balboa Wealth, or client statements approved by the custodian. It is important to note that the businesses are legal entities of the Advisory Persons and not Balboa Wealth, nor the custodian. **However, advisory services are engaged exclusively through Balboa Wealth.** This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Eudaimonia. For questions regarding this Disclosure Brochure, please contact Jeffrey Gilbert at 949-445-1465.

### B. Advisory Services Offered

Balboa Wealth offers investment advisory services to individuals, high net worth individuals, trusts, estates, charitable organizations, businesses, and retirement plans (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Balboa Wealth's fiduciary commitment is further described in the Advisor's Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Comprehensive Portfolio Management

Balboa Wealth provides Clients with comprehensive portfolio management services, which generally includes a broad range of comprehensive financial planning and consulting services in connection with discretionary and non-discretionary management of investment portfolios. These services are described below.

#### Asset Management Services

Balboa Wealth provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary and non-discretionary asset management and related advisory services. Balboa Wealth works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. Balboa Wealth will then construct an investment portfolio, consisting of low-cost, diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client's investment goals. The Advisor may also utilize individual stocks, bonds or options contracts to meet the needs of its Clients. The Advisor may retain certain types of investments based on a Client's legacy investments based on portfolio fit and/or tax considerations.

Balboa Wealth's investment strategies are primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client or due to market conditions. Balboa Wealth will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

Balboa Wealth evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Balboa Wealth may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Balboa Wealth may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement.

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Balboa Wealth may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

At no time will Balboa Wealth accept or maintain custody of a Client's funds or securities, except for the limited authority as outlined in Item 15 – Custody. All Client assets will be managed within the designated account[s] at the Custodian, pursuant to the terms of the advisory agreement. Please see Item 12 – Brokerage Practices.

*Retirement Accounts* – When the Advisor provides investment advice to Clients regarding ERISA retirement accounts or individual retirement accounts (“IRAs”), the Advisor is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. When deemed to be in the Client's best interest, the Advisor will provide investment advice to a Client regarding a distribution from an ERISA retirement account or to roll over the assets to an IRA, or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g. commission-based account to fee-based account). Such a recommendation creates a conflict of interest if the Advisor will earn a new (or increase its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by the Advisor.

#### Use of Independent Managers

Balboa Wealth will recommend that Clients utilize one or more unaffiliated investment managers or investment platforms (collectively “Independent Managers”) for all or a portion of a Client's investment portfolio, based on the Client's needs and objectives. In such instances, the Client will be required to authorize and enter into an investment management agreement with an Independent Manager that defines the terms in which the Independent Manager will provide its services. The Advisor will perform initial and ongoing oversight and due diligence over each Independent Manager to ensure the strategy remains aligned with Clients investment objectives and overall best interests. The Advisor will also assist the Client in the development of the initial policy recommendations and managing the ongoing Client relationship. The Client, prior to entering into an agreement with an Independent Manager, will be provided with the Independent Manager's Form ADV Part 2A - Disclosure Brochure (or a brochure that makes the appropriate disclosures).

Balboa Wealth will recommend that Clients utilize one or more unaffiliated investment managers or investment platforms (collectively “Independent Managers”) for all or a portion of a Client's investment portfolio, based on the Client's needs and objectives. The Advisor will perform initial and ongoing oversight and due diligence over each Independent Manager to ensure the strategy remains aligned with Clients investment objectives and overall best interests. The Advisor will also assist the Client in the development of the initial policy recommendations and managing the ongoing Client relationship. The Client will be provided with the Independent Manager's Form ADV Part 2A - Disclosure Brochure (or a brochure that makes the appropriate disclosures).

#### Financial Planning Services

Balboa Wealth will typically provide a variety of financial planning and consulting services to Clients, pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals and objectives. Generally, such financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, retirement planning, personal savings, education savings, insurance needs and other areas of a Client's financial situation.

A financial plan developed for, or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs.

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Balboa Wealth may also refer Clients to an accountant, attorney or other specialists, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of the Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six (6) months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations pose a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor, as it would increase the amount of advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

#### Retirement Plan Consulting Services

Balboa Wealth provides 3(21) retirement plan consulting services on behalf of the retirement plans (each a "Plan") and the company (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Investment Policy Statement ("IPS") Design and Monitoring
- Ongoing Investment Recommendation and Assistance

These services are provided by Balboa Wealth serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of Balboa Wealth's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

Balboa Wealth does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, "Excluded Assets").

#### **C. Client Account Management**

Prior to engaging Balboa Wealth to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – Balboa Wealth, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- Asset Allocation – Balboa Wealth will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – Balboa Wealth will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Balboa Wealth will provide investment management and ongoing oversight of the Client's investment portfolio.

#### **D. Wrap Fee Programs**

For certain Clients, Balboa Wealth includes, in addition to securities transaction fees (herein "Covered Costs") together with its investment advisory fees. Including these fees into a single asset-based fee is considered a "Wrap Fee Program". The Advisor sponsors the Balboa Wealth Partners, Inc. Wrap Fee Program solely as a supplemental disclosure regarding the combination of fees. Depending on the level of trading required for the Client's account[s] in a particular year, the Client may pay more or less in total fees than if the Client paid its own transaction fees.

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Please see Balboa Wealth's Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure.

### E. Assets Under Management

As of December 31, 2021, Balboa Wealth manages \$512,966,698 in Client assets, \$493,882,436 of which are managed on a discretionary basis and \$19,084,262 on a non-discretionary basis. Clients may request more current information at any time by contacting the Advisor.

## Item 5 – Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into one or more written agreements/a written agreement with the Advisor.

### A. Fees for Advisory Services

#### Comprehensive Portfolio Management

Comprehensive portfolio management fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Asset management fees are based on the market value of assets under management at the end of the prior calendar quarter. Asset management fees are based on the following schedule:

Assets Under Management (\$)	Annual Rate (%)
*\$0.00 to \$249,999.99	2.3%
\$250,000 to \$499,999.99	2.1%
\$500,000 to \$749,999.99	1.9%
\$750,000 to \$999,999.99	1.8%
\$1,000,000 to and over	1.7%

\*Accounts with assets under management less than \$250,000 are assessed a \$15 fee per quarter for reporting purposes.

#### Asset Management Services

Asset management fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Asset management fees are based on the market value of assets under management at the end of the prior calendar quarter. Asset management fees are based on the following schedule:

Assets Under Management (\$)	Annual Rate (%)
*\$0.00 to \$249,999.99	1.5%
\$250,000 to \$499,999.99	1.4%
\$500,000 to \$749,999.99	1.3%
\$750,000 to \$999,999.99	1.2%
\$1,000,000 to and over	1.1%

\*Accounts with assets under management less than \$250,000 are assessed a \$15 fee per quarter for reporting purposes.

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by Balboa Wealth will be independently valued by the Custodian. The Advisor will conduct periodic reviews of the Custodian's valuation to ensure accurate billing.

The Advisor's fee is exclusive of, and in addition to any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

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### Use of Independent Managers

As noted in Item 4, the Advisor will implement all or a portion of a Client's investment portfolio utilizing one or more Independent Managers. To eliminate any conflict of interest, the Advisor does not earn any compensation from an Independent Manager. The Advisor will only earn its investment advisory fee as described above. Independent Managers typically do not offer any fee discounts but may have a breakpoint schedule which will reduce the fee with an increased level of assets placed under management with an Independent Manager. The terms of such fee arrangements are included in the Independent Manager's disclosure brochure and applicable contract[s] with the Independent Manager. The total blended fee, including the Advisor's fee and the Independent Manager's fee, will not exceed 2.50% annually.

As noted in Item 4, the Advisor may implement all or a portion of a Client's investment portfolio utilizing one or more Independent Managers. To eliminate any conflict of interest, the Advisor does not earn any compensation from an Independent Manager. The Advisor will only earn its investment advisory fee as described above. The Advisor will allocate a portion of the advisory fee collected to the Independent Manager pursuant to the terms of the executed agreement between the Advisor and the Independent Manager. The total blended fee, including the Advisor's fee and the Independent Manager's fee, will not exceed 2.50% annually.

### Financial Planning Services

Balboa Wealth offers financial planning services either on an hourly basis or a fixed engagement fee. Hourly fees range up to \$350 per hour. Fixed fees range from \$1,500 to \$10,000. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Advisor. An estimate for total hours and/or total costs will be provided to the Client prior to engaging for these services. Clients can also engage Balboa Wealth for ongoing financial planning services. The fees for ongoing financial planning services can be charged hourly or a fixed fee. Hourly fees range up to \$350 per hour. Fixed fees range from \$1,500 to \$10,000.

### Retirement Plan Consulting Services

Balboa Wealth offers retirement plan consulting services on an hourly basis or a fixed engagement fee. Hourly fees range up to \$250 per hour. Fixed fees range from \$750 to \$10,000. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Advisor. An estimate for total hours and/or total costs will be provided to the Client prior to engaging for these services. The Advisor also offers retirement plan consulting services for a percentage of AUM. The percentage charged for these services is based on the complexity of the relationship. The decision regarding which option a Client will be billed for retirement plan consulting services is memorialized in the agreement executed with the Client. The asset based fee will not exceed 1.00%.

## **B. Fee Billing**

### Comprehensive Portfolio Management and Asset Management Services

Comprehensive portfolio management and asset management fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the beginning of the respective quarter. The amount due is calculated by applying the annual rate by the days in the quarter to the total assets under management with Balboa Wealth at the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. Clients are urged to also review and compare the statement provided by the Advisor to the brokerage statement from the Custodian, as the Custodian does not perform a verification of fees. Clients provide written authorization permitting advisory fees to be deducted by Balboa Wealth to be paid directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

### Use of Independent Managers

For certain Client accounts implemented through an Independent Manager, the Client's overall fees will include Balboa Wealth's investment advisory fee (as noted above) plus investment management fees and/or platform fees charged by the Independent Manager. The Independent Manager will assume the responsibility for calculating the Client's fees and deducting all fees from the Client's account[s].

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For certain Client accounts implemented through an Independent Manager, the Client's overall fees will include Balboa Wealth's investment advisory fee (as noted above) plus investment management fees and/or platform fees charged by the Independent Manager. The Advisor will assume the responsibility for calculating the Client's fees and deducting all fees from the Client's account[s].

For certain Client accounts implemented through an Independent Manager, the Advisor and the Independent Manager will each assume the responsibility for calculating and deducting their respective fees from the Client's account[s].

#### Financial Planning Services

Financial planning fees may be invoiced up to fifty percent (50%) of the expected total fee upon execution of the financial planning agreement. The balance shall be invoiced upon completion of the agreed upon deliverable[s].

#### Retirement Plan Consulting Services

Retirement plan consulting services are directly invoiced to the Plan Sponsor or party identified in the Client agreement.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Balboa Wealth, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian, as applicable. The Advisor's recommended Custodian does not charge securities transaction fees for ETF and equity trades in a Client's account, provided that the account meets the terms and conditions of the Custodian's brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. The fees charged by Balboa Wealth are separate and distinct from these custody and execution fees.

In addition, all fees paid to Balboa Wealth for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of Balboa Wealth, but would not receive the services provided by Balboa Wealth which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Balboa Wealth to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

### **D. Advance Payment of Fees and Termination**

#### Comprehensive Portfolio Management and Asset Management Services

Balboa Wealth may be compensated for its asset management services in advance of the quarter in which services are rendered. Either party may terminate the asset management agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the asset management agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Advisor will refund any unearned, prepaid asset management fees from the effective date of termination to the end of the quarter. The Client's asset management agreement with the Advisor is non-transferable without the Client's prior consent.

#### Use of Independent Managers

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In the event that the Advisor has determined that an Independent Manager is no longer in the Client's best interest, the Advisor will have the discretion to terminate the relationship with the Independent Manager. The terms for termination are set forth in the respective agreements between the Advisor and the Independent Managers.

In the event that a Client should wish to terminate their relationship with the Independent Manager, the terms for the termination will be set forth in the respective agreements between the Client and that Independent Manager. Balboa Wealth will assist the Client with the termination and transition as appropriate.

#### Financial Planning Services

Balboa Wealth requires an advance deposit as described above. Either party may terminate the financial planning agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the financial planning agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be billed for [actual hours logged on the planning project times the contractual hourly rate or in the case of a fixed fee engagement, the percentage of the engagement scope completed by the Advisor]. Upon termination, the Advisor will refund any unearned, prepaid planning fees from the effective date of termination to the end of the quarter. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent. Clients engaging Balboa Wealth for ongoing financial planning services will pay an initial fee which is due upon execution of the engagement agreement.

#### **E. Compensation for Sales of Securities**

Balboa Wealth does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

#### Broker-Dealer Affiliations

Certain Advisory Persons of Balboa Wealth are also be registered representatives of Willow Cove Investment Group, Inc. ("Willow Cover") or Kingswood Capital Partners, LLC ("Kingswood"), securities broker-dealers, and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In one's separate capacity as a registered representative, an Advisory Person will implement securities transactions under their broker-dealer and not through Balboa Wealth. In such instances, an Advisory Person will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by an Advisory Person in one's capacity as a registered representative is separate and in addition to Balboa Wealth's advisory fees. This practice presents a conflict of interest because Advisory Persons who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on Client needs. The Advisor mitigates this conflict in two ways. First, Clients are under no obligation, contractually or otherwise, to purchase securities products through one of Balboa Wealth's Advisory Persons. Second, the Advisor will not charge an ongoing investment advisory fee on any assets implemented in the separate capacity of one of the Advisory Persons. Please see Item 10 – Other Financial Industry Activities and Affiliations.

#### Insurance Agency Affiliations

Certain Advisory Persons are also licensed as independent insurance professionals. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to Clients. Insurance commissions earned by these persons are separate and in addition to advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of the Advisor who are insurance agents have an incentive to recommend insurance products to Clients for the purpose of generating commissions. However, Clients are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with the Advisor. Please see Item 10 – Other Financial Industry Activities and Affiliations.

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

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Balboa Wealth does not charge performance-based fees for its investment advisory services. The fees charged by Balboa Wealth are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

Balboa Wealth does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

## Item 7 – Types of Clients

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Balboa Wealth offers investment advisory services to individuals, high net worth individuals, trusts, estates, businesses, and retirement plans. Balboa Wealth generally requires a minimum relationship size of \$250,000 for comprehensive portfolio management and asset management services to effectively implement its investment process. Written financial plans are generally assessed a minimum fee of \$1,500.

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

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### A. Methods of Analysis

Balboa Wealth employs fundamental, technical, cyclical, and charting analysis methods in developing investment strategies for its Clients. Research and analysis from Balboa Wealth are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

*Fundamental analysis* utilizes economic and business indicators as investment selection criteria. This criteria consists generally of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Balboa Wealth will be able to accurately predict such a reoccurrence.

*Cyclical analysis* is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that Balboa Wealth is recommending. The risks with cyclical analysis are similar to those of technical analysis.

*Charting analysis* utilizes various market indicators as investment selection criteria. These criteria are generally pricing trends that may indicate movement in the markets. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the technical and charting analysis may lose value and may have negative investment performance. The Advisor monitors these market indicators to determine if adjustments to strategic allocations are appropriate.

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As noted above, Balboa Wealth generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Balboa Wealth will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Balboa Wealth may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Balboa Wealth will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. Please see Item 8.B. for risks associated with the Advisor's investment strategies as well as general risks of investing.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the Advisor's investment strategies:

### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs has a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

### Leveraged ETF Risks

Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark they track. These ETFs attempt to deliver some multiple of an index's daily returns (positive or negative). Please consider the implications to both the upside and the downside of multipliers. While it may seem that a 2x multiplier is a benefit in an up-market cycle' it is important to remember that the same multiplier applies when the ETF moves against the market. This could potentially result in significant losses, and highlights the additional risk associated with Leveraged ETFs.

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### Bond Risks

Bonds are subject to specific risks, including the following: (1) interest rate risks, i.e. the risk that bond prices will fall if interest rates rise, and vice versa, the risk depends on two things, the bond's time to maturity, and the coupon rate of the bond. (2) reinvestment risk, i.e. the risk that any profit gained must be reinvested at a lower rate than was previously being earned, (3) inflation risk, i.e. the risk that the cost of living and inflation increase at a rate that exceeds the income investment thereby decreasing the investor's rate of return, (4) credit default risk, i.e. the risk associated with purchasing a debt instrument which includes the possibility of the company defaulting on its repayment obligation, (5) rating downgrades, i.e. the risk associated with a rating agency's downgrade of the company's rating which impacts the investor's confidence in the company's ability to repay its debt and (6) Liquidity Risks, i.e. the risk that a bond may not be sold as quickly as there is no readily available market for the bond.

### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

### Options Contracts

Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

### Margin Borrowings

The use of short-term margin borrowings may result in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

### Short Sales

A short sale involves the sale of a security that the Client does not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the Client must borrow the security and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The Client realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases respectively between the date of the short sale and the date on which the Client covers its short position, i.e., purchases the security to replace the borrowed security. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

### Alternative Investments (Limited Partnerships)

The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.

### Frequent Trading

Frequent trading in securities can result in higher transaction costs in the Client's account[s]. For taxable accounts, frequent trading can also result in taxable transactions each year that would not be present in a buy-and-hold strategy. There are no guarantees that a frequent trading strategy will correctly time purchases and sales of any particular security.

### Real Estate Investment Trusts ("REITs")

Investing in Real Estate Investment Trusts ("REITs") involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. For Example, equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-

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liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

#### Oil and Gas Interests

Investing oil and gas interest whether directly or as part of a fund/ETF involves distinct risks. The price of oil and gas interests may fluctuate to a greater degree than other securities and contain additional risks based on the supply and demand for oil and gas. Some of these additional risks include, the ability to obtain reliable oil and gas supply, oil and gas reserve estimates, the ability to locate markets for oil and gas, fluctuations in prices. The values of oil and gas interests are subject to market risk by a range of variables that could cause trends to differ materially.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

### **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving Balboa Wealth or its owner [OR] management persons.** Balboa Wealth values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor or Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 282329.

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

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#### Use of Independent Managers

As noted in Item 4, the Advisor may implement all or a portion of a Client's investment portfolio with one or more Independent Managers. To eliminate any conflict of interest, the Advisor does not earn any compensation from an Independent Manager other than their advisory fees. In such arrangements, the Independent Manager or the Advisor may assume responsibility for calculating the Client's fees and deduct all fees from the Client's account[s]. Depending on the independent manager recommended to Clients the advisory fee received will differ. The Advisor conducts due diligence to determine the appropriate independent manager to a specific Client. Balboa also reviews each manager at least annually to determine if that independent manager continues to be appropriate for existing Clients or to be recommended to new Clients.

#### Broker-Dealer Affiliation

As noted in Item 5, certain Advisory Persons of Balboa Wealth are also registered representatives of broker-dealers. In an Advisory Person's separate capacity as a registered representative, an Advisory Person will receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by an Advisory Person of Balboa Wealth. Neither Balboa Wealth nor an Advisory Person will earn ongoing investment advisory fees in connection with any services implemented in the Advisory Person's separate capacity as a registered representative. Under supervision by the Advisory Person's broker-dealer, the broker-dealer may have access to certain confidential information of the Client, including, but not limited to financial information, investment objectives, transactions and holdings information. Please see the Advisor's Privacy Policy, which is included with this Disclosure Brochure.

#### Insurance Agency Affiliations

As noted in Item 5, certain Advisory Persons of Balboa Wealth are licensed insurance professionals. Implementations of insurance recommendations are separate and apart from an Advisory Person's role with Balboa Wealth. As insurance professionals, Advisory Persons will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This practice presents a conflict of interest in recommending insurance products. Clients are under no obligation to implement any recommendations made the Advisor or its Advisory Persons.

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A representative of our firm, Michael Frager, works with FSA Integrated, LLC which is a tax, investment and consulting business. FSA Integrated, LLC is an independent entity that is not affiliated with Balboa Wealth Partners, LLC. Clients will not be solicited for these services. Mr. Frager is an enrolled agent, which involves him gathering tax documents for the CPA performing the tax return and preliminary tax consultations and preparation with these tax clients. FSA Integrated, LLC is also a do business as (“DBA”) of Balboa Wealth Partners, Inc.

A representative of our firm, Richard Brooks Brydges, is the president of Cardiff Capital Partners, LLC and Bluff City Group, LLC, which are holding companies for hotel development. Balboa Wealth Partners clients are not solicited to invest in these companies.

A representative of our firm, Matt Beary, is an owner of Clarity Strategic Opportunities (“CSO”), a real estate operating company. Mr. Beary participates in the development of private funds offered by CSO, including the Clarity Growth and Income Fund. However, no clients of Balboa Wealth Partners, Inc., will be solicited.

Jake Frankel is the CEO of Sam Financial Group. Sam Financial Group is a do business as (“DBA”).

Michael Frager own’s less than 25% of Willow Cove Investment Group (“Willow Cove”). Mr. Frager is also a Registered Representative of Willow Cove. Willow Cove performs the following functions: Broker or dealer retailing corporate equity securities over-the-counter; Underwriter or selling group participant (corporate securities other than mutuals funds); Mutual fund retailer; Broker or dealer selling variable life insurance or annuities; Private placements of securities; Investment banking services which include merger & acquisition services, advisory services for memorandum and document development, syndication advisory services and corporate finance due diligence.

John Vilinia conducts business development for Season Two Ventures. Season Two Ventures is a private investment fund. No Clients of Balboa Wealth are recommended this private investment.

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## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **A. Code of Ethics**

Balboa Wealth has implemented a Code of Ethics (the “Code”) that defines the Advisor’s fiduciary commitment to each Client. This Code applies to all persons associated with Balboa Wealth (“Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor’s duties to each Client. Balboa Wealth and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Balboa Wealth’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of the Code, please contact the Advisor at 949-445-1465.

### **B. Personal Trading with Material Interest**

Balboa Wealth allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Balboa Wealth does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Balboa Wealth does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

Balboa Wealth allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommended (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, must be disclosed to Clients and mitigated through policies and procedures. As noted above, the Advisor has adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is

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mitigated by Balboa Wealth requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer (“CCO”). The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

While Balboa Wealth allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will Balboa Wealth, or any Supervised Person of Balboa Wealth, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

Balboa Wealth does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize Balboa Wealth to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, Balboa Wealth does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where Balboa Wealth does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a custodian not recommended by Balboa Wealth. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. Balboa Wealth may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and its reputation and/or the location of the Custodian's offices.

Balboa Wealth will recommend that Clients establish their account[s] at Charles Schwab & Co., Inc. (“Schwab”), a FINRA-registered broker-dealer and member SIPC. Schwab will serve as the Client's “qualified custodian”. Balboa Wealth maintains an institutional relationship with Schwab, whereby the Advisor receives economic benefits from Schwab (Please see Item 14 below.)

Balboa Wealth will recommend that Clients establish their account[s] at TD Ameritrade. The Advisor participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. (“TD Ameritrade”), member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services, which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program. Please see the disclosure under Item 14 below.

As previously disclosed above, Supervised Persons that are registered representatives of a non-affiliated broker-dealer, the Advisor may be limited in using other broker-dealers/custodians as their broker-dealer must approve the use of any outside broker-dealer/custodian.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. **Balboa Wealth does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14 below.**

**2. Brokerage Referrals** - Balboa Wealth does not receive any compensation from any third party in connection with the recommendation for establishing an account.

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**3. Directed Brokerage** - All Clients are serviced on a “directed brokerage basis”, where Balboa Wealth will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor’s own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account[s]). Balboa Wealth will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. Balboa Wealth will execute its transactions through the Custodian as authorized by the Client. Balboa Wealth may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Clients’ accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Jeff Gilbert, Chief Compliance Officer of Balboa Wealth. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client’s request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client’s financial situation, and/or large deposits or withdrawals in the Client’s account[s]. The Client is encouraged to notify Balboa Wealth if changes occur in the Client’s personal financial situation that might adversely affect the Client’s investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian’s website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client’s account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by Balboa Wealth**

Balboa Wealth is a fee-based advisory firm, that is compensated solely by its Clients and not from any investment product. Balboa Wealth does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. Balboa Wealth may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, Balboa Wealth may receive non-compensated referrals of new Clients from various third-parties.

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#### Participation in Institutional Advisor Platform

As disclosed under Item 12, above, the Advisor participates in TD Ameritrade's institutional customer program and the Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between the Advisor's participation in the program and the investment advice it gives to its Clients, although the Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the Advisor but may not benefit its Client accounts. These products or services may assist the Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Advisor manage and further develop its business enterprise. The benefits received by the Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, the Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Advisor or its related persons in and of itself creates a conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

#### Participation in Institutional Advisor Platform

Balboa Wealth has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like Balboa Wealth. As a registered investment advisor participating on the Schwab Advisor Services platform, Balboa Wealth receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services to Balboa Wealth that may not benefit the Client, including: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a conflict of interest. Balboa Wealth believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

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## **B. Client Referrals from Solicitors**

If a Client is introduced to Balboa Wealth by either an unaffiliated party or by a Balboa Wealth affiliate, Balboa Wealth pays that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the investment management fees earned by Balboa Wealth, and shall not result in any additional charge to the Client.

## **Item 15 – Custody**

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Balboa Wealth does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct Balboa Wealth to utilize that Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by Balboa Wealth to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

## **Item 16 – Investment Discretion**

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Balboa Wealth generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Balboa Wealth. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Balboa Wealth will be in accordance with each Client's investment objectives and goals.

For Client's where Balboa Wealth does not have discretion over the selection and amount of securities to be bought or sold in Client accounts, the Advisor must obtain prior approval from the Client. The Advisor will contact the Client and obtain approval prior to executing trades or allocating investment assets.

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

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Balboa Wealth does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 18 – Financial Information**

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Neither Balboa Wealth, nor its management, have any adverse financial situations that would reasonably impair the ability of Balboa Wealth to meet all obligations to its Clients. Neither Balboa Wealth, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. Balboa Wealth is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.

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## Privacy Policy

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Effective: August 19, 2022

### Our Commitment to You

Balboa Wealth Partners, Inc. ("Balboa Wealth" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Balboa Wealth (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Balboa Wealth does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below. Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver's license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

### What information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

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**Balboa Wealth Partners, Inc.**

140 Newport Center Drive, Suite 200, Newport Beach, CA 92660  
Phone: 949-445-1465 \* Fax: 949-524-8383

**How do we share your information?**

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<p><b>Servicing our Clients</b>                      We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.</p> <p>Balboa Wealth shares Client information with Willow Cove and Kingswood due to the oversight each broker-dealer has over certain Supervised Persons of the Advisor. You may also contact us at any time for a copy of these broker-dealer's Privacy Policy.</p>	Yes	No
<p><b>Marketing Purposes</b>                      Balboa Wealth does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Balboa Wealth or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b></p>	No	Not Shared
<p><b>Authorized Users</b>                      Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent[s] or representative[s].</p>	Yes	Yes
<p><b>Information About Former Clients</b>                      Balboa Wealth does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.</p>	No	Not Shared

**State-specific Regulations**

California	In response to a California law, to be conservative, we assume accounts with California addresses do not want us to disclose personal information about you to non-affiliated third parties, except as permitted by California law. We also limit the sharing of personal information about you with our affiliates to ensure compliance with California privacy laws.
Massachusetts	In response to Massachusetts law, the Client must "opt-in" to share non-public personal information with non-affiliated third parties before any personal information is disclosed. Client opt-in is obtained through the Client's execution of authorization forms provided by the third parties, by executing an Information Sharing Authorization Form, or by other written consent by the Client, as appropriate and consistent with applicable laws and regulations.

**Changes to our Privacy Policy**

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy and will provide you with a revised Policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

**Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting the Advisor at 949-445-1465.

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