



**EXCITING ANNOUNCEMENT!**  
**Client Alignment Program™**

Accretive started 2019 as a new firm, and we're pleased to share that we ended the year with approximately \$112 million of discretionary assets under management. This is a figure that we will share with you each quarter going forward. We hope that this note will not only explain the need for regular updates on Accretive's business, but why these updates will matter to you.

Now that we have completed a full year and have a great foundation of clients with whom we enjoy working, we are focusing our efforts on building a different kind of wealth management firm. There are number of things that we think make Accretive different from the average wealth management firm. A key way through which we hope to further differentiate ourselves is through our business practices. Our first step in doing this is our 2020 initiative which we're calling our Client Alignment Program (CAP)™.

Typically, in the independent adviser industry, firms are compensated based on a percentage of the assets under their management. You'll often hear advisers say, "When you do better, we do better." At Accretive we want to take this one step further and add, "You do better when we do better." Our goal is to execute on this through CAP™. CAP™ is our way of sharing economies of scale and our success as a firm with our clients; as our firm grows, we're going to pass along a portion of the economies of scale we realize to our clients through a voluntary partial fee waiver. Put simply, as Accretive grows and becomes more successful as a firm, we would like all our clients to benefit by getting a better deal.

We should point out that this is a voluntary fee waiver arrangement that we have committed to running through at least March 31st, 2021, after which we may alter or suspend the program. It is, however, our hope that CAP™ proves to be very popular with clients and prospective clients of Accretive. There's a famous Chinese proverb that says, "A journey of a thousand miles begins with a single step". We think the chart below gives you a sense of where we hope to go:

AWP's Discretionary Assets Under Management (Based on Quarter End AUM: 12/31, 3/31, 6/30, 9/30)	Client Alignment Program (CAP) Voluntary Fee Waiver
>\$100,000,000	2.5% Waiver
>\$150,000,000	5.0% Waiver
>\$200,000,000	7.5% Waiver
>\$250,000,000	10.0% Waiver
>\$500,000,000	15.0% Waiver
>\$1,000,000,000	20.0% Waiver

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**Consequently, as our Discretionary Assets Under Management on 12/31/19 exceeded \$100,000,000, every client of Accretive will receive a voluntary 2.5% reduction in the dollar amount they are billed for the first quarter 2020.** In case you were wondering, we have been getting healthy interest from new prospective clients and it is our hope that we cross the second threshold sometime in 2020.

In our initial [Message to Clients](#), we discuss our relentless client focus and our desire to partner with those who have entrusted us with their wealth. With CAP™ we think we have built a mechanism to do just that and we believe it furthers our goal of delivering better value to our clients.

This is a program that no one asked for because, as far as we know, up until now it has not existed in the wealth management business. In developing CAP™, it was clear how unique the concept was in our industry. Most peers that we work-shopped the concept with did not understand what we were trying to do and/or could not fathom why we would want to start this kind of program. Such reactions led us to believe we were onto something and that this kind of idea could be a disruptive one over time. Whether or not the rest of the industry “gets it” is irrelevant to us; we think this is an idea whose time has come.

CAP™ is an initiative that we feel, as a firm, we are uniquely positioned to roll out for a couple reasons. First, we do not have legacy cost structures that need to be maintained and we believe we have built Accretive to scale very well. We also intend to be very thoughtful and careful about adding overhead as we grow. Second, and more importantly, the Partners of our firm (Eric, Steve, and Gary) are all aligned in our mission, vision, and values, as well as our long-term time horizon and overall business philosophy.

We are excited about CAP™ and we hope you like it as much as we do. If you have any questions about the program, please do not hesitate to reach out to us.

Sincerely,

Stephen Esposito, Partner

Eric Furey, Partner

Gary Ribe, Partner