DAVIDSON
WEALTH MANAGEMENT
of Wells Fargo Advisors

Annual Report
December, 2015

Davidson Wealth Management is again pleased to provide you our annual report. We are grateful for the confidence you continue to place in us.

About Davidson Wealth Management

Perhaps you are discovering us for the first time. If so:

- We are a team of 11 wealth management professionals.
- We have 200 years of collective experience.
- We help build, manage, protect and transition wealth for our clients.
- We provide comprehensive advice focusing on the four cornerstones of wealth management; investments, access to banking and lending services through Wells Fargo affiliates, risk management, and financial legacies through our trust, estate and fiduciary services.
- Central to our process is *Envision®*, which charts the course and monitors the progress of your plan.

Our Commitment to You: How We are Working to Improve

In order to grow and evolve as you do, we must also plan for the future of Davidson Wealth Management. In July, we spent significant time as a team dedicated to "doing it better for you." We examined and assessed all aspects of our practice to determine if anything is missing; what our clients want more of; and what can we do better. Our multi-generational team collaborated and deliberated over process, service and personal improvements. We asked, "How do we build an enduring culture of wise advice and selfless service?" Our conclusions were clear and unanimous:

> More and more clients are engaging with us to address the challenges and opportunities of retirement income planning. While we already have extensive experience and training in this field; in 2015, three of our associates earned the Retirement Income Certified Professional® (RICP®) designation. This, in addition to 3 CFP® and 2 MBA practioners.
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> Continue to emphasize goals-based planning utilizing the *Envision®* process. While short-term market conditions are unpredictable; developing, monitoring and adhering to your long-term plan is the best way we know to help you succeed financially.
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> Communication remains critical. With advances in technology, it is easier than ever to access your account and other financial information. Still, you have told us you appreciate and him and place great importance in the power of conversation. We whole-heartedly agree. We resolve to be even more attuned in our listening.

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We've experienced an increase in clients seeking more assistance in managing their liabilities. We will continue to be focused on harnessing, for your benefit, lending through our Wells Fargo affiliates.

In 2015, we were joined by two talented and experienced Wells Fargo Associates, Wes Alim, CFP® and Nick Androvich, bringing 8 and 16 years of industry experience, respectively.

Recognition by our industry:

We strive to continue to deliver an experience we can be proud of and wanted to share some recent recognition with you. These achievements help us continue to improve our service, given all the unique and challenging financial situations you face.

- Once again, BARRON'S, an independent investment magazine, recognized us. We were noted as one of the top 1200 advisory practices in the U.S. and ranked 6th in NC among all financial advisors.[1]
- We were named to the Financial Times Top 400 List.[2]
- As seen in Charlotte Magazine, 6 of our team members; Michael Davis, Karen Kight, Chris Senvisky, Harriet White, Celeste Renaldo and Chris Davis were selected as Five Star Wealth Managers. This list honors an elite group of Charlotte area advisors, representing less than 7% of wealth managers in the area.[3]
- Our practice also ranked in the top 1% of all Wells Fargo Advisors (over 15,000) for Best Practices. Our dedication to fee-based planning, asset management, and reliance on *Envision*® planning were noted.
- For the past six years, Chris Davis has contributed his ideas and insights as a member of Wells Fargo Advisor's Advisory Council to help make this a financial firm that always puts the clients' interests first.

Our Commitment to the Community

We will continue to dedicate ourselves to the heightened priorities of our clients while continuing our efforts to make a positive difference. During 2015, our team has supported through donation of time and money to organizations including Hospice, Ada Jenkins, Rotary International, Girls on the Run, United Methodist Foundation, Habitat for Humanity, Davidson Community Players, WDAV and others. We work with so many of you on your own philanthropic goals and we are inspired by you.

Financial Health of Davidson Wealth Management

It is critical that you know our practice is strong and has the stability to make the investments necessary to continue to deliver a best in class client experience. As of October 1, we are pleased to report Davidson Wealth Management assets held at Wells Fargo Advisors totaled over $519 million. *Envision®*, our wealth analysis tool, identifies an additional $1.1billion in investment assets (such as 401(k) investments held at your employer). This totals $1.6 billion. (This does not include our advice to corporate 401(k) plans totaling an additional $616 million.) We consider all of your assets and liabilities when providing advice. These are *your* assets and they serve a purpose. As a steward, our mission is to align your assets and your life. It is a serious business for us. It is also inspiring.

Thank you for the opportunity to serve. You and your family matter to us.

Christopher W. Davis, CFP®, CIMA®
Managing Director – Investments

Christopher M. Senvisky, CFP®
Vice President – Investment Officer

Celeste I. Renaldo, MBA
Financial Consultant

Harriet R. White, CRPC®, RICP®
Financial Consultant

Michael C. Davis, CFS®
Financial Advisor

Jay Tillman, MBA, RICP®
Financial Consultant

Karen B. Kight
Financial Consultant

Anuj Mukherjee
Financial Consultant

Wesley Alim, CFP®
Vice President- Financial Consultant

Cherie Almaraz
Sr. Registered Client Associate

Nicholas Androvich
Financial Consultant

Envision® is a registered service mark of Wells Fargo & Company and used under license. Wells Fargo Advisors. LLC is a registered broker-dealer and a separate non-bank affiliate of Wells Fargo & Company.

1. The Barron's rankings are based on data provided by over 4,000 advisors. Factors included in the rankings were assets under management, revenue produced for the firm, quality of the practice, and other factors. Institutional assets are given less weight in the scoring. Investment performance is not an explicit component.
2. Financial Times Top 400 advisors 2015 rankings are based on data provided by investment firms,. Factors include assets under management, experience, industry certifications and compliance record. Investment performance and financial advisor production are not explicit components
3. 2015 Survey conducted by Five Star Professional, an independent third-party research firm, who received 1694 nominations among all wealth managers in the Charlotte area from peers or firms and evaluated the nominees based on 10 objective criteria including client retention rates, client assets administered, firm review and favorable regulatory and compliant history. 269 were named 2015 Five Star Wealth Managers, which represents less than 7% of the total wealth managers in the area. The Five Star award is not indicative of the wealth manager's future performance. For more information: 222.fivestarprofessional.com/awards/five_star_award.php