

**Form ADV Part 2A – Firm Brochure**



**Power Wealth Management LLC**

CRD# 315101

2400 Lakeview Pkwy, Suite 675

Alpharetta, GA 30009

(404) 889-8919

[www.powerwm.com](http://www.powerwm.com)

[www.powerwealthmanagement.com](http://www.powerwealthmanagement.com)

September 5, 2024

This brochure provides information about the qualifications and business practices of Power Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us at (404) 889-8919. 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.

Power Wealth Management LLC is an investment advisory firm registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level of skill or training. Additional information about Power Wealth Management LLC is also available on the SEC's website at [www.AdvisorInfo.sec.gov](http://www.AdvisorInfo.sec.gov).

## **Item 2 – Material Changes**

Registered Investment Advisers are required to use the Brochure to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. The Brochure requirements include the annual provision of a Summary of Material Changes (the “Summary”) reflecting any material changes to our policies, practices, or conflicts of interest made since our last required “annual update” filing. In the event of any material changes, such Summary is provided to all clients within 120 days of our fiscal year-end. Our last annual update was filed on March 29, 2024. Of course, the complete Brochure is available to clients at any time upon request.

### Item 3 – Table of Contents

Item 1 – Cover Page.....	3
Item 2 – Material Changes.....	4
Item 3 – Table of Contents .....	5
Item 4 – Advisory Business .....	6
Item 5 – Fees and Compensation .....	8
Item 6 – Performance-Based Fees and Side-By-Side Management .....	9
Item 7 – Types of Clients .....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9 – Disciplinary Information.....	13
Item 10 – Other Financial Industry Activities and Affiliations .....	13
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	13
Item 12 – Brokerage Practices .....	14
Item 13 – Review of Accounts .....	16
Item 14 – Client Referrals and Other Compensation.....	17
Item 15 – Custody.....	17
Item 16 – Investment Discretion.....	17
Item 17 – Voting Client Securities.....	18
Item 18 – Financial Information.....	18

## Item 4 – Advisory Business

Power Wealth Management LLC (“PWM,” “we,” “our,” “us,” or “the firm”) was established in 2018, and became a registered investment adviser in 2021. Powerful Ventures, LLC (wholly owned by Brett Power) and Capital River Ventures LLC (wholly owned by Ian Rivero) are the principal owners of PWM. Please see our Brochure Supplements for more information on Mr. Power, Mr. Rivero and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

As of 12/31/2023, PWM had approximately \$260,570,277 in discretionary assets and \$33,184,933 in non-discretionary assets under management.

### SERVICES PROVIDED

#### **Wealth Management Services**

PWM offers holistic Wealth Management services which include a financial planning review, analysis and recommendations, combined with ongoing portfolio management. In these situations, we will provide financial planning services (as described below), initial and ongoing asset allocation advice (by account and overall), coordination of input from your other financial professionals, and management of your portfolio.

We also provide stand-alone portfolio management services if you do not require comprehensive services. In these instances, we work with you to design a suitable investment portfolio, spending time with you, asking questions, discussing your investment experience and financial circumstances, and broadly identifying your major goals.

#### *Financial Planning*

Financial planning generally includes advice that addresses one or more areas of your financial situation, risk management, budgeting and cash flow controls, retirement planning, education funding, investment portfolio design and if needed, insurance evaluation, tax strategies and estate planning consultation.

Financial Planning is typically provided in conjunction with Wealth Management services; no separate fee is assessed for this service.

#### *Portfolio Management Services*

PWM provides advisory services, giving continuous advice based on your individual needs. At the beginning of our client relationship, we meet with you, gather information, and perform research and analysis as necessary to develop an investment portfolio suitable for your financial situation, investment objectives and risk profile.

To implement your investment portfolio, we will manage your investments on a discretionary basis. As a discretionary investment adviser, we will have the authority to supervise and direct your portfolio without prior consultation with you. You may impose certain written restrictions on us in the management of your investment portfolio, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. You should note, however, that restrictions imposed by you may adversely affect the composition and performance of your investment portfolio. You should also note that your investment portfolio is treated

individually by giving consideration to each purchase or sale for your account. For these and other reasons, performance of your investment portfolio within the same investment objectives, goals and/or risk tolerance may differ and you should not expect that the composition or performance of your investment portfolio would necessarily be consistent with similar clients of ours.

#### *Private Funds*

We may from time to time, based on your risk tolerance, sophistication and financial qualifications, invest a portion of your assets in certain private investments. These may include private equity, private debt and real estate funds, hedge funds, and other types of private investment vehicles. We will continue to render advisory services to you, relative to the ongoing monitoring and review of asset performance and due diligence of the Private Fund.

#### **Retirement Plan Advisory Services**

PWM offers to provide non-discretionary Retirement Plan Consulting Services based on the needs of the plan and the services requested by the plan sponsor or named fiduciary.

In general, these services can include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We will also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification;
- Asset allocation;
- Risk tolerance; and
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan. We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

#### **Written Acknowledgement of Fiduciary Status**

We are making investment recommendations to you regarding retirement plan account or individual retirement account as 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 or otherwise are compensated creates some conflicts with your financial interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice) to you;

- 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 what is reasonable for our services; and
- Give you basic information about our conflicts of interest.

## Item 5 – Fees and Compensation

### General Fee Information

Fees paid to us are exclusive of all custodial and transaction costs paid to your custodian, brokers or other third-party consultants. Please see **Item 12 – Brokerage Practices** for additional information. The fees paid to us are also separate and distinct from the fees and expenses charged by investments such as mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund’s prospectus or offering materials). You should review all fees charged by funds, brokers, us and others to fully understand the total amount of fees you pay for investment and financial-related services.

### Wealth Management / Portfolio Management Fees

Fees charged for our Wealth Management/Portfolio Management Services are negotiable and based upon, among other things, anticipated future earning capacity, anticipated future additional assets, value of assets to be managed, related accounts, account composition, asset types, account retention and services to be provided. Based upon negotiability factors, our advisory fee may range up to 0.90% annually. Accordingly, some clients will pay more or less than other clients for the same management services.

Fees are generally billed quarterly in advance, based on the average daily balance of your portfolio during the prior quarter. The fee will be prorated for your portfolio when it is established at any time other than the beginning of the quarter. Note: Some clients’ fee schedules are based on prior contractual arrangements and/or historical fee schedules that differ from our current fee arrangements. Your specific fee arrangement is described in your Investment Advisory Agreement (“Agreement”) with us.

The amount of the advisory fee will be shown on the statement received from the account custodian. PWM urges clients to carefully review such statements.

### *Private Fund Fees*

When you invest in a private fund, the fees and other expenses assessed by the private fund will be separate from and in addition to our advisory fee. Additionally, some of the private funds that we recommend charge performance-based fees. The applicable fees and expenses of each private fund are outlined in its offering documents and should be reviewed by you prior to investing in such funds. We do not receive any portion of these fees. The advisory fee is directly debited from one or more of your custodial accounts in accordance with your agreement with us. If you do not have a custodial account, you will be invoiced directly for the fees. Invoices are payable promptly upon receipt.

### *Account Termination*

Either party may terminate the advisory agreement at any time upon written notice. If a client terminates within five (5) days of the date the agreement is signed, then PWM will not charge an advisory fee.

In the event of termination, any paid but unearned fees will be promptly refunded to you based on the number of days that the account was managed, and any fees due to PWM will be invoiced or deducted from the client's account prior to termination.

#### Retirement Plan Advisory Fees

PWM will require each Plan Client to make a selection of services *in writing* as part of the Retirement Plan Advisory Agreement(s) (the "Plan Agreement"), which sets forth the rights and obligations of PWM and the Client. Fees for Retirement Plan Advisory Services will be negotiated prior to the signing of the Plan Agreement with the plan sponsor or named fiduciary on a case-by-case basis.

In general, fees charged for investment advisory services are to be paid monthly in advance and will be based upon the market value of the Plan assets on the last business day of the calendar month. Fees may be direct billed to the plan or to a third-party administrator ("TPA") or custodian at the client's instruction. The initial fee will be prorated according to the number of days remaining in the calendar month.

#### *Termination*

Upon termination of an account, any prepaid, asset-based fees will be prorated according to the days the account was managed during the calendar month and any unearned fees will be refunded to the client.

#### Other Compensation

PWM is affiliated with Power Protection Strategies, LLC ("PPS"), which is a licensed insurance agency. Certain individuals associated with us are also licensed insurance agents and as such, they and PPS are entitled to receive commissions or other remuneration on the sale of insurance as well as other products. A conflict of interest exists to the extent that we recommend the purchase of insurance products where PPS or our supervised persons are entitled to insurance commissions or other additional compensation. Our policy is to disclose all forms of compensation before any such transaction is executed. Under no circumstances will you pay both a commission to PPS or these individuals and a management fee to us on the same pool of assets. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information. Clients are under no obligation to purchase insurance products through PPS or its associated persons and may implement insurance recommendations through other insurance providers of their choice.

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

PWM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### **Item 7 – Types of Clients**

PWM provides portfolio management services to individuals, estates and trusts. In general, we do not require a minimum fee or a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

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

The investment strategy begins with an understanding of a client's financial goals. Advisors use demographic

and financial information provided by the client to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. The firm's Investment Committee, led by the Chief Investment Officer, is responsible for establishing the strategies for PWM and its Wealth Advisors. Decisions made in the Investment Committee guide client allocations when deemed appropriate by the Wealth Advisor for his or her clients. We primarily allocate client investment assets among individual equity (stocks), exchange traded funds ("ETFs"), mutual funds and fixed income securities. In addition, we may recommend investments in private funds, when deemed suitable for an eligible client.

Security analysis methods includes the following:

- **Fundamental analysis:** The attempt to measure the intrinsic value of a security by looking at economic and financial factors to determine if the company is underpriced or overpriced. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.
- **Technical analysis and charting:** The attempt to determine the trend of a security by studying past market data, including price and volume. This presents a potential risk, as the price of a security can change directions at any time and past performance is not a guarantee of future performance.

Information for this analysis is drawn from financial websites and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

Private funds are generally evaluated based on the previous performance and reputation of the manager, underlying fund investments, fee structure, overall risk and returns, portfolio transparency, liquidity and other factors specific to the type of investments involved.

### Risk of Loss

It is important to note that investing in securities involves a risk that clients must be prepared to bear. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. The investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund can drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.



- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations could result in bankruptcy and/or a declining market value.
- **Options Risk:** Transactions in options carry a high degree of risk. Specific market movements of the securities underlying an option cannot accurately be predicted and an investment in an option may be subject to greater fluctuation than an investment in the underlying securities. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the security underlying the option which the writer must purchase or deliver upon exercise of the option.
- **Foreign Securities Risks.** We may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk.
- **Risks Related to Private Funds.** From time to time and as appropriate, we may invest a portion of a client's portfolio in Private Funds. The value of client portfolios will be based in part on the value of Private Funds in which they are invested, the success of each of which will depend heavily upon the efforts of their respective Managers. When the investment objectives and strategies of a Manager are out of favor in the market or a Manager makes unsuccessful investment decisions, the Private Fund may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the Private Funds in which it is invested are out of favor at the same time, or many or most of the Managers make unsuccessful investment decisions at the same time. Private Funds are generally subject to various risk factors and liquidity constraints, a complete discussion of which is set forth in each fund's offering documents, which will be provided to clients for review and consideration prior to investing. Investing in Private Funds is intended only for experienced and

sophisticated investors who are willing to bear the high economic risks of the investment. Clients should carefully review and consider potential risks before investing in private funds. Certain of these risks may include loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices, lack of liquidity because of redemption terms and conditions and that there may not and will not be a secondary market for the fund, volatility of returns, restrictions on transferring interests in the fund, a potential lack of diversification, higher fees than mutual funds, and lack of information regarding valuations and pricing.

- **Margin Risk.** We do not use margin as an investment strategy. However, clients may elect to borrow funds against their investment portfolio. When securities are purchased, they may be paid for in full or the client may borrow part of the purchase price from the account custodian. If you borrow part of the purchase price, you are engaging in margin transactions and there is risk involved with this. The securities held in a margin account are collateral for the custodian that loaned you money. If those securities decline in value, then the value of the collateral supporting the loan also declines. As a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account to accomplish this. It is important that you fully understand the risks involved in trading securities on margin, including but not limited to:
  - It is possible to lose more funds than is deposited into a margin account;
  - The account custodian can force the sale of assets in the account;
  - The account custodian can sell assets in the account without contacting you first;
  - The account holder is not entitled to choose which assets in a margin account may be sold to meet a margin call;
  - The account custodian can increase its “house” maintenance margin requirements at any time without advance written notice; and
  - The accountholder is not entitled to an extension of time on a margin call.
  
- **Technology and Cyber Security Risks.** We depend heavily on our service providers,’ telecommunication, information technology and other operational systems (e.g., brokers, custodians, transfer agents and other parties to which we outsource certain services or business operations). These systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond our control. Despite our best efforts to implement security measures, our information technology and other systems, and those of others, could be subject to physical or electronic break-ins, unauthorized tampering or other security breaches, resulting in a failure to maintain the security, availability, integrity and confidentiality of data assets. Technology failures or cyber security breaches, whether deliberate or unintentional, including those arising from use of third-party service providers, as well as failures or breaches suffered by the issuers of securities in which our strategy invests, could delay or disrupt our ability to do business and service our clients, harm our reputation, result in a violation of applicable privacy and other laws, require additional compliance costs, subject us to regulatory inquiries or proceedings and other claims, lead to a loss of clients and revenues or financial loss to our clients or otherwise adversely affect our business, our clients and/or investors.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s evaluation of PWM or the integrity of PWM’s management. PWM has no information applicable to this Item.

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

PWM’s owners, Powerful Ventures, LLC (wholly owned by Brett Power) and Capital River Ventures LLC (wholly owned by Ian Rivero), also own Power Protection Strategies, LLC (“PPS”), which is an independent licensed insurance agency offering fixed indexed annuities, single-premium deferred annuities, multi-year guaranteed annuities, life, health, long-term care, and disability insurance to its clients. Mr. Power, Mr. Rivero and certain other Wealth Advisors of PWM are also licensed insurance agents with PPS. There are times when these Wealth Advisors recommend the purchase of certain insurance products through PPS, and/or other insurance companies, to PWM’s clients as part of their financial plan. Upon purchase, the Wealth Advisor, in his or her capacity as an insurance agent, will receive normal and customary commissions. The amount of these commissions and timing of payment can vary depending on the type of insurance purchased. In addition to commissions received, the Wealth Advisors in their capacity as licensed insurance agents can receive certain sales incentives from insurance companies, including but not limited to the award of vacation travel to domestic and foreign locations, cash bonuses, and/or higher percentage payout of commissions. Additionally, owners of PWM receive an indirect benefit of all insurance sales that are made through PPS due to the fact that owners share in the profits and losses of the agency.

A conflict exists between the interests of PPS and/or its associated persons and the interest of the firm’s clients to the extent that these Wealth Advisors recommending the purchase of insurance products will receive commissions and incentives for doing so, should the clients elect to follow such recommendations, even if the recommendations are based on the best interest of the clients and their needs. If a client elects to act on any insurance recommendation, the client is under no obligation to effect the transaction through PPS, or through any insurance licensed Wealth Advisor of the firm.

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

### **Code of Ethics and Personal Trading**

We have adopted a Code of Ethics (“the Code”), the full text of which is available to you upon request. Our Code has several goals. First, the Code is designed to assist us in complying with applicable laws and regulations governing our investment advisory business. Under the Investment Advisers Act of 1940, we owe fiduciary duties to our clients. Pursuant to these fiduciary duties, the Code requires persons associated with us (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for our associated persons. Under the Code’s Professional Standards, we expect our associated persons to put the interests of our clients first, ahead of personal interests. In this regard, our associated persons are not to take inappropriate advantage of their positions in relation to our clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, our associated persons may invest in the same securities recommended to clients. Under our Code, we have adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Participation or Interest in Client Transactions

Because associated persons may invest in the same securities as those held in client accounts, we have established a policy requiring our associated persons to pre-clear transactions in some types of securities with the Chief Compliance Officer, subject to certain exceptions. The goal of this policy is to avoid any conflicts of interest that arise in these situations. Some types of securities, such as CDs, treasury obligations and open-end mutual funds are exempt from this pre-clearance requirement. However, in the event of other identified potential trading conflicts of interest, our goal is to place client interests first.

Consistent with the foregoing, we maintain policies regarding participation in initial public offerings ("IPOs") and private placements to comply with applicable laws and avoid conflicts with client transactions. If an associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the CCO.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the balance of shares will be allocated in an equitable fashion among associated persons' accounts and client accounts in accordance with our written policy.

## Item 12 – Brokerage Practices

### Best Execution

When given discretion to select the brokerage firm that will execute orders in client accounts, we seek "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, we may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third-party research (or any combination) and may be used in servicing any or all our clients. Therefore, research services received may not be used for the account for which the particular transaction was affected.

PWM recommends the brokerage and custodial services of Charles Schwab & Co., Inc. ("Schwab"). PWM recommends the services of Schwab based on a number of factors including financial strength, reputation, execution, pricing, responsiveness, fees, research, and other services.

*Your brokerage and custody costs.* Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that they execute or that settle into your account. Certain trades may not incur commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account. In addition to commissions, you may be charged a flat dollar

amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your account. These fees are in addition to the commissions or other compensation you pay the executing broker/dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having your account custodian execute most trades is consistent with our duty to seek “best execution” of your trades.

*Products and services available to us from Schwab.* Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we do not have to request them) and at no charge to us.

*Services that benefit you.* Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

*Services that may not directly benefit you.* Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients’ accounts
- Assist with back-office functions, recordkeeping, and client reporting

*Services that generally benefit only us.* Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party’s fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

*Our interest in Schwab's services.* The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us.

#### Trade Aggregation

We may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This method permits the trading of aggregate blocks of securities comprised of assets from multiple client accounts. It allows us to execute trades in a timely, equitable manner, and seeks to reduce overall costs to you.

We will only aggregate transactions when we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for our clients, and is consistent with the terms of our Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all of our transactions in a given security on a given business day. Transaction costs for participating accounts will generally be assessed at the custodian's commission rate applicable to each account; therefore, transaction costs may vary among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

We will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata, based on the Allocation Statement, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

#### **Item 13 – Review of Accounts**

Accounts are assigned to Wealth Advisors who are responsible for performing periodic reviews and consulting with the respective client. Factors that are considered include, but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, number of trades, monthly distributions, concentrated positions, diversification, and outside holdings. At least annually, we will contact you and request current information to determine whether there have been any changes in the information provided in your investment questionnaire.

Managed portfolios may also be reviewed if requested by you, upon receipt of information material to the management of your portfolio, or at any time we deem a review necessary or advisable. These factors generally include, but are not limited to, the following: change in your general circumstances (marriage, divorce, retirement); or economic, political or market conditions.

You should inform us in writing of any material changes to the information included in the questionnaire or any other change in your financial circumstances that might affect the manner in which your assets should be invested. You may contact us during normal business hours to consult with your Wealth Advisor concerning the management of your account(s).

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

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices). The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

##### Promotional Arrangements

PWM pays a flat monthly fee to participate in an online matching program that seeks to match prospective advisory clients with investment advisers. The program, which is operated by SmartAsset Advisors LLC (“SmartAsset”), provides information about investment advisory firms to persons who have expressed an interest in obtaining advisory services. The program also provides the name and contact information of such persons to participating advisory firms as potential leads. The flat fee we pay for being provided with leads varies based on certain factors, including the size of the person’s portfolio, and the fee is payable regardless of whether the prospect becomes our advisory client. The fee paid to SmartAsset is independent of the management fees earned by PWM from referred clients, which are not increased or passed through to the referred clients in any way. The compensation paid to SmartAsset creates an economic incentive to recommend PWM, which is a conflict of interest.

#### **Item 15 – Custody**

PWM has limited custody of some of our clients’ funds or securities when the clients authorize us to deduct our management fees directly from the client’s account. We are also deemed to have custody of clients’ funds or securities when clients have a standing letter-of-authorization (“SLOA”) with their custodian to move money from the client’s account to a third-party and under that SLOA authorize us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow.

You should receive statements at least quarterly from Schwab or other selected qualified custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare the official custodial records to the account statements that PWM provides. PWM statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. You are also asked to promptly notify us if the custodian fails to provide statements on each account held.

#### **Item 16 – Investment Discretion**

As part of its Portfolio Management Services, PWM acts in a discretionary capacity to select the identity and amount of securities to be bought or sold without specific consent from you for each transaction. Clients

authorize PWM's discretionary authority in writing in the advisory agreement. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, PWM observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to PWM in writing.

Retirement Planning Services are offered on a non-discretionary basis. PWM will make recommendations; however, the client ultimately will be responsible for implementing such advice.

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

As a policy and in accordance with our agreement, we do not vote proxies related to securities held in your account(s). The custodian of your account(s) will normally provide proxy materials directly to you. You may contact us with questions relating to proxy matters; however, we do not generally perform detailed research regarding proxy voting options..

#### **Item 18 – Financial Information**

Registered Investment Advisers are required to provide clients with certain financial information or disclosures about PWM's financial condition. PWM neither requires nor solicits prepayment of more than \$1200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure. PWM has not been the subject of any bankruptcy proceeding. Neither PWM nor its management has any financial condition that is likely to reasonably impair PWM's ability to meet contractual commitments to clients.