



***Firm Brochure***  
*(Part 2A of Form ADV)*

This brochure provides information about the qualifications and business practices of Caledonia Wealth Management, Ltd. If you have any questions about the contents of this brochure, please contact us by telephone at (720) 239-1260 or by email at [barnett@caledoniawealth.com](mailto:barnett@caledoniawealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Caledonia Wealth Management, Ltd. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

January 31, 2012

## Material Changes

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

### **Material Changes since the Last Update**

None.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (720) 239-1260 or by email at [barnett@caledoniawealth.com](mailto:barnett@caledoniawealth.com).

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# Advisory Business

## Firm Description

Caledonia Wealth Management, Ltd. is an investment advisory firm that was founded in 2009 by Timothy Barnett and David McMillan. The firm is federally registered with the SEC (Securities and Exchange Commission) as a Registered Investment Adviser. The firm provides investment management and financial planning services. Please see section titled “Types of Advisory Services” below for more information about our services.

Caledonia Wealth Management, Ltd. is a fee-only advisory firm. This means our compensation is solely from fees paid directly by our clients. The firm does not receive commissions based on the client’s purchase of any financial product, including insurance. No commissions in any form are accepted. No referral fees are paid or accepted. No benefits are received from custodians or broker-dealers based on client securities transactions (“soft dollar benefits”).

Assets under the management of Caledonia Wealth Management, Ltd. are held by independent custodians such as Charles Schwab & Co., Inc. and always in the client’s name. While clients often provide us with discretionary authority to manage their accounts, the fact their accounts remain in their name means clients also retain access and control over their accounts at all times. The firm does not act as a custodian of client assets, although we are considered by the SEC to technically have “custody” over many client accounts held at independent custodians. This occurs when we have the authority to withdraw fees directly from a client’s account held by an independent custodian.

We may recommend other professionals (e.g., lawyers, accountants, insurance agents, real estate agents, etc.) at the request of the client. These professionals are engaged directly by the client on an as-needed basis even when recommended by the firm. Conflicts of interest, if any, will be disclosed to the client and managed in the best interest of the client.

## Principal Owners

Timothy Barnett and David McMillan each own a 50% interest in Caledonia Wealth Management, Ltd. There are no intermediate subsidiaries.

## Types of Advisory Services

Caledonia Wealth Management, Ltd. primarily offers (1) investment management and (2) financial planning services to its clients. Clients may choose one or the other; however, in most cases the firm delivers both to its clients as a part of a comprehensive relationship.

### 1. Investment Management

Caledonia Wealth Management, Ltd. provides investment management on a discretionary basis (please see “Discretionary Authority for Trading” on page 12 for more detail) primarily using what we call “investment programs”. Our investment programs are developed and managed in-house; they are portfolios of securities that are carefully chosen where each portfolio exhibits certain characteristics. When a client’s account is “managed under” a particular investment program, the allocation of the client’s account will generally closely mirror the allocation of that investment program.

Securities used in investment programs may include:

- Actively managed mutual funds
- Cash (money markets)
- Exchange traded funds
- Index mutual funds
- Stocks

The risk and potential for return may vary significantly from one program to another. This is because some programs are designed to be more diversified and conservative. Other programs may be more concentrated and aggressive. Tax efficiency and liquidity may also vary from one program to another. Aside from these differences, programs can also be further separated into two categories:

### **Sustainable Investment Programs**

The term Sustainable Investing integrates a number of factors including environmental, social, and governance (ESG) issues that affect investment decisions and analysis. Our investment vision pursues opportunity and prosperity, accomplished by providing investment choices we feel demonstrate financial responsibility and accountability for both current and future generations. We seek out opportunities that embody the triple bottom line principles of people, planet and profit as partners in building a more sustainable, financially healthy and successful future.

We use ESG criteria as a tool to help us identify better investment prospects in all areas of investment. We also recognize that no investment is perfect when it comes to corporate responsibility or sustainability. But we also believe that well-managed companies maintaining good relations with employees, consumers, communities, and the natural environment, and that strive to improve in those areas, will better serve investors in the long-run.

### **Traditional Investment Programs**

We create and manage the Traditional Investment Programs using the same investment strategies described on page 6; however, they differ in that we do not use the additional ESG factors described above.

There is no requirement that a client choose between either Sustainable Investment or Traditional Investment Programs. In fact, a client may use both. This is because a client's overall portfolio under the firm's management commonly contains multiple accounts and while each account may be managed under the same program, accounts are often managed under different programs. The selection of the appropriate programs is made by recommendation of the firm and through mutual agreement with the client. From time to time, the program under which a client's account is managed may be changed to another program. In such circumstances, the change is made through mutual agreement with the client.

Investment programs are generally globally diversified to help control the risk associated with traditional markets. Currently the firm has approximately twenty-five (25) programs between the Sustainable and Traditional Investment Programs.

Client assets may also be managed on a non-discretionary basis. This normally occurs when a client engages us for ongoing supervision and advice on existing assets or desires advice on the purchase of investments not normally included in our investment programs. These types of investments may include:

- Certificates of deposit
- Corporate debt securities (other than commercial paper)
- Hedge funds and private equity investments
- Municipal securities
- Oil and gas interests
- Options contracts on securities
- Real estate
- United States government securities
- Variable annuities
- Variable life insurance
- Warrants

## **2. Financial Planning**

Caledonia Wealth Management, Ltd. offers the following financial planning services to its clients:

- Retirement planning
- Investment review
- Wealth transfer planning
- Cross border planning
- College education planning
- Life insurance and annuity planning
- Budgeting and cash flow management
- 401(k) plan implementation and management
- Philanthropic and community investment planning

In performing its services, Caledonia Wealth Management, Ltd. is not required to verify any information received from the client or from the client's other professionals. Each client is advised that it remains his/her responsibility to promptly notify Caledonia Wealth Management, Ltd. when there is any change in his/her financial situation and/or financial objectives for the purpose of reviewing, evaluating, or revising previous recommendations and/or services.

### **Tailored Relationships**

At Caledonia Wealth Management, Ltd., advisory services are tailored to the individual needs of clients. Client goals and objectives are clarified in meetings and via correspondence, and are used to determine the course of action for each individual client. The goals and objectives for each client are documented in client files, in hard copy and/or in electronic format.

Clients may impose restrictions on investing in certain securities or types of securities. This must be done in writing and be signed by the client, Caledonia Wealth Management, Ltd. and the separate account manager if applicable. Agreements may not be assigned without client consent.

## Managed Assets

As of December 31, 2011, Caledonia Wealth Management, Ltd. managed \$23,267,780 in assets for 127 accounts. \$21,835,243 is managed on a discretionary basis and \$1,432,537 on a non-discretionary basis.

## Fees and Compensation

### Description

For investment management, fees are based on a percentage of assets under management. For financial planning, fees are based on either fixed or hourly charges. All fees are negotiable.

#### 1. Investment Management

- a. **Initial One-Time Planning and Account Set-Up Fee:** 0.25% of assets under management, subject to a minimum fee of \$1,250 and payable on inception. This fee is in addition to the assets under management annual fee.
- b. **Assets Under Management Annual Fee:** This fee is based on all assets under management using the following table:

<u>Annual Fee</u>	<u>Assets Under Management</u>
1.00%	On the first \$1 Million
.75%	On the second \$1 Million
.50%	Over \$2 Million

Example 1: the annual fees for \$500,000 in assets under management would be calculated as follows:

- $\$500,000 \times 1.00\% = \$5,000$

**Total = \$5,000**

Example 2: the annual fees for \$1.5 Million in assets under management would be calculated as follows:

- $\$1,000,000 \times 1.00\% = \$10,000$

- $\$500,000 \times .75\% = \$3,750$

**Total = \$13,750**

The annual fee is paid quarterly, in arrears (after the end of each quarter), and is based upon the average daily account balance. However, in cases where the average daily account balance is not available or is impracticable to calculate, the annual fee is based on the account balance on the last day of the calendar quarter.

The annual fee is also prorated. This means if a client has assets under the firm's management for only part of a quarter, the annual fee is adjusted so the client only pays for that portion of the quarter when the assets are under management.



The client and the firm will enter into an *Investment Advisory Agreement* that further explains the terms and conditions of the engagement and the scope of the services to be provided.

## **2. Financial Planning**

Caledonia Wealth Management, Ltd. provides a broad range of financial planning and consulting services (including investment and non-investment related consulting matters). We charge either a fixed fee or an hourly fee for these services. Fixed fees are negotiated up front and are generally reserved for work with a defined scope such as a special project. Hourly fees are charged at \$125 to \$200 per hour, depending upon the level and scope of the services and the professional rendering such services. Hourly fees are typically charged when a client desires ongoing or occasional financial planning. For clients with more than \$500,000 in assets under management, we will generally waive financial planning fees.

The client and the firm will enter into a *Financial Planning and Consulting Agreement* explaining the terms and conditions of the engagement and the scope of the services to be provided.

## **Fee Billing**

### **1. Investment Management**

Clients may choose to have fees deducted quarterly from a designated investment account or to be invoiced quarterly. The client must consent in advance to direct deduction of their investment account for fees.

### **2. Financial Planning**

Fixed fees are billed upon completion of the specified work. Hourly fees are billed monthly. Financial planning fees cannot be deducted directly from investment accounts.

## **Other Fees**

Custodians such as Charles Schwab may charge transaction fees on purchases or sales of certain mutual funds, stocks, bonds, and exchange-traded funds. These transaction charges are usually relatively small and are incidental to the purchase or sale of a security. In rare cases, custodians may also charge monthly, quarterly or annual custody fees. Fees for custody are disclosed to clients when this type of arrangement is recommended.

Mutual funds and exchange traded funds generally charge a management fee for their services as investment managers. The management fee is included in what is called their “expense ratio”. Mutual fund fees also include transaction charges for the purchase or sale of securities within the fund and may charge other fees as disclosed in the fund prospectus. These fees are in addition to the fees paid by the client to Caledonia Wealth Management, Ltd.

Please see the section entitled “Brokerage Practices” on page 9 for more information.

## **Compensation for Sales of Investment Products**

The firm's compensation is solely from fees paid directly by clients. The firm does not receive commission based on the client's purchase of any financial product, including insurance. No commissions in any form are accepted.

## **Performance-Based Fees**

### **Sharing of Capital Gains**

Caledonia Wealth Management, Ltd. does not charge fees based on investment performance because of the potential conflict of interest. Performance-based compensation may create an incentive for us to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows Caledonia Wealth Management, Ltd. to participate in the growth of the client's wealth. This also means that our fees can decline when the client's portfolio declines in value.

## **Types of Clients**

### **Description**

Caledonia Wealth Management, Ltd. generally provides investment advice to individuals, families, trusts and estates, and pension plans. Advice may extend to entities related to the client such as small businesses and charitable organizations, including foundations and endowments. Client relationships vary in scope and level of service.

Caledonia Wealth Management, Ltd. generally requires \$500,000 in assets for investment management. This minimum may be waived on a case by case basis.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

Security analysis methods at Caledonia Wealth Management, Ltd. include fundamental analysis and technical analysis. The main sources of information include Morningstar® reports and research, fund prospectuses, S&P reports, financial newspapers and magazines, research materials prepared by others, company press releases and annual reports. Employees of Caledonia Wealth Management, Ltd. also attend conference calls, industry conferences and face-to-face meetings with investment company representatives.

### **Investment Strategies**

The primary investment strategy we use is strategic asset allocation. This means we use a strategy that involves periodically rebalancing the allocation within an investment program, and correspondingly a client's account, to maintain a long-term goal for asset allocation. A secondary but important strategy is tactical asset allocation. This means that we reserve the option to actively buy or sell assets in a client's account in response to or in anticipation of major movements in the financial markets. We will normally combine these two strategies when managing client accounts.

We primarily use approximately twenty-five (25) “investment programs” to implement our investment strategies. These are portfolios created and managed by Caledonia Wealth Management, Ltd and range from conservative to aggressive. Please see the section entitled “Types of Advisory Services” on page 1 for more detail.

The investment programs recommended for a specific client are based upon the objectives, income needs, and tax situation stated by the client during consultations. The client may change these objectives at any time. The client’s goals and objectives are recorded during meetings, via correspondence with the client and are incorporated in a client’s Investment Policy Statement (if applicable).

### **Risk of Loss**

All our investment programs have certain risks that are borne by the client. We keep the risk of loss in mind, however as with all investments, clients face risks including the following:

- **Business Risk** – this is the risk of loss due to the financial impairment or failure of a company in which you have invested
- **Counterparty Risk** – this is the risk of loss due to the financial impairment or failure of a third party related to your investments (e.g. custodian)
- **Currency Risk** – this is the chance your investment loses value on foreign currencies
- **Inflation Risk** – this is the risk the value of your investment or income shrinks due to inflation
- **Interest-rate Risk** – this is the risk that changes in interest rates results in a loss of value to your investment or income
- **Liquidity Risk** – this is the risk that you may not be able to buy or sell (usually sell) an investment either quickly or at a good price
- **Market Risk** – this is the risk the value of your investment will experience loss due to fluctuations in the financial markets
- **Political Risk** – this is the risk of loss due to political changes or instability within a country.
- **Principal Risk** – this is the risk your investment declines in value so it is worth less than you originally invested
- **Reinvestment Risk** – this is the risk that future proceeds will be reinvested at a lower interest rate
- **Timing Risk** – this is the risk of investment loss or missed gains due to poor timing of tactical asset allocation (e.g. purchasing too high or selling too low)

## Disciplinary Information

### Legal and Disciplinary

The firm and its employees have not been involved in any legal or disciplinary events related to past or present activities.

## Other Financial Industry Activities and Affiliations

### Activities

Caledonia Wealth Management, Ltd. does not participate in any other industry business activities.

### Affiliations

Caledonia Wealth Management, Ltd. does not have arrangements that are material to its advisory business or its clients with any related person.

## Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

### Code of Ethics

The employees of Caledonia Wealth Management, Ltd. have committed to a Code of Ethics in accordance with SEC Rule 201A-1. The key points are: putting our clients' interests first, avoiding circumstances where outside interests conflict with the interests of our clients, honest and ethical conduct, prompt internal reporting in the event of violation, disclosure of personal securities holdings and transactions, and accountability for following the Code of Ethics.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

### Participation or Interest in Client Transactions

Caledonia Wealth Management, Ltd. and its employees may at times buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees must comply with the provisions of the Caledonia Wealth Management, Ltd. "Investment Adviser Compliance & Supervisory Procedures Manual".

The Chief Compliance Officer of Caledonia Wealth Management, Ltd. is Timothy Barnett. Timothy Barnett reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees was not based on inside information and that clients of the firm receive preferential treatment.

## Brokerage Practices

### Selecting Brokerage Firms

Caledonia Wealth Management, Ltd. does not have any affiliation with any banks, brokerage firms or product sales firms. Specific custodian recommendations are made to clients based on their need for such services. Caledonia Wealth Management, Ltd. recommends custodians based on the proven integrity and financial responsibility of the firm, best execution of orders at reasonable commission rates, and the quality of client service.

Caledonia Wealth Management, Ltd. also reviews the execution of trades at each custodian annually. The review is documented in the Caledonia Wealth Management, Ltd. "Investment Adviser Compliance & Supervisory Procedures Manual". Trading fees charged by the custodians are also reviewed on an annual basis. Caledonia Wealth Management, Ltd. does not receive any portion of the trading fees.

Caledonia Wealth Management, Ltd. normally recommends the discount brokerage firm Charles Schwab & Co., Inc., a registered broker-dealer and member SIPC, but may also recommend other custodians. We do not open accounts for you, although we may assist you in doing so. Charles Schwab and other custodians will hold your assets in an account and buy and sell securities when we instruct them to. Caledonia Wealth Management, Ltd. does not receive fees or commissions from any of these arrangements, although the firm may benefit from investment research, both Charles Schwab's own and that of third parties. In addition, Charles Schwab makes available software and technology that:

- Provide access to client 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

Caledonia Wealth Management, Ltd. may also benefit from other services provided by Charles Schwab and other custodians, such as:

- 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

Charles Schwab and other custodians may provide some of these services themselves. In other cases, they will arrange for third-party vendors to provide the services to us. Charles Schwab or other custodians may also discount or waive their fees for some of these services or pay all or a part of a third party's fees. Charles Schwab and other custodians may also provide us with other benefits, such as occasional business entertainment for our personnel.

Charles Schwab and other custodians do not require that we maintain a minimum amount of client assets in accounts, however Charles Schwab normally requires firms like us to maintain a minimum total of \$10 million in client accounts. While this minimum does not apply to

Caledonia Wealth Management, Ltd., it may still give us an incentive to recommend you maintain your account at Charles Schwab based on our interest in receiving Charles Schwab's services that benefit us 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 Charles Schwab as custodian and broker is in the best interests of our clients. Our selection is based upon the factors already mentioned above and not Charles Schwab's services that benefit only us.

### **Soft Dollars**

Caledonia Wealth Management, Ltd. does not receive soft dollar benefits (such as research or other products or services other than execution from a broker-dealer or a third party *in connection* with client securities transactions) from the custodians to whom we recommend clients.

### **Directed Brokerage**

We routinely recommend that a client execute transactions through Charles Schwab for the reasons discussed under "Selecting Brokerage Firms" above. Not all advisers require their clients to direct brokerage and by directing brokerage we may be unable to achieve the most favorable execution of client transactions. This practice may cost clients more money.

In some circumstances, we may permit a client to direct brokerage. For example a client may wish to use a firm other than Charles Schwab. We would consider the request depending upon factors such as the size of the client's assets under our management in addition to factors discussed under "Selecting Brokerage Firms" above. In the case of a client directed brokerage account, the client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

### **Aggregation of Purchases and Sales**

When more than one client account is trading a particular security, such as a stock or exchange traded fund on the same day, block trading may be used to get identical pricing on the trades.

## **Review of Accounts**

### **Reviews**

The frequency of reviews is individually negotiated with each client, however all clients are encouraged to at least review financial planning issues, investment objectives and account performance on an annual basis. Reviews may include asset allocation updates and rebalancing, performance reviews, tax and estate plan reviews, investment reviews, cash flow monitoring, and more. Account reviews are performed by Timothy Barnett or David McMillan.

### **Review Triggers**

Account reviews for clients are performed more frequently when market conditions dictate, or when a client's objectives change. A review may be triggered by client request, changes in market condition, new information about an investment, changes in tax laws, or other important changes.

Clients are reminded it is their responsibility to promptly notify Caledonia Wealth Management, Ltd. when there is any change in their financial situation and/or financial objectives for the purpose of reviewing, evaluating, or revising previous recommendations and/or services.

## **Regular Reports**

Written reports are provided to clients based on their negotiated frequency of reviews. The reports may consist of an individualized letter summarizing the results of the review and our general thoughts on the economy, a statement of holdings from our portfolio accounting software, a Morningstar® “Snapshot” report or other such portfolio reports, asset allocation analysis, tax-related information, updates to financial plan reports, portfolio graphs, or other reports as needed.

## **Client Referrals and Other Compensation**

### **Incoming Referrals**

Caledonia Wealth Management, Ltd. has been fortunate to receive many client referrals. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other sources. The firm does not pay for referrals.

### **Referrals to Other Professionals**

Caledonia Wealth Management, Ltd. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Custody**

### **Account Statements**

All assets are held at qualified custodians, who provide account statements directly to clients at their address of record at least quarterly. Occasionally, qualified clients may invest in private placements which are not held at qualified custodians. In these cases, statements are generally provided directly by the investment principal at least annually. Clients are encouraged to carefully review the statements provided by their custodians.

### **Statements Provided by Caledonia Wealth Management, Ltd.**

Clients are at times provided account statements, net worth statements, and net worth graphs that are generated from our portfolio accounting and financial planning software. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land, real estate, limited partnerships, and other hard-to-price assets. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks. The book values of hard to price assets are reviewed whenever supplemental information relating to valuation is received; otherwise these assets are priced at client cost. Clients are urged to compare the statements they receive from us to those they receive from their qualified custodians.

### **SEC “Custody”**

The firm does not act as a custodian of client assets, although we are considered by the SEC to technically have “custody” over many client accounts held at independent custodians. This occurs when we have the authority to withdraw fees directly from a client’s account held by an independent custodian.

## Investment Discretion

### Discretionary Authority for Trading

Caledonia Wealth Management, Ltd. accepts discretionary authority to manage securities accounts on behalf of clients. When this occurs, we have the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Discretionary trading authority allows us to implement the investment strategy we have mutually agreed upon.

In the event we select third party investment managers, they have full discretion over trades and do not consult with Caledonia Wealth Management, Ltd. or with clients before placing trades.

### Limited Power of Attorney

Clients must sign a limited power of attorney before Caledonia Wealth Management, Ltd. is given discretionary authority. The limited power of attorney is included in the qualified custodian's account application for our main custodians as well as in our agreement for investment management. For accounts not held with Charles Schwab, clients may sign a separate limited power of attorney document giving discretionary authority to Caledonia Wealth Management, Ltd.

## Voting Client Securities

### Proxy Votes

Caledonia Wealth Management, Ltd. does not vote proxies for securities over which it maintains discretionary authority. You will instead receive proxy notices and other solicitations directly from your custodian or transfer agent. In the event we receive a proxy notice on your behalf, we will promptly forward it to you.

Should you have any questions about proxy notices or other solicitations you might receive, please contact us by telephone at (720) 239-1260 or by email at [barnett@caledoniawealth.com](mailto:barnett@caledoniawealth.com).

## Financial Information

### Financial Condition

Caledonia Wealth Management, Ltd. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.



## Business Continuity Plan

### General

Caledonia Wealth Management, Ltd. has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, or services.

### Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, fire, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, Internet outage, and aircraft accident. Electronic files are backed up in real-time and archived on- and offsite.

### Alternate Offices

Alternate work locations are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

## Information Security Program

### Information Security

Caledonia Wealth Management, Ltd. maintains an information security program to reduce the risk that personal and confidential information may be breached.

### Privacy Notice

Caledonia Wealth Management, Ltd. is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. The categories of nonpublic information that we collect from our clients may include information about personal finances, information about health to the extent that it is needed for the financial planning process, information about transactions between clients and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help our clients meet their personal financial goals.

With our clients' permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom they have established a relationship. Clients may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With client permission, we share a limited amount of information with the client's brokerage firm in order to execute securities transactions on your behalf.

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

We do not provide personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access personal information, including financial service companies, consultants, and auditors. Federal and state

securities regulators may review our Company records and personal records as permitted by law.

Personally identifiable information will be maintained while still a client of Caledonia Wealth Management, Ltd., and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed. We will notify our clients in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Notice to our clients annually, in writing.

If you have any questions about our privacy policies, our procedures for protecting your personal financial information or any other questions or comments, please do not hesitate to contact:

Timothy Barnett  
Chief Compliance Officer  
Caledonia Wealth Management, Ltd.  
720-239-1260