

# DISCLOSURE BROCHURE

THE INVESTMENT ADVISERS ACT OF 1940 RULE 203-1

## Part 2A of Form ADV: Firm Brochure



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**WTM Wealth Management Corporation**  
REGISTERED INVESTMENT ADVISOR

Cover Page **ITEM 1**

This Disclosure Brochure provides information about the qualifications and business practices of WTM Wealth Management Corporation, which should be considered before becoming a client. You are welcome to contact us should you have any questions about the contents of this brochure - our contact information is listed to the right. Additional information about WTM Wealth Management Corporation is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator. Furthermore, the term "registered investment advisor" is not intended to imply that WTM Wealth Management Corporation has attained a certain level of skill or training.

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BROCHURE  
DATED

**1**  
**JANUARY**  
**2013**



## MATERIAL CHANGES

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ITEM 2

There have been no material changes made to this document since the last revision date indicated on the cover of this Disclosure Brochure.





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## BROCHURE SUPPLEMENTS





## ADVISORY BUSINESS

### Who We Are

WTM Wealth Management Corporation (hereinafter referred to as “the Company”, “we”, “us” and “our”) is a fee-only registered investment advisor<sup>1</sup> offering private portfolio management services to assist you, our client<sup>2</sup>, achieve your financial goals. We began our advisory practice in March of 2009 as a New York corporation and in September of 2010, we reincorporated our practice as a Wyoming corporation and transitioned services to this entity in October.

#### Owners

The following person controls the Company:

Name	Title	CRD#
Michael Anderson	President & Chief Compliance Officer	5636112

#### Assets Under Management

As of January 1, 2013, our assets under management totaled:

Client Discretionary Managed Accounts ..... \$4,750,000

We do not offer non-discretionary investment management services.

### Our Mission

Our mission is to manage your investable assets and achieve long-term growth and capital appreciation in your investment portfolio. We maintain one overall objective - structure and implement investment strategies designed to maximize wealth, maintain investment expectation and minimize risk.

### What We Do

We provide investment management services that stress disciplined economic decisions. Our focus is in managing equity (stock) mutual fund and Exchange Traded Fund (ETF) portfolios that are designed: (i) to fully participate in bull markets to take advantage of the current economic environment; and, (ii) hedge against market corrections during bear markets to produce consistent, stable investment returns. We accomplish this with:

- ❖ Risk management strategy tools we have developed to reduce the fluctuations and volatility of investment returns and time the market.
- ❖ Investment management strategies designed to offer enhanced equity growth and income performance relative to your predetermined market benchmarks and

<sup>1</sup> The term “registered investment advisor” is not intended to imply that WTM Wealth Management Corporation has attained a certain level of skill or training. It is used strictly to reference the fact that we are “Registered” as a licensed “Investment Advisor” with the United States Securities & Exchange Commission - and “Notice Filed” with such other State Regulatory Agencies that may have limited regulatory jurisdiction over our business practices.

<sup>2</sup> A client could be an individual and their family members, a family office, a foundation or endowment, a corporation and/or small business, a trust, a guardianship, an estate, another fiduciary or any other type of entity to which we choose to give investment advice.





investment parameters. Such investment strategies combining market measurement and analytical techniques with assessments of current market trends and economic cycles to achieve the best return for you.

## How We Get to Know You

We get to know you through one-on-one consultations to discuss issues such as your current income and expenses, career, personal goals, investment return expectations and prior investment experience. Our meetings with you to discuss your finances will help to eliminate much of the guesswork in achieving the security and independence you desire and simplify your financial alternatives. In return, we will have:

- ❖ Defined and narrowed objectives and investment options;
- ❖ Identified areas of greatest distress;
- ❖ Developed a strategy for addressing concerns about the future;
- ❖ Cultivated peace of mind; and,
- ❖ Created a unique picture of your overall economic personality.

Once your financial parameters have been identified, we will implement an investment strategy that is most suitable for your unique investment expectations and risk tolerance.

## FEES & COMPENSATION

ITEM 5

### Investment Programs

Our tailored investment strategies focus on matching your defined investment parameters with a portfolio style designed to meet your goals and objectives, risk tolerances and time frames. These strategies seek to achieve maximum investment returns rotating between market sectors based on technical and fundamental research. In addition, these investment strategy programs are actively managed using sector specific funds and ETFs.

We employ market-timing models that we have developed to trade equity, long-term bond and money market funds. When we expect advances in these markets, we will place capital into the appropriate fund or ETF. When we expect declines in these markets, capital will be placed into inverse mutual funds or ETFs to earn profit while the market is declining. When our trading system does not find a profitable entry point into the market, capital will be placed into money market funds to earn interest.

Our strategy is a combination of: (i) selecting from a diversified mix of sector funds and ETFs using an investment model that has a close correlation with the Dow Jones Index, S&P 500 Index, Russell 2000 Index, the NASDAQ 100 Index, and various international Indexes; (ii) proprietary algorithms and trading methodologies for finding the greatest common denominators for these investments based on percentage of movement and relative movement; and, (iii) momentum indicators, such as, trend breakouts, regardless of direction, for enhanced performance and participation in major market trends and sector trends.

Utilizing our timing models, entry points into the market will be broken into four strategic categories: Aggressive Growth, Growth, Income, and Performance Trading. The first three strategies seek to provide you with long-term capital appreciation through an actively managed portfolio of sector funds and/or ETFs based on your risk tolerance. The Performance Trading Strategy goes beyond the scope of the other strategies to magnify the income return potential.





Such investment strategies may or may not include a combination of the following strategic programs depending on your qualifications.

### Aggressive Growth

**OBJECTIVE** - Due to the aggressive nature of the Aggressive Growth strategy, you will experience more volatility in your account than with the other strategies by using an initial entry point into the market of 50% of assets.

#### MANAGEMENT FEE

Style: Actively Managed - Strategic and Disciplined

Account Minimum: ETF Aggressive Growth Portfolio Strategy - \$50,000

Annual Fees:	Account Value	Funds <sup>†</sup>	ETFs
	Up to \$1,000,000 .....	3.00%*	4.00%*
	Over \$1,000,000 .....	2.00%	3.00%*

Key Benefits: Sector exposure with risk management

<sup>†</sup> We have potential to earn a 12(b)-1 distribution or trailer fee of 0.25% annually, which could cause the fees we earn from you to approach 3.25%. The 12(b)-1 administrative fee is included with the mutual funds overall management fee paid to us by the Investment Company. For more information on these fees, please refer to 12(b)-1 Distribution Fees under Item 12, the "Brokerage Practices" section of this Disclosure Brochure.

\* Fees of 3.00% or higher are generally considered excessive and higher than fees charged by the majority of investment advisors. Therefore, it is possible that you could contract with another investment advisor and receive equivalent service and performance at a lower cost.

### Growth

**OBJECTIVE** - The Growth strategy is a more balanced investment strategy that seeks to preserve portfolio values yet assumes more risk through diversifying investments among asset classes utilizing an initial entry point into the market of 25% of assets.

The Growth Strategy seeks to produce income with the potential for capital growth.

#### MANAGEMENT FEE

Style: Actively Managed - Stable Growth

Account Minimum: ETF Growth Portfolio Strategy - \$50,000

Annual Fees:	Account Value	Funds <sup>†</sup>	ETFs
	Up to \$1,000,000 .....	2.50%*	3.50%*
	Over \$1,000,000 .....	2.00%	3.00%*

Key Benefits: Income plus growth

<sup>†</sup> We have potential to earn a 12(b)-1 distribution or trailer fee of 0.25% annually, which could cause the fees we earn from you to approach 2.75%. The 12(b)-1 administrative fee is included with the mutual funds overall management fee paid to us by the Investment Company. For more information on these fees, please refer to 12(b)-1 Distribution Fees under Item 12, the "Brokerage Practices" section of this Disclosure Brochure.

\* Fees of 3.00% or higher are generally considered excessive and higher than fees charged by the majority of investment advisors. Therefore, it is possible that you could contract with another investment advisor and receive equivalent service and performance at a lower cost.





## Income

**OBJECTIVE** - The Income strategy objective seeks to provide income. To stay ahead of rising costs and taxes, you have to grow your assets over time. Our approach will be to minimize market exposure by using an initial entry point into the market of 12.5% of assets.

The Income Strategy seeks to provide you with income. Special emphasis is placed on capital preservation as an investment objective.

### MANAGEMENT FEE

Style: Actively Managed - Low Turnover

Account Minimum: ETF Income Portfolio Strategy - \$50,000

Annual Fees:	Account Value	Funds <sup>†</sup>	ETFs
	Regardless of Account Size .....	2.00%	3.00%*

Key Benefits: Tax efficient with minimal risk

<sup>†</sup> We have potential to earn a 12(b)-1 distribution or trailer fee of 0.25% annually, which could cause the fees we earn from you to approach 2.25%. The 12(b)-1 administrative fee is included with the mutual funds overall management fee paid to us by the Investment Company. For more information on these fees, please refer to 12(b)-1 Distribution Fees under Item 12, the "Brokerage Practices" section of this Disclosure Brochure.

\* Fees of 3.00% or higher are generally considered excessive and higher than fees charged by the majority of investment advisors. Therefore, it is possible that you could contract with another investment advisor and receive equivalent service and performance at a lower cost.

## Protocols for Investment Programs

The following protocols establish how we handle our Investment Program accounts and what you should expect when it comes to: (i) managing your account(s); (ii) your bill for investment services; (iii) minimum account size qualifications; (iv) withdrawing funds; and (v) other fees charged to your account(s).

## Discretion

We will establish discretionary trading authority on all management accounts to execute securities transactions at anytime without your prior consent or advice.

At anytime however, you may impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.)

## Billing

The asset-based portfolio management fees indicated under each of the Investment Programs (Aggressive Growth, Growth, and Income) above represents the annual percentage charged for managing your portfolio and such fees are **non-negotiable**. Our management fee is calculated based on the aggregate fair market value of your account on the last business day of the previous calendar month multiplied by  $1/12^{\text{th}}$  of the corresponding annual percentage rate (i.e.,  $4.00\% \div 12 = 0.334\%$ ).

Your account will be **billed monthly in advance**. For new managed accounts opened in the middle of the month, our fee will be based on a pro-rated calculation of the fair market value of your assets to be managed for the period.





Advisory fees will be taken first from any money market funds or balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees. Such liquidation may affect the relative balances of the account.

### **Investment Program Account Minimums**

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Regarding the minimum account size required to open one of the Investment Programs listed above, we retain discretion to accept accounts of smaller value except for the Performance Trading Program (See Item 6, “**Performance-Based & Side-by-Side Management**” below for more information on our Performance Trading accounts.).

### **Withdrawals**

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If you should withdrawal assets from your account between billing cycles, **we will not make partial refunds of your management fees.** Withdrawing assets from your account, in most cases, will require modifications and adjustments to your investment allocation.

### **Fee Exclusions**

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The above fees indicated above under each of our Investment Programs are exclusive of any charges imposed by the custodial firm including, but not limited to: (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or account charges, including, postage/handling fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with securities held in your managed account. There can also be other fees charged to your account that are unaffiliated with our management services.

In addition, all fees paid to us for portfolio management services are separate from any fees and expenses charged on mutual fund shares by the investment company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense, such as: 12b-1 fees. Redemption fees, account fees, purchase fees, contingent deferred sales charges, and other sales load charges may occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund’s prospectus. You are encouraged to carefully read the fund prospectus.

### **Termination of Investment Program Services**

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To terminate investment advisory services, either party (you or us) by written notification to the other party, may terminate the Investment Advisory Agreement at any time, provided such written notification is received at least 15 days prior to the date of termination. Such notification should include the date the termination will go into affect along with any final instructions on the account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity).

In the event termination does not fall on the last/first day of a calendar month, you will only be able to terminate our advisory services at the end of the month - **we do not refund management fees.** Once the termination of investment advisory services has been implemented, neither party has any obligation to the other - we no longer earn management fees or give investment advice and you become responsible for making your own investment decisions.







## PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

### Performance-Based Fees

Should you be interested, and meet the minimum qualifications, we offer an optional performance-based management fee structure.

#### Performance Trading

**OBJECTIVE** - The Performance Trading strategy is very aggressive and formula driven using a combination of timing models and entry points that fluctuate to magnify the income return potential.

#### PERFORMANCE FEE

Style: Actively Managed - Strategic  
 Account Minimum: \$100,000<sup>3</sup>  
 Fee Structure: The Performance Trading Fee is based on how well the portfolio performs over a monthly period. This Fee is calculated based on: (1) if the monthly account value exceeds the high watermark value; and, (2) if so, by how much of a percentage. The Performance Trading Fee structure is set as follows:

Account Value in Excess of High Watermark	Monthly Fund <sup>†</sup> Fee	Monthly ETF Fee
4% or greater .....	0.595%	0.695%
From 3% to 4%.....	0.446%	0.521%
From 2% to 3%.....	0.298%	0.348%
From 1% to 2%.....	0.149%	0.174%
From 0% to 1%.....	No Fee	No Fee

<sup>†</sup> We have potential to earn a 12(b)-1 distribution or trailer fee of 0.25% annually, which will be paid to us regardless of well your Performance Trading account performs. The 12(b)-1 administrative fee is included with the mutual funds overall management fee paid to us by the Investment Company. For more information on these fees, please refer to 12(b)-1 Distribution Fees under Item 12, the "Brokerage Practices" section of this Disclosure Brochure.

The "high watermark" is the account value of the portfolio at the close of a calendar month. The "high watermark" becomes the hurdle rate the portfolio must exceed. If the account value at the close of a calendar month exceeds the prior "high watermark", the account value becomes the new "high watermark" hurdle rate. The "high watermark" resets January 1<sup>st</sup> of each calendar year.

The "monthly account value" is the value of your portfolio account as shown on your account statement at the close of each month provided by the Investment Company or custodial firm.

Key Benefits: High growth potential through active trading

<sup>3</sup> Even though the minimum account size is \$100,000, you must still meet either the \$750,000 or \$1,500,000 minimum requirement, understand the risks involved in this aggressive investment strategy, and are able to absorb the potential loss that can occur in this strategy.





**IMPORTANT CONSIDERATIONS** - This strategy is designed for individuals who can tolerate above average risks in order to seek unusually high returns. This strategy may not be tax efficient and may be best implemented in a qualified account such as IRAs.

### **Performance Trading Fee Billing**

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The Performance Trading fee is billed to the account in arrears. The Performance Trading Fee will **only** be assessed if the account value exceeds the previously established high watermark for the account.

### **Withdrawing Assets from Your Performance Trading Account**

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Should you withdraw assets from your Performance Trading account during the month effectively lowering your monthly account value to a level that could cause us to not earn a performance fee, we reserve the right to reduce the high watermark set on your account equal to the amount of your withdraw.

### **Termination of Performance Trading Services**

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A Performance Trading account can be terminated at any time at the end of a calendar month. Upon termination, if your Performance Trading account exceeds the monthly high watermark, we will bill your account our performance fee.

## **Regulatory Restrictions**

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To participate in the Performance Trading strategy, you must meet the minimum requirements of SEC Rule 205-3(d)(1), which are only available to you if: (i) You fully understand the risks involved in performance-based fee management; (ii) You have at least \$750,000 under management with us or a net worth equal to or greater than \$1,500,000; or, (iii) You are a “qualified purchaser” under Section 2(a)(51)(A) of the Investment Company Act of 1940.

## **Positives and Negatives with Performance-Based Fee Accounts**

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A performance-based fee structure gives you the ability to pay only for performance. The benefit, in comparing the standard asset-based management fee with our performance-based fee is, if we **don't** achieve and exceed the monthly high watermark by a minimum 1.00%, you would **not pay any management** fee for your account while enjoying, hopefully, a moderate to neutral return. The negative to you is, if we **do** exceed the quarterly high watermark, the fee you would pay would be a share of the capital gains in your account - which could be substantially higher than our standard asset-based fee structure.

## **Performance-Based Management Conflicts**

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In a performance-based fee account, we can earn a substantially higher fee based on the returns we generate in your account. This poses a potential conflict of interest, which could affect the objectivity of our advice and recommendations in the following ways:

- ❖ Such performance-based accounts create greater incentives for us to be more aggressive so as to achieve higher returns. When we do this, you absorb a greater risk of possible loss in the account while we would only lose potential performance-based management fees.





- ❖ Focus on such performance-based accounts could consume much of our time and therefore those other non-performance managed accounts could lose out on valuable time that should be devoted to all investments.

Notwithstanding such potential conflicts, we strive to serve your best interest; as well as, ensuring such performance based management is in compliance with the Investment Adviser Act of 1940, Rule 275.205-3.

## TYPES OF CLIENTS

ITEM 7

The types of clients we offer advisory services to are described above under “Who We Are” in the Item 4, the “Advisory Business” section. Our minimum account size for portfolio management is disclosed above under “Investment Programs” in Item 5 above in the, “Fees & Compensation” section of this Brochure.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

ITEM 8

Our advisory services are designed to build long-term wealth while maintaining risk tolerance levels acceptable to you. We combine your investment objectives, time horizon, and risk tolerance to yield an effective investment allocation strategy and then match the strategy with our investment programs. All of our programs’ investments are made in investment company products (i.e., open-end mutual funds and Exchange Traded Funds).

### Methods of Analysis

In analyzing stocks, bonds, mutual funds, and ETFs we will use a combination of analysis techniques to gathering information and to guide us in our management decisions.

#### Fundamental Analysis

Fundamental analysis considers: economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios and tax benefits.

#### Quantitative Analysis

Quantitative analysis seeks to understand the behavior of a security using mathematical and statistical modeling to measure certain unique characteristics such as, for example, revenues, earnings, margins, and market share. Mathematical and statistical modeling helps us to ascertain security price and risk to ultimately help identify profitable opportunities.

#### Technical Analysis

Technical analysis utilizes current and historical pricing information to help us identify trends in the broader domestic and foreign equity and fixed income markets, and in the underlying assets themselves. This may involve the use of various technical indicators, such as moving averages and trend-lines, among others.





## Cyclical Analysis

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Market cycles provide historic tried and true timing mechanisms to indicate turning points in future market prices. By tracking historic data through charts and graphs we can improve entry and exit timing strategies. Coupling cyclical analysis with technical analysis helps to ensure the most favorable buy/sell signal.

Fundamental analysis provides us with a broad long-term view of a security that begins with determining a company's value and the strength of its financials while technical analysis is short-term focusing on the statistics generated by market activity. Quantitative analysis assists us with portfolio optimization. Cyclical analysis provides us with historical data on market trends to focus our technical analysis for ideal entry/exit points.

## Investment Strategy

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Our proprietary investment strategy is formula driven designed to calculate risk and probability with the overall objective being to preserve asset growth while, at the same time, participating with the potential appreciation of the market.

- ❖ **Dynamic Asset Allocation** - The core component of our investment strategy is our allocation model we have developed for investing in the Dow Jones Index, S&P 500 Index, Russell 2000 Index, the NASDAQ 100 Index, and various international Indexes. From the model we have selected the top-performing fund families. The portfolio mix is made up of equity funds, inverse index funds and money market funds or cash equivalent funds<sup>4</sup>.
- ❖ **Proprietary Algorithms and Trading Methodology** - This part of the investment strategy incorporates the information obtained from the allocation models and the formulas developed through computer-aided analysis, and the back testing of trading methodologies in various market conditions, which are then applied to the direction of each investment chosen (trading long or short) in comparison to the overall direction of the market.
- ❖ **Momentum Indicators** - With momentum indicators in place, index and sector funds/ETFs will be traded more heavily on breakouts. When measuring these sectors, this strategy is designed to allow for enhanced performance on major swing days, market crashes and upside movement while attempting to reduce or mitigate overall growth portfolio risk by limiting losses incurred.

There is always a time to buy and a time to sell even the most attractive security; we do not feel compelled to be fully invested in equity (stock) mutual funds or ETFs when an alternative investment (cash reserves) offers a more attractive opportunity. In fact, it is our belief that avoiding severe losses is more important in determining overall market performance over the course of an entire market cycle.

## Managing Risk

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The biggest risk to you is the risk that the value of your investment portfolio will decrease due to moves in the market. This risk is referred to as the market risk factor, which is made up of four primary risks:

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<sup>4</sup> Although we have the tools to utilize a dynamic mix of investment vehicles, we may at times be 100% invested in one fund or ETF. The funds can range from an ultra-conservative fund (Money Market or Cash equivalent) to a highly aggressive three times leveraged ETF.





- ❖ **Interest Rate Risk** - Interest rate risk affects the value of bonds more than stocks. Essentially, when the interest rate on a bond begins to rise, the value (bond price) begins to drop; and vice versa, when interest rates on a bond fall, the bond value rises.
- ❖ **Equity Risk** - Equity risk is the risk that the value of your stocks will depreciate due to stock market dynamics causing one to lose money.
- ❖ **Currency Risk** - Currency risk is the risk that arises from the change in price of one currency against that of another. Investment values in internationally securities can be affected by changes in exchange rates.
- ❖ **Commodity Risk** - Commodity risk refers to the uncertainties of future market values and the size of future income caused by the fluctuation in the prices of commodities (i.e., grains, metals, food, electricity, etc...).

The risk factors we have cited here are not intended to be an exhaustive list, but are the most common risks your portfolio will encounter. Other risks that we haven't defined could be political, over-concentration, and liquidity to name a few. However notwithstanding these risk factors, the most important thing for you to understand is that regardless of how we analyze securities or the investment strategy and methodology we use to guide us in the management of your investment portfolio, **investing in a security involves a risk of loss that you should be willing and prepared to bear; and furthermore, past market performance is no guarantee that you will see equal or better future returns on your investment.**

## DISCIPLINARY INFORMATION

ITEM 9

We have no legal or disciplinary events to report.

## OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

ITEM 10

We are a fee-only registered investment advisor; none of our supervised persons are licensed, or are related to, another financial industry participant and therefore no disclosure is necessary for this item.

## CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

### Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, we have adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.
- ❖ Compliance with applicable rules and regulations.
- ❖ Reporting of any violation of the Code.





#### ❖ Accountability.

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

### Client Transactions

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We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or any of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

#### Participation or Interest

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It is against our policies for any owners, officers, directors and employees to invest with you or with a group of clients, or to advise you or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by Mr. Michael Anderson, and such investment is not in violation of any SEC and/or State rules and regulations.

#### Class Action Policy

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The Company, as a general policy, does not elect to participate in class action lawsuits on your behalf. Rather, such decisions shall remain with you or with an entity you designate. We may assist you in determining whether you should pursue a particular class action lawsuit by assisting with the development of an applicable cost-benefit analysis, for example. However, the final determination of whether to participate, and the completion and tracking of any such related documentation, shall generally rest with you.

### Personal Trading

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Employees of ours are permitted to personally invest their own monies in securities, which may also be, from time to time, recommended to you. Most of the time, such investment purchases are independent of, and not connected in any way to, the investment decisions made on your behalf. However, there may be instances where investment purchases for you may also be made in an employee's account. In these situations we have implemented the following guidelines in order to ensure our fiduciary integrity:

1. No employee acting as an Investment Advisor Representative (RA), or who has discretion over your account, shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry. No employee of ours shall prefer his or her own interest to that of yours or any other advisory client.
2. We maintain a list of all securities holdings for all our access employees. Mr. Anderson reviews these holdings on a regular basis.
3. We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Bunched orders (See "Trading Allocation" above) may include employee accounts. In such cases, priority and advantage will be given to satisfy your order first regardless of the situation.
5. Any individual not in observance of the above may be subject to termination.





Personal trading activities are monitored by Mr. Anderson to ensure that such activities do not impact upon your security or create conflicts of interest.

## BROKERAGE PRACTICES

ITEM 12

### Custodial Services

The Company maintains a custodial relationship with Scottrade, Inc., a registered broker-dealer (member FINRA/SIPC), through its Scottrade Advisor Services division. Scottrade offers us services which include custody of securities, trade execution, clearance and settlement of transactions. All ETF portfolio strategies will be maintained with Scottrade.

Our recommendation for you to custody your assets with Scottrade has no direct correlation to the services we receive from Scottrade and the investment advice we offer you, although we do receive economic benefits through our relationship with Scottrade that are typically not available to Scottrade retail clients. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a dedicated trading desk; access to batch trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts); the ability to have advisory fees deducted directly from accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers.

We are not a subsidiary of, or an affiliated entity of Scottrade. We have sole responsibility for investment advice rendered, and advisory services are provided separately and independently from Scottrade.

### Direction of Transactions and Commission Rates (Best Execution)

We have a fiduciary duty to put your interests before our own. Scottrade's advisory support services create an economic benefit to us and a potential conflict of interest to you; in that, our recommendation to custody your account(s) with Scottrade may have been influenced by these arrangements/services. This is not the case; we have select Scottrade as the custodian of choice based on:

1. Scottrade's competitive transaction charges, trading platform, and on-line services for account administration and operational support.
2. Scottrade's general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience working with Scottrade staff.

Since we do not recommend, suggest, or make available a selection of custodians other than Scottrade, and we have not verified whether their transaction fees are competitive with another custodian, **best execution may not always be achieved. Therefore, you do not have to accept our recommendation to use Scottrade as your custodian. However if you elect to use another custodian, we may not be able to provide you complete institutional services.**







## 12(b)-1 Distribution Fees

For accounts not custodied at Scottrade, we have entered into service agreements with the Investment Companies where your account(s) is(are) custodied. Such service agreements allow us a share of the 12(b)-1 distribution fee or administrative fee the Investment Company assesses shareholders of mutual funds for marketing, promotionals, and distribution expenses.

The 12(b)-1 fee we collect is 0.25% annually. The 0.25% is an annual fee paid either monthly or quarterly (For example, if its quarterly the fee would be  $0.25\% \div 4 = .0625\%$ ). This fee will be based on your average daily net account value. Theoretically, this could increase the overall fees that we can earn to as high as 3.25%. Keep in mind, these 12(b)-1 fees are built-in costs paid by the Investment Company regardless of whether we collect a portion or not.

We recognize that by accepting 12(b)-1 fees, federal and state regulators have indicated this creates a situation of undivided loyalty that could effect our fiduciary duty to render continuous, unbiased investment advice. In our situation it could appear, by accepting 12(b)-1 fees, to create an incentive for us to select mutual funds over EFTs for our Investment Program strategies and not for what is in your best interest. However, our management fees for the EFT Investment Programs are higher than the Fund Investment Program management fees and the 12(b)-1 fee combined; therefore, this should not be an issue.

We are disclosing the fact that we receive 12(b)-1 fees for purposes of full and fair disclosure and not necessary because we have a conflict of interest. Furthermore, accepting these fees from the Investment Companies helps us to keep the management fees we charge you lower and competitive with other investment advisors offering similar services.

## Aggregating Trade Orders

Since we primarily use open-end mutual funds, these trading allocation policies are directed to transactions in exchange traded funds ("ETFs").

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as "best execution") for our clients. Therefore, we will not bunch (aggregate) orders for a block trade unless: (i) the bunching of orders is done for the purpose of achieving best execution; and, (ii) no client is systematically advantaged or disadvantaged by bunching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- ❖ **Security Trading Volume** - Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- ❖ **Number of Clients** - The fewer the number of client accounts involved in the bunched order may not yield better pricing or order execution; it may be more advantageous to perform an individual market order for each client. In addition preparing individual market orders, for the small number accounts involved, may be quicker to complete than preparing a bunch order.
- ❖ **Financial Instruments** - The type of security involved as well as the complexity of order can affect our ability to achieve best execution.

If you would like more detailed information on our trading allocation policies a copy of our Group Trading Allocation Procedures is available for review upon request.







## REVIEW OF ACCOUNTS

ITEM 13

Our basic service is active portfolio management and each account is reviewed daily in the normal course of market observation by the supervised person over your account. All accounts are reviewed in the context of our Investment Programs. No individual reallocations are made except in the case of your cash needs. Reallocation is based on the objectives of the Investment Program.

You will receive monthly statements from Scottrade, Inc. where your account(s) are custodied. Each statement will summarize the specific investments currently held, the value of your portfolio and account transactions.

## CLIENT REFERRALS & OTHER COMPENSATION

ITEM 14

### Referral Compensation

We may directly compensate persons/firms for client referrals, provided that those persons are qualified and have entered a solicitation agreement with us. Under such arrangements, if you were referred to us by a solicitor, the solicitor will provide complete information on our relationship and the compensation that solicitor will receive should you choose to open an account. In no case will the fee that you pay be higher than it would be if you had dealt directly with us.

### Other Compensation (Indirect Benefit)

The Company receives an indirect economic benefit from Scottrade (See “Custodial Services” above under Item 12, “**Brokerage Practices**” for more detailed information on these services and products could be.).

## CUSTODY

ITEM 15

### Management Fee Deduction

We do not take possession of or maintain custody of your funds or securities, but will simply monitor the holdings within your portfolio and trade your account based on your stated investment objectives and guidelines. Physical possession and custody of your funds and/or securities shall be maintained with the Investment Company or Scottrade as indicated above in Item 12, “**Brokerage Practices**.”

We are however defined as having custody since you have authorized us to deduct our advisory fees directly from your account. Therefore to comply with the United States Securities and Exchange Commission’s Custody Rule (1940 Act Rule 206(4)-2) requirements, and to protect you as well as to protect our advisory practice, we have implemented the following regulatory safeguards:

- ❖ Your funds and securities will be maintained with a qualified custodian (the Investment Company or Scottrade, Inc.) in a separate account in your name.





- ❖ Authorization to withdrawal our management fees directly from your account will be approved by you prior to engaging in any portfolio management services.

In addition, Scottrade is required by law to send you, at least quarterly, brokerage statements summarizing the specific investments currently held in your account, the value of your portfolio, and account transactions. **You are encouraged to compare the financial data contained in any report we may prepare for you with the financial information disclosed in your account statement from the Investment Company or Scottrade to verify the accuracy and correctness of our reporting.**

## INVESTMENT DISCRETION

ITEM 16

### Securities and Amount Bought or Sold

We execute an Investment Advisory Agreement with you, which set forth the authority to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval.

You may, at anytime, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.).

## VOTING CLIENT SECURITIES

ITEM 17

**We do not vote client proxies.** You understand and agree that you retain the right to vote all proxies, which are solicited for securities held in your managed accounts. Any proxy solicitations inadvertently received by us will be immediately forwarded to you for your evaluation and decision.

However if you have specific questions regarding an action being solicited by the proxy that you do not understand or you want clarification, you may contact us and we will explain the particulars. Keep in mind we will not advise you in a direction to vote, that ultimate decision will be left to you.

## FINANCIAL INFORMATION

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200.

We are not aware of any current financial conditions that are likely to impair our ability to meet our contractual commitments to you.

## END OF DISCLOSURE BROCHURE



## FORM ADV: PART 2B

### BROCHURE SUPPLEMENT



## WTM Wealth Management Corporation

4725 E. 13<sup>th</sup> Street, Unit 9  
Cheyenne, Wyoming 82001

Tel: 888.674.4336  
Fax: 307.316.8566

### SUPERVISION

**Michael Anderson**  
Chief Compliance Officer

Phone: 877.275.4986  
e-mail: manderson@WTMWM.com

Mr. Anderson is responsible for overseeing all firm activities.

The Investment Programs are actively managed and are continuously monitored. Any changes to the Investment Program allocations will be handled by Mr. Anderson.

BROCHURE SUPPLEMENT  
DATED

1

**JANUARY  
2013**

This Brochure Supplement provides information about Michael Anderson that is an accompaniment to the Disclosure Brochure for our firm, WTM Wealth Management Corporation. You should have received both of these together as a complete disclosure packet. If you did not receive our Disclosure Brochure or if you should have questions about this Brochure Supplement for Mr. Anderson, you are welcome to contact us - our contact information is listed to the left.

Additional information about WTM Wealth Management Corporation and Michael Anderson are also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Michael Anderson

CRD#: 5636112

Year of Birth: 1969

### EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

#### Education

1994 - St. Josephs College: Bachelor of Science in Business Administration  
1998 - Dowling College: MBA in Finance

#### Business Background

01/2009 - Present .....WTM Wealth Management Corporation  
Position: President & Chief Compliance Officer  
01/1998 - 12/2008 .....Private Investor  
Position: Private Investor

### DISCIPLINARY INFORMATION

There are no legal or disciplinary events to report.

### OTHER BUSINESS ACTIVITIES

Mr. Anderson is not involved in any other business activities. Full focus of his attention is directed to meeting your investment needs.

### ADDITIONAL COMPENSATION

Mr. Anderson does not receive any economic benefit, sales awards, prizes or bonuses that are based on the number or amount of sales, client referrals, or from opening new accounts.

