

## **Item 1 - Cover Page**

### **Purpose Wealth**

Form ADV Part 2A

March 15, 2014

This brochure provides information about the qualifications and business practices of Purpose Wealth. If you have any questions about the contents of this brochure, please contact us at (513) 834-8056 or [invest@purposewealth.com](mailto:invest@purposewealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Purpose Wealth is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission (SEC) or any state securities authority does not imply any level of skill or training.

Additional information about Purpose Wealth is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site provides information about any persons affiliated with Purpose Wealth who are registered, or are required to be registered, as investment adviser representatives of Purpose Wealth.

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## Item 2 - Material Changes

This Item discusses only specific material changes that were made to our previous Brochure dated September 30, 2013:

- Item 4 has been updated to reflect the firm's assets under management as of March 15, 2014 as being \$312,105,352.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, our brochure may be requested by contacting us at (513) 834-8056 or [invest@purposewealth.com](mailto:invest@purposewealth.com). Our brochure is also available on our web site at [www.purposewealth.com](http://www.purposewealth.com).

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## Item 4 - Advisory Business

Purpose Wealth was founded in 2007 as a Limited Liability Company organized in the state of Ohio. Purpose Wealth is an independent investment advisor registered with the United States Securities and Exchange Commission (SEC) and is solely-owned by Derek R. Tinnin.

Purpose Wealth offers Portfolio Management and Financial Planning services.

### Portfolio Management

Portfolio Management includes portfolio design, ongoing investment monitoring, contingent rebalancing, portfolio data management and tax lot accounting, comprehensive reporting and as needed investment advice. This management is based on the methods and principles described broadly in Item 8.

Purpose Wealth consults with the client to determine their investment objectives and their need, ability, and willingness to take investment risk. We then design asset allocations based on those parameters, recommend specific investment vehicles, and discuss the implementation process.

Recommended investment vehicles, in general, include low-cost, passive and index mutual funds and/or exchanged-traded funds.

For ongoing monitoring and portfolio rebalancing, Purpose Wealth reviews each client's portfolio at least quarterly and rebalances their agreed-upon allocation on a contingent basis. In general, contingent rebalancing relies on an event to trigger the process. That event is typically a cash deposit or withdrawal or when a particular asset class deviates significantly from the intended target percentage. "Significantly" most often means a deviation of 15% to 25% on a relative basis or 5% on an absolute basis, but subject to the client's particular tax and risk circumstances. We believe the purpose of rebalancing is to maintain portfolio structure, not to enhance returns, and that performance is directly attributed to a client's exposure to risk. Rebalancing helps maintain consistent risk exposures.

Purpose Wealth maintains a client's portfolio data, including security information and prices, balances, transaction activity, and cost basis information. This data is reconciled with the custodian data daily.

Purpose Wealth provides comprehensive portfolio reporting on at least a quarterly basis. This reporting includes a portfolio performance review, position performance review, current vs. target asset allocation, consolidated view of holdings, and holdings detail by account. Additionally, custom reports are available upon request, including reports designed to help a client with tax preparation and compliance.

## Financial Planning

Purpose Wealth provides a collaborative financial planning service focused on achieving goals in priority order. Financial Planning is distinct from the Portfolio Management service.

Financial planning includes a goal-based financial plan, quarterly plan update and monitoring, online access to the planning software, and as needed financial advice beyond investment advice. This service is designed to complement the services a client receives from a CPA, attorney, and/or other advisors.

Purpose Wealth provides advisory services on an individualized basis and primarily, but not exclusively, on a discretionary basis.

Clients may impose restriction on investing in certain types of securities.

Purpose Wealth does not participate in wrap fee programs.

## Assets under Management

As of March 15, 2014, Purpose Wealth had the following assets under management:

Discretionary:	\$305,969,315
Non-Discretionary:	<u>\$6,136,037</u>
Total:	<b>\$312,105,352</b>

## **Item 5 - Fees and Compensation**

Purpose Wealth is compensated on a fee-only basis as follows:

The fee for Portfolio Management is 0.25% of assets under management (AUM) per year, subject to a \$2,000 minimum annual fee and \$6,000 maximum annual fee.

If Purpose Wealth is engaged as a sub-advisor where Purpose Wealth provides Portfolio Management to a client of another company, advisor, and/or financial planner (the primary advisor), the fee is 0.20% of assets under management (AUM) per year, subject to a \$500 minimum annual fee and \$6,000 maximum annual fee. Clients have the option to pay fees separately or have fees automatically deducted from their account(s). Fees are billed quarterly in arrears.

The fee for Financial Planning is a flat fee in addition to the fee for Portfolio Management. We will quote a fee upon request that covers 12 months of service. The amount of the fee is based on \$150 per hour and dependent on an estimate of time involved to prepare the plan and assist with recommended action steps and as-needed advice during the first year of service. If the

Financial Planning service is continued beyond the initial 12 month period, we apply a flat fee billed quarterly in arrears until the service ends.

Fees charged by Purpose Wealth are separate and distinct from the fees and expenses charged by mutual funds or transaction fees and other expenses charged by client custodians. A description of these and other expenses are available in each fund's prospectus or custodian account agreement.

Clients who engage Purpose Wealth for only a portion of a calendar quarter will pay a pro-rated fee based on the number of days in the quarter in which services are rendered.

Clients may terminate their engagement at any time by providing Purpose Wealth with written notification. Purpose Wealth will pro-rate unpaid fees based on the date of the notification.

Clients will be charged at the end of each calendar quarter for services rendered. For Sub-Advisory services, the fee may be charged directly to the client or to the primary advisor.

The fee is calculated on a percentage basis by multiplying the applicable rate against the asset value under management as of the latest calendar quarter end, subject to a minimum or maximum fee. The quarterly charge is in arrears and may vary due to changing market values and by any additions or deletions to the account. Fees are not charged in advance. Purpose Wealth retains the right to negotiate fees.

No employee or officer of Purpose Wealth accepts compensation of any kind for the sale of securities or any other investment products.

Item 12 further describes the factors that Purpose Wealth considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

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

Purpose Wealth does not charge performance-based fees and will not be compensated on the basis of a share of capital gains or on capital appreciated of the funds or any portion of the funds of the client.

## **Item 7 - Types of Clients**

Purpose Wealth may provide services to individuals, high net worth individuals, corporate pension and profit-sharing plans, trusts, charitable institutions, foundations, endowments, and other institutions.

Purpose Wealth does not require a minimum portfolio value, but reserves the right to not accept a client when our minimum fee appears to be excessive relative to the client's portfolio value.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

Purpose Wealth will invest a client's assets based on the following principles:

- Markets are efficient and assets are fairly priced.
- Risk and Return are directly related. Priced risk factors determine expected return.
- Investors should not expect to be compensated for taking risk that can be easily reduced through diversification.
- Portfolio structure (asset allocation) is the primary determinant of performance for a broadly-diversified portfolio.
- Cost and performance are inversely related.
- Undisciplined and/or emotional behavior is the enemy of a successful investment experience.

Purpose Wealth does not engage in market forecasting, market timing, or stock picking. Our philosophy embraces the tenets of Modern Portfolio Theory, The Efficient Markets Hypothesis, and the Fama/French 5-Factor Model.

We believe an efficient and cost-effective method of implementing a portfolio structured around priced risk factors is to use passively-managed funds. The use of actively-managed funds is not recommended because these funds may have holdings that vary across dimensions of risk, making portfolio structure difficult to maintain.

Our goal is to efficiently- capture market returns commensurate with a client's chosen level of risk. Purpose Wealth should be judged by how well we maintain a client's asset allocation to its intended structure, minimize the cost of investing, improve tax efficiency, and help a client avoid behavioral mistakes.

The primary risk of a Purpose Wealth client is market risk. Their portfolio performance is primarily driven by market returns and their portfolio volatility and risk of loss is directly related to their exposure to market risk factors.

A Purpose Wealth client is primarily invested in open-end Mutual Funds and/or Exchange-Traded Funds. The risk and performance of these investment vehicles is driven primarily by the market risk exposures found in each fund.

## **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 your evaluation of Purpose Wealth or the integrity of Purpose Wealth's management. Purpose Wealth has no information applicable to this item (i.e., there are no relevant legal or disciplinary events to disclose).

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

Purpose Wealth (and its management persons) is not registered, nor has an application pending to register, as a broker-dealer or a registered representative of a broker dealer.

Purpose Wealth (and its management persons) is not registered, nor has an application to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Purpose Wealth is one of several fee-only investment advisors authorized by Dimensional Fund Advisors ("DFA", a mutual fund company) to allow clients to purchase DFA mutual funds. DFA funds are generally not available to the retail public except through approved fee-only advisors. Purpose Wealth receives no compensation of any kind from DFA and has no written agreement with DFA whatsoever. Purpose Wealth does not consider this arrangement to constitute a conflict of interest. In fact, it allows Purpose Wealth to make available to its clients an expanded selection of high-quality mutual funds.

Purpose Wealth has no other business relationship or arrangement that is material to its advisor business or to its clients (or any of its management persons) with any related entity listed below:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker.
- Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund", and offshore fund).
- Other investment advisor or financial planner.
- Futures commission merchant, commodity pool operator, or commodity trading advisor.
- Banking or thrift institution.
- Accountant or accounting firm.
- Lawyer or law firm.
- Insurance company or agency.
- Pension consultant.
- Real estate broker or dealer.
- Sponsor or syndicator of limited partnerships.



Purpose Wealth does not generally recommend or select other investment advisors for its clients and does not receive compensation directly or indirectly from any such advisors that creates a material conflict of interest. Purpose Wealth does not have any other business relationships with other advisors that create a material conflict of interest.

## **Item 11 - Code of Ethics**

As a fiduciary, Purpose Wealth has a duty of utmost good faith to act solely in the best interests of each of our clients. Our clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with the utmost integrity in all of our dealings. This fiduciary duty is the core principle underlying our Code of Ethics policy, and represents the expected basis of all of our dealings with our clients. Our Code of Ethics is intended to meet the requirements of Rule 240A-1 under the Investment Advisers Act of 1940 and is included in our internal Compliance Manual and is available upon request. In short, it requires Purpose Wealth Employees to behave as a fiduciary toward clients, avoid conflicts of interest, and protect client personal information.

Purpose Wealth is also committed to complying with the Code of Ethics and Professional Responsibility issued by the Certified Financial Planner Board of Standards, Inc. A complete copy of the CFP Code of Ethics and Professional Responsibility is available at [www.cfp.net/learn/ethics.asp](http://www.cfp.net/learn/ethics.asp).

Purpose Wealth does not recommend to clients, or buy or sell for client accounts, securities in which it or a related person has material financial interest.

Purpose Wealth's investment recommendations are principally mutual funds. Purpose Wealth members, officers, and employees may or may not also own and make further investments in those same mutual funds, but Purpose Wealth does not consider this to be a conflict of interest.

Purpose Wealth members, officers, and employees may or may not buy or sell the abovementioned mutual funds at or about the same time that it recommends them to clients, but Purpose Wealth does not consider this to be a conflict of interest.

## **Item 12 - Brokerage Practices**

Purpose Wealth does not actively select brokers for clients. However, for clients who require the services of a broker, Purpose Wealth will suggest using a discount broker such as Fidelity Institutional, Charles Schwab Institutional, and/or TD Ameritrade Institutional. The client makes the final decision as to this matter. Purpose Wealth considers convenience, low fees/commissions, and account security as the principal factors in suggesting brokers. Purpose

Wealth is not affiliated in any way with any broker/dealer and does not receive commissions of any sort as a result of a client's investment or divestment decisions.

Purpose Wealth recommends to clients a financial institution both to hold their funds and securities as custodian and to effect transactions in securities held in their accounts. That institution may be a financial institution such as a bank or a trust company. Factors Purpose Wealth may consider in making such a recommendation include the selection of funds that may be purchased through the custodian, quality of execution services, levels of transaction and other custodial charges, quality of reporting services to Purpose Wealth and its clients, and stability and financial soundness of the institution.

Purpose Wealth does not receive research or other soft dollar benefits other than execution from any broker-dealer or third party in connection with client security transactions.

Purpose Wealth does not receive client referrals from any broker-dealer or similar financial institution.

Purpose Wealth does not recommend, request, or require that clients direct it to execute transactions through a specified broker-dealer.

Purpose Wealth generally does not aggregate the purchase or sale of securities for various client accounts. There is a theoretical possibility that in some instances, such aggregation may result in lower brokerage costs. For example, if many smaller trades could be aggregated into a single significantly larger trade, efficiencies of scale may result for the transaction. However, since our clients' portfolios are generally managed in a completely custom fashion, and because we have a relatively small number of clients, material opportunities for exploiting those theoretical efficiencies are considered to be rare.

## **Item 13 - Review of Accounts**

Although the exact review process depends upon the nature and terms of the specific engagement, the following description of the review process generally applies:

For Portfolio Management clients, portfolios are reviewed by Derek R. Tinnin, CFP®, President. Each portfolio is governed by a client's agreed upon investment plan. As a client's goals change, their plan is updated accordingly. Comprehensive portfolio reviews are conducted on at least a quarterly basis and rebalanced on a contingent basis. For Financial Planning clients, financial plans are prepared by Derek R. Tinnin, CFP® and are reviewed and/or updated on an as-needed basis to reflect changes in a client's personal financial circumstance.

All clients receive quarterly portfolio appraisals and performance reports within the month following the end of each calendar quarter. Additionally, the client's custodian provides

monthly or quarterly statements reflecting the market value, quantity of securities held within the client's accounts, and transaction activity conducted within the accounts.

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

Purpose Wealth receives no money or other economic benefit from anybody except clients as a result of providing investment advice or other advisory services to its clients.

Purpose Wealth (or a related person) does not directly or indirectly compensate any person for client referrals.

## **Item 15 - Custody**

Purpose Wealth will not maintain custody of clients' funds or securities (except to the strictly limited extent of perhaps being able to withdraw payment of our fees out of their accounts, and then only if the client had approved in advance for us to do so).

A client should receive at least quarterly statements from their custodian. Purpose Wealth urges clients to carefully review these statements and compare them to the account statements that we may provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 - Investment Discretion**

Purpose Wealth usually receives discretionary authority from a client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, 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, Purpose Wealth observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Purpose Wealth in writing.

If discretionary authority is being granted, it is generally explicitly authorized in a written agreement with Purpose Wealth.

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

As a matter of firm policy and practice, Purpose Wealth does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Purpose Wealth may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 - Financial Information**

Registered investment advisors are required in this Item to provide clients with certain financial information or disclosures about Purpose Wealth's financial condition. Purpose Wealth has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

**This brochure supplement provides information about employees of Purpose Wealth that supplements the Purpose Wealth brochure. You should have received a copy of that brochure. Please contact Purpose Wealth if you did not receive the brochure or if you have any questions about the contents of this supplement.**

**Additional information about the employees of Purpose Wealth is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Brochure Supplement Item 1 – Cover Page**

Derek R. Tinnin

### **Purpose Wealth**

Form ADV Part 2B

March 15, 2014

This Brochure Supplement tells you about the qualifications, disciplinary information, and conflicts of interest applicable to Purpose Wealth. If you have any questions about the contents of this Brochure Supplement, please contact us at 513-834-8056 or [invest@purposewealth.com](mailto:invest@purposewealth.com). The information in this Brochure Supplement has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Derek R. Tinnin is an Investment Adviser Representative in the states of California, Illinois, Ohio, and Texas.

## **Brochure Supplement Item 2 – Educational Background and Business Experience**

**Derek R. Tinnin** is the Founding Member of Purpose Wealth. He serves as Chief Compliance Officer, Chief Investment Officer, Chief Executive Officer, etc.

Year of Birth: 1967

### **Education:**

Anderson University - BA Economics, 1990

CFP Board of Standards - Certified Financial Planner (CFP®), 1997

The American College - Chartered Financial Consultant (ChFC), 1996

The American College - Chartered Life Underwriter (CLU), 1996

### **Business Background:**

Purpose Wealth Management, LLC - Founder and President, 2007 to present

Truepoint Capital, LLC - Senior Manager, 1999 to 2007

Cincinnati Financial Corp. - Advanced Planning Consultant/Analyst, 1992-1999

Durbin & Associates, Inc. - Appraiser, 1990-1992

## **Brochure Supplement Item 3 – Disciplinary Information**

There are no legal or disciplinary events material to a client's or prospective client's evaluation of Derek R. Tinnin

## **Brochure Supplement Item 4 – Other Business Activities**

Derek R. Tinnin is not actively engaged in any investment-related business other than his work with Purpose Wealth.

Derek R. Tinnin is not engaged in any other business or occupation for compensation where the other occupation provides a substantial amount of his income.

## **Brochure Supplement Item 5 – Additional Compensation**

Nobody who is not a client provides any economic benefit to Derek R. Tinnin for providing advisory services.

## **Brochure Supplement Item 6 – Supervision**

As Purpose Wealth's President, Chief Compliance Officer and Chief Investment Officer, Derek R. Tinnin supervises himself.

Contact information is as follows:

Derek R. Tinnin  
(513) 834-8056  
[dtinnin@purposewealth.com](mailto:dtinnin@purposewealth.com)