

ITEM 1: COVER SHEET

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**This brochure provides information about the qualifications and business practices of Dunbar Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us at 646-395-3900. 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. Our registration does not imply a certain level of skill or training.**

**Additional information about Dunbar Wealth Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2: STATEMENT OF MATERIAL CHANGES**

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Dunbar Wealth Management LLC is applying for registration as an investment adviser with the United States Securities and Exchange Commission and as such there are no material changes.

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## INFORMATIONAL BROCHURE

Dunbar Wealth Management LLC

### ITEM 4: **ADVISORY BUSINESS**

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A. Dunbar Wealth Management LLC ("DWM") has been in business as an investment adviser since 2015. Its only principal is Emilie Zgrajewicz, who has been in the investment industry for 4 years.

B. Through guided discussions in the context of financial planning and asset management, DWM offers clients assistance in navigating the world of finances and investments as they work toward identifying and achieving whatever life goals the client desires. DWM's approach involves a great deal of client interaction for the purpose of educating clients through their specific investment process.

#### Financial Planning

What is financial planning? It is the process by which both the client and advisor are educated as to the client's circumstances, needs, goals and resources in order to plan for the future. Ultimately, a person's true wealth resides in how they are able to spend their time and the freedom they have to make whatever choices they desire within the limits of their resources. The path towards that kind of wealth is eased through financial planning. Its benefits are immediate but continue to get better over time. The clarity of purpose the financial planning process can provide eliminates much of the confusion that money, retirement and taking care of loved ones frequently present. As the plan unfolds, the confidence gained from the results of previous decisions can reduce the anxiety of future decisions. In addition, a benefit of a written plan developed with a trusted advisor ensures that your wishes are possible even in your incapacity or absence.

Most DWM clients are provided with both financial planning and asset management services, so that the investment decisions made in the asset management process can closely track the goals of the client's financial plan. However, some clients may also do financial planning as a separate service, without asset management services.

The financial planning process begins with both DWM and the client providing information that will ultimately be used to guide the planning process. DWM's professionals will use this information in an attempt to characterize the client's current financial circumstances. Frequently this step is the most important, as it allows both the client and the advisor to see the starting point from which to identify realistic and financial goals. The investment of this discovery time is crucial to the success of the plan. Once goals are determined, DWM will analyze the client's needs and current environment to determine what pathways are available to meet these goals. These options are then presented to the client, and together, the merits of the various options are discussed. Implementation of the chosen direction is not automatic, as the client may choose not to implement the plan outlined by DWM. However, if the client wishes to implement the plan through DWM, an implementation plan will be determined and DWM will assist the client in accomplishing the tasks required for implementation.

### Asset Management

DWM's value-based approach to investment advisory services continues into the asset management services we provide. Our clients' investment plans developed during the planning or other investigative process (for clients coming to DWM with pre-existing financial plans, or who do not wish to participate in a financial planning process) are implemented according to that client's investment objectives. The specific fees and services provided are outlined in an advisory agreement between DWM and the client. We almost always manage assets on a discretionary basis, which means that once the client's assets are in an account with a qualified custodian, DWM will continuously re-evaluate the investments in the account, and make changes to those investments as DWM believes is needed to keep the account managed in accordance with its objectives. These changes would include buying securities or selling securities in the account, and are done without prior consultation with the client.

Because DWM's professionals are neither attorneys nor accountants, no part of their services includes tax or legal advice. However, an attorney may be required for the purpose of executing an estate plan, or an accountant needed for additional tax consultation. If requested, DWM will provide a recommendation for such a professional, but the client is under no obligation to accept that recommendation. DWM does not receive any sort of referral fees from professionals it recommends.

C. All engagements are tailored to the specific needs of an individual client. DWM does not use "model" portfolios where all clients in the model contain the exact same investments. Clients may place reasonable restrictions on the management of assets, including regarding specific securities or types of securities. However, clients should understand that significant restrictions can not only decrease the ability of DWM to meet the client's goals, but also increase the costs associated with managing the client's portfolio.

D. DWM neither participates in, nor sponsors a wrap fee program.

E. As of the date of this brochure, DWM is a newly formed business, and as such, we do not yet have any clients or assets we manage.

## **ITEM 5: FEES AND COMPENSATION**

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A. Fees Charged

### Asset Management

DWM's asset management fees range from 0.00% to 1.50% per annum of the gross market value of a client's assets managed by DWM, as shown in the schedule below. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account, and the origin of the client, as many clients that have worked with DWM's professionals in the past may continue with the fee percentages imposed by the principal's prior firms.

Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors.

<b><i>Assets Under Management</i></b>	<b><i>Annual Rate</i></b>
Up to \$100,000	1.50%
\$100,001 to \$250,000	1.00%
\$250,001 to \$500,000	0.85%
\$500,001 to \$1,000,000	0.65%
Above \$1,000,000	0.50%

Ongoing financial planning services are included in the above fees for asset management clients whose financial plans were created by DWM. In the event that the client is in need of significant planning services beyond maintain their existing plan, or if a client's plan originated with another advisor, DWM may determine to charge for these additional planning services. This would be determined by both DWM and the client prior to beginning the services, and a separate agreement detailing the services and fee would be required so that all parties are aware of the terms of the engagement.

#### Financial Planning – Stand Alone

Clients who are engaging DWM for financial planning services without asset management services will do so on an hourly basis. Hourly rates range from \$200 – \$300, depending upon the professional rendering the service. An estimate of total hours to complete the assignment will be determined at the start of the engagement. The estimate is subject to change, depending upon the circumstances that arise during the engagement. Fees are negotiable, and will depend on the anticipated complexity of your plan.

#### **B. Fee Payment**

##### Financial Planning

Generally, fifty percent (50%) of the anticipated financial planning fee will be payable upon signing the Financial Planning Agreement, with the remainder due upon completion of the financial plan. While an estimate is provided, the fee is based on the actual hours required for the engagement, and therefore the final amount due will be based upon actual hours expended, and not simply the remainder of the estimate.

##### Asset Management

Asset management fees will be debited directly from client accounts. All asset management fees will be calculated on a quarterly basis, in advance, and the value used will be the average daily gross asset value during the billing period. The “gross” asset value relates to the limited number of clients who, at their own election, choose to have margin accounts, which may increase the amount of assets through borrowing.

All clients will receive an invoice that describes how the fees were calculated, including the value used, the percentage fee, the time period covered by the fee, and the amount. The invoice will also state that the fee was not independently calculated by the custodian. The client will also receive a statement from their account custodian showing all transactions in

their account, including the fee. For clients electing to have fees directly debited from an account, those fees will be debited from the account(s) designated by the client. Clients may elect to have fees for each account paid by that account, or paid by another account. Once the fee calculation is made, DWM will instruct the account custodian to deduct the fee from the applicable account(s) and remit that fee to DWM.

C. Other Fees

There are a number of other fees that can be associated with holding and investing in securities. You will be responsible for fees including transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. DWM can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

D. *Pro-rata Fees*

If a client engages DWM to provide asset management services during a billing quarter, the fees for that quarter will be pro-rated according to the number of days left until the next quarter. Likewise, if a client terminates services during a quarter, the client will receive a refund for fees collected in advance but related to services that would have been provided from the date of termination through the end of the billing quarter. In either case, DWM will calculate the total fee that would be due for the quarter, divide the fee by the number of days in the quarter to arrive at a daily rate, count the number of days the client was or will be a client during that quarter (as applicable) and multiply that number by the daily rate.

E. Compensation for the Sale of Securities.

This item is not applicable.

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## **ITEM 6: PERFORMANCE-BASED FEES & SIDE BY SIDE MANAGEMENT**

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DWM will not charge performance based fees.

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## **ITEM 7: TYPES OF CLIENTS**

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Clients advised include individuals, trusts, and participant directed pension plans. DWM requires each client to place at least \$100,000 with the firm. This minimum may be waived in the discretion of DWM.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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It is important for clients to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

### A. Methods of Analysis and Strategies

Many advisors believe that the most important aspect to successful asset management is allocating assets in the right mix of various asset classes to limit downside exposure. For example, a wide diversification of various asset classes, with considerably less emphasis on the value of specific securities. While we believe asset allocation has an important role, DWM believes that all successful asset management begins with a thorough understanding: of the specific client's needs, of various asset types, and of each specific security. We believe that valuation should be the main driver. If we purchase investments at what we believe are discounts to their inherent value, and then wait for the market to recognize what we believe is the true value of the investment, we can strategically allocate client assets with investments that are likely to increase in value.

Frequently, emotional urges can permanently wipe out performance more than temporary downward market trends. Therefore, the hallmark of any investment approach, but especially one as value driven as ours, is discipline. That discipline, for DWM, comes from our investment selection process, which follows a structure we repeat on a daily basis, involving analysis of specific securities with an eye towards where they may, or may not, fit into client portfolios.

Investments are constantly screened, as we believe that each portfolio should have the best investments for its objectives, even if that means swapping out an existing one for a newly discovered one. When we screen investments, we do so looking toward characterizing them as either growth, income, or capital preservation. Each characteristic has a different risk and reward expectation. These categories help us match the investments with client goals. Growth securities are those which we believe the ultimate value of the investment may be significantly greater than its current value, but there is also a considerable risk that obstacles may prevent that value from being realized. Income securities are those which we believe will provide consistent income for its investors. Capital preservation securities are those we believe will perform in a consistent fashion, thus limiting volatility for its investors. Our analysis is both quantitative and qualitative. On the quantitative side, we review financial statistics such as earnings and market share. On the qualitative side, we attempt to identify unrecognized or misunderstood assets. We believe the inherent discipline in following this method allows for us to limit some variables to investing so that we may address variables in the marketplace and client time horizons. Investment styles will go in and out of favor, but the process must remain consistent.

Each client portfolio is designed taking into consideration that clients objectives, which include their time horizons for various life goals and liquidity needs. This means that while two client accounts may be similar, they are indeed managed individually. Our first step is determining the portions of your assets that are allocated to each characteristic stated above: growth, income, and capital preservation. Once we have decided upon the appropriate percentage of an account that is allocated to "growth" we will select from our



pool of investments we have screened and considered “growth” investments in order to fulfill that allocation. This process is repeated for each goal.

One part of the process that can be very important is the transition process. Clients may come to DWM with a variety of investments, with a variety of custodians. Where possible and advisable, DWM will advise the transfer of assets in-kind, meaning the asset will not be sold before the account it moved to DWM's advisement. Some securities may be kept in the portfolio because of tax issues or other costs associated with a transition. To the extent these securities are not sold, DWM will attempt to build a portfolio taking these securities into consideration, and advise the client if there are additional risks associated with keeping a specific security.

## B. Material Risks

DWM's primary strategies do not include frequent trading of securities. It is impossible to name all possible types of risks. Among the risks are the following:

- **Irrational Markets.** There are times when the markets as a whole experience upward or downward trends without a logical rationale, and can raise or lower the current price of a security temporarily. It can also occur to a specific security or sector. These circumstances can last for days or even months. Since our investment process relies heavily on the *value* of a security as opposed to catching rising *prices*, there may be times when a client's portfolio will experience an increase or decrease without a logical explanation. Client must take care not to place too much emphasis on temporary price changes. Client should also keep DWM informed of anticipated withdrawals so that DWM can attempt to work around these withdrawals in the portfolio management process.
- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that while DWM does not consider short term trading a strategy for its clients, trades may be made with frequency if conditions and client goals merit it. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. DWM endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does

not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.

- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.

- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.

- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.

- **Margin Risk.** “Margin” is typically used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin therefore carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. DWM does not recommend the use of margin as part of its portfolio construction process. However, clients may on occasion wish to utilize margin to facilitate some other need or goal. In these cases, the margin will increase the value of the assets in the account, which means the management fees calculated which are based on account value will also increase.

- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.

- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.

- **Concentration Risk.** While DWM selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of sector specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.

- **Transition risk.** As assets are transitioned from a client's prior advisers to DWM there may be securities and other investments that do not fit within the asset allocation strategy

selected for the client. Where possible, DWM will maintain securities that come from the client's existing accounts, and will not sell a security merely to push the portfolio into line with other accounts DWM manages. The transition process to DWM may take some time as cost considerations are compared with client needs. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of DWM may adversely affect the client's account values, as DWM's recommendations may not be able to be fully implemented.

- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns. In addition, significant restrictions may lead to DWM needing to increase the management fee rate.

- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

#### C. Security Types

Subject to DWM's investment screening process, DWM recommends stocks, bonds, mutual funds and ETFs. Most mutual funds recommended will tend to be "niche" funds where DWM believes the benefits of active management by the mutual fund manager should be most realized.

### ITEM 9: DISCIPLINARY INFORMATION

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There are no disciplinary items to report.

### ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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#### A. Broker-dealer

Neither the principal of DWM, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities.

#### B. Futures Commission Merchant/Commodity Trading Advisor

Neither DWM nor the principals of DWM, nor any related persons are registered, or

have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Relationship with Related Persons

This item is not applicable, as DWM has no relationships with related persons in the financial services industry that would pose a conflict of interest.

D. Recommendations of other Advisers

This item is not applicable, as DWM does not recommend the use of third party managers.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. This item is not applicable. DWM does not recommend to clients that they invest in any security in which DWM or any principal thereof has any financial interest.

C. On occasion, an employee of DWM may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

D. On occasion, an employee of DWM may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

## **ITEM 12: BROKERAGE PRACTICES**

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A. Recommendation of Broker-Dealer

DWM does not maintain custody of client assets, though DWM may be deemed to have custody if a client grants DWM authority to debit fees directly from their account (see Item 15 below). Assets will be held with a qualified custodian, which is typically a bank or broker-dealer. DWM recommends that investment accounts be held in custody by Schwab Advisor Services (“Schwab”), which is a qualified custodian. DWM is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when DWM instructs them to, which DWM does in accordance with its agreement with you. While DWM recommends that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. DWM does not open the account for you, although DWM may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

### **How we select brokers/custodians**

We seek to [select/recommend/use] a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to DWM as part of our evaluation of these broker-dealers.

### **Your brokerage and custody costs**

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

### **Products and services available to us from Schwab**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like DWM. They provide DWM and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help DWM manage or administer our clients’ accounts, while others help DWM manage and grow our

business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to DWM. Following is a more detailed description of Schwab's support services:

### **Services that benefit you**

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

### **Services that may not directly benefit you.**

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that Provide access to client account data (such as duplicate trade confirmations and account statements)

- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

### **Services that generally benefit only us.**

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

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

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

### **Our interest in Schwab's services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading

commissions or assets in custody. We may have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to DWM as part of our evaluation of these broker-dealers.

**B. Aggregating Trades**

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, if a *pro rata* division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.) Schwab does not provide DWM clients with a decreased commission rate for aggregated trades.

## **ITEM 13: REVIEW OF ACCOUNTS**

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- A. All accounts will be reviewed by a senior professional on at least a quarterly basis.
- B. It is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger an additional review.
- C. Clients will receive written reports (which may be delivered, with client consent, electronically via DWM's web portal) on at least a quarterly basis which will include information related to portfolio performance, the market conditions during the quarter and future market outlook.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

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**A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.**

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

B. Compensation to Non-Advisory Personnel for Client Referrals.

DWM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **ITEM 15: CUSTODY**

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Under government regulations, DWM is deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on your quarterly report prepared by DWM against the information in the statements provided directly from Schwab. Please alert us of any discrepancies.

## **ITEM 16: INVESTMENT DISCRETION**

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Please see Item 8, which describes DWM's approach to asset management.

DWM manages accounts on a discretionary basis. This means that DWM will make decisions and implement those decisions to buy, sell or hold securities, cash or other investments without consulting with the client before implementation. This discretion is limited, in that we will only implement recommendations that meet a client's investment objectives. Clients will be required to execute an agreement with DWM and account opening documents with the custodian granting a limited power of attorney to DWM for the purpose of trading in the account. As discussed in Item 8, clients may place reasonable restrictions on the management of their accounts.

## **ITEM 17: VOTING CLIENT SECURITIES**

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A. Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. DWM will not accept authority to vote client securities.

B. Clients will receive their proxies directly from the custodian for the client account. DWM will not give clients advice on how to vote proxies.



## **ITEM 18: FINANCIAL INFORMATION**

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DWM does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.