

Item 1 – Cover Page

American Wealth Management

Registered Investment Advisor

**570 Hammill Lane
Reno, NV 89511**

Phone: 775.332.7000

Fax: 775.332.7010

www.financialhealth.com

Email: info@financialhealth.com

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**Part 2A of Form ADV
Disclosure Brochure**

This brochure provides information about the qualifications and business practices of American Wealth Management. If you have any questions about the contents of this brochure, please contact us at 775.332.7000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about American Wealth Management is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for American Wealth Management is 122205. ¹

American Wealth Management is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. ²

¹ *This brochure provides information about the qualifications and business practices of American Wealth Management. If you have any questions about the contents of this brochure, please contact us at 775.332.7000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

Additional information about American Wealth Management also is available on the SEC's website at www.adviserinfo.sec.gov.

² *Registered Investment Adviser does not imply a certain level of skill or training.*

Item 2 – Material Changes

This summary of material changes identifies only the material changes to AWM's Form ADV disclosure brochure since its last annual update on December 30, 2015.

Item 4 – Advisory Business

We have updated Item 4 to reflect our new broker/dealer, M.S. Howells & Co., as of 08/19/2016.

Item 10 – Other Financial Industry Activities and Affiliations

We have updated Item 10 to reflect our new broker/dealer, M.S. Howells & Co., as of 08/19/2016.

Other non-material changes may have been made to this Brochure and as such, we encourage you to read this Brochure in its entirety. We will provide you with our current Brochure at any time without charge, upon request.

Item 3 – Table of Contents

ITEM 1 - COVER PAGE.....	1
ITEM 2 - MATERIAL CHANGES.....	2
ITEM 3 - TABLE OF CONTENTS.....	3
ITEM 4 - ADVISORY BUSINESS	4
ITEM 5 - FEES AND COMPENSATION	9
ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	12
ITEM 7 - TYPES OF CLIENTS	13
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	14
ITEM 9 - DISCIPLINARY INFORMATION	26
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	27
ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	28
ITEM 12 - BROKERAGE PRACTICES.....	29
ITEM 13 - REVIEW OF ACCOUNTS	31
ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION	32
ITEM 15 - CUSTODY.....	33
ITEM 16 - INVESTMENT DISCRETION	34
ITEM 17 - VOTING CLIENT SECURITIES	35
ITEM 18 - FINANCIAL INFORMATION.....	36
ITEM 19 - ADDITIONAL INFORMATION	37

Advisory Business

Form ADV Part 2A, Item 4

American Wealth Management (AWM) was founded in 1988, and is a SEC registered investment advisor. AWM is a privately held C Corporation with Laif Meidell the principal owner of the firm.

Types of Advisory Services

AWM provides seven principal types of advisory services:

- AWM provides discretionary investment management services directly to individual clients.
- AWM provides discretionary investment management services to AdvisorShares Meidell Tactical Advantage ETF (NYSE: MATH), an investment company.
- AWM provides discretionary investment management services to AdvisorShares Market Adaptive Unconstrained Income ETF (NYSE: MAUI), an investment company.
- AWM provides financial planning services.
- AWM provides advice to individual clients regarding investment selection of their employer-sponsored retirement plans through the Retirement Allocation Program.
- AWM provides separately managed account services to Financial Advisors and their clients.
- AWM provides model strategies to model strategist platforms, financial advisors, and/or an overlay manager appointed by the sponsor, who use the models to manage their client accounts.

AWM provides investment management services using AWM's proprietary quantitative investment process where appropriate. Client accounts are custodied at Pershing Advisor Solutions, LLC, a Bank of NY Mellon company.

Discretionary Investment Management Services

The Advisor will determine whether AWM's services are suitable for a client and, if so, assist the client to select a suitable investment strategy. In order to make its recommendations, the Advisor will typically require the client to complete an investor questionnaire, profile or similar document.

AWM's role is to manage the client's account in accordance with the investment strategy the client selects, subject to any reasonable restrictions the client may impose on management of the account. AWM will generally execute and date Client Agreements, and commence trading, as soon as practicable following receipt of all required documentation and information, unless the client instructs AWM otherwise in writing.

AdvisorShares Meidell Tactical Advantage ETF

AWM acts as sub-advisor to the AdvisorShares Meidell Tactical Advantage ETF (NYSE: MATH). MATH seeks to provide long-term capital appreciation and capital preservation. The Fund is considered a "fund-of-funds" that seeks to achieve this investment objective by managing a tactical strategy that has the ability to dynamically rebalance the Fund's portfolio from as much as 100% equity assets to 100% fixed income assets or cash and cash equivalents depending on market trends. The Fund employs a long only tactical strategy that seeks to minimize portfolio losses by rotating out of higher volatility assets and into lower volatility assets depending on the Fund's current view of risks in different asset classes. The fund's assets are segregated and custodied at the Bank of New York Mellon as required by the rules of the Investment Company Act of 1940.

AdvisorShares Market Adaptive Unconstrained Income ETF

AWM acts as sub-advisor to the AdvisorShares Market Adaptive Unconstrained Income ETF (NASDAQ: MAUI). MAUI seeks to provide long-term total return and income with a secondary emphasis on capital preservation. MAUI is a non-traditional bond strategy and is designed to be different from most fixed income

funds. It tactically allocates to various global regions, income categories, credit qualities, and durations, and when the environment calls for it, will get defensive and move to ultra-short-term fixed income. MAUI is considered a “fund of funds” and seeks to achieve its investment objective by investing primarily in exchange-traded funds (“ETFs”), as well as other exchange-traded products, including, but not limited to, exchange traded notes (“ETNs”) and closed-end funds (collectively with ETFs and ETNs, “ETPs”), that offer diversified exposure to various global regions, credit qualities, durations and maturity dates. MAUI primarily invests in domestic and U.S.-listed foreign fixed income ETPs. MAUI’s assets are segregated and custodied at the Bank of New York Mellon as required by the rules of the Investment Company Act of 1940.

AssetMark Advisor as Strategist Program

AWM offers discretionary investment management through the AssetMark Platform. The minimum investment required in the AssetMark Platform depends upon the Investment Solution chosen for a client’s account and is generally \$25,000-\$50,000 for Mutual Fund and Variable Annuity accounts and \$100,000 for ETF Accounts, \$250,000 for Distribution Strategies, and from \$50,000 to \$500,000 for Privately Managed and Unified Managed Accounts, depending on the investment strategy selected for the account, as described in more detail in the AssetMark Platform Disclosure Brochure. Accounts below the stated minimums may be accepted on an individual basis at the discretion of the Platform sponsor.

Wrap Fee Programs

Rule 204-3(g)(4) of the Investment Advisers Act defines wrap fee program to be a “program under which and client is charged a specific fee or fees not based directly on transactions in a client’s account for investment advisory services including portfolio management or advice and executions of client transactions.” In other words, it is called a Wrap Fee Program because the charge for the investment advice and the transactions to implement the investment advice are wrapped into one fee.

AWM typically does not manage client accounts using the wrap fee structure, but some of its strategies that are managed on separately managed account platforms use the wrap fee structure. AWM charges a fee based on the total assets under management within a family relationship. Trading costs are paid by the client.

Assets

AWM provides discretionary advisory services for \$247.6 million in client assets, as of September 30, 2015.

Financial Planning Services

AWM provides comprehensive personal financial planning services for a fee. Our investment management services may be part of the implementation process that occurs once the initial planning has been accomplished. Use of our investment management services is not required to use the financial planning services and vice versa.

The financial planning process generally involves some or all of the following (although some steps may be modified, added or deleted upon the circumstances and individual needs of the client:

- Clarify the client’s present circumstances by collecting and assessing materially relevant personal and financial data.
- Identify the client’s financial, business and life goals, challenges, concerns and planning assumptions.
- Analyze a range of possible solutions and discuss alternatives.
- Provide customized and specific recommendations regarding one or more of the following, where applicable:

- Preparing for or living in retirement
- Investment strategies
- Estate planning ideas
- Income tax impacts on investment management
- Stock option analysis and planning
- Life and or disability insurance
- Savings program and planning
- Education planning and funding
- Charitable gifting
- Debt management
- Employee benefit usage
- Budgeting and cash flow planning
- Estate evaluation

The gathering of information, the review of alternatives and plan development are all done in close conjunction with the client and usually based on a series of meetings or discussions which may include one or more of the following areas:

- The client's objectives and financial goals.
- A review of the client's assets, debts, income and expenses, and income taxes.
- A review, analysis and recommendation regarding one or more of the subject planning areas previously listed.
- A summary of findings.
- A task list for the client.

Our financial planning services are tailored to the needs of the client and can vary from informal advice in connection with our asset management services, to a formal written financial plan. If a written financial plan is to be provided, then clients will receive a copy of a written financial plan that is developed and which serves as the basis for discussions during the time we work together. If there are questions, these are reviewed in our on-going discussions, or between meetings, through whatever means of communication is most convenient for the client and AWM. When acceptable to the client, we make active use of the telephone, email, and other forms of electronic or written communication as well as face-to-face meetings. Proper planning is not a onetime event. Life's circumstances change, goals change and opportunities available change over time. Any plan needs to be adjusted and updated to reflect these changes or it becomes outdated. Therefore, in our normal planning relationship, we encourage clients to meet periodically with us to review and update the client's information, to measure progress in key financial areas, and to develop strategies designed to address any changing circumstances. The initial planning should always be seen as the beginning step in a lifelong process, in essence, we attempt to follow up, monitor and make changes in the plan when and if we receive information from the client and as circumstances indicate.

Once an initial plan is completed, which may be written or verbal, the client has several options with regards to ongoing financial planning services; 1) the client may feel that the questions which required the service in the first place have been adequately addressed and that there is no need for further involvement with AWM; 2) the client may wish to have access to ongoing services provided, such that regular or periodic meetings occur to discuss changes in the client's financial situation or in the financial environment; or 3) the client may wish to wait to initiate contact with AWM as new questions arise. Compensation for future services may be at our then hourly rates, at an agreed project rate or on retainer depending on the situation. It is important to note that clients can stop the planning process at any point and terminate the business relationship with AWM.

Personal financial planning (the analysis, report, and subsequent modifications and services) is a service separate from our investment management services. Clients have full discretion as to the extent to which, if at all, they choose to implement the recommendations discussed in the financial planning phase. There are no requirements to use any specific broker-dealer, agency or custodian for investment, insurance or implementation services, although clients usually use our recommended service provider, which also provides AWM more compensation and/or benefit.

Planning services may also include a reasonable amount of time and activities necessary to work with client's attorney and/or accountant in reaching agreement on solutions. But the client should note that we are not responsible for attorney, tax planner/preparer or accountant services and/or fees charged to the client as a result of the above activities. Furthermore, a financial plan does not include recommendations of specific individual investments, preparation of any kind of income tax, gift or estate tax returns or preparation of any legal documents, including will or trusts. Specific investment recommendations are considered part of the implementation phase of the relationship. The others may constitute legal, accounting or tax advice which is not provided by AWM.

Employer-Sponsored Retirement Plans

AWM also provides investment recommendations, through a Retirement Allocation Program, to participants in employer-sponsored retirement plans regarding the mutual funds available under the plans for a fixed annual fee. Clients are able to select from a range of equity and balanced risk strategies, depending on their investment objectives and risk tolerances.

Each client receives notification of their recommended mutual fund purchases and sales at the beginning of each month or as the market dictates, depending on their selected strategy. The client is then responsible for implementing the recommended transactions.

Third-Party Investment Management Programs

AWM manages third-party investment management program accounts in the same way as any other AWM managed account. In all cases, AWM will receive a separate investment management fee, or a portion of the program fee, for providing these investment management services. The Advisors sponsoring the program(s) generally determine the documents, terms and conditions of the programs, which therefore vary. Clients may obtain information regarding these programs from the Advisor-sponsors.

Model Strategist Programs

In these cases, AWM provides model investment portfolios to the sponsor of the model strategist program or the overlay manager appointed by the sponsor. The sponsor or overlay manager then uses the model investment portfolios to manage client accounts, including effecting all securities transactions in the accounts. AWM anticipates that the sponsor or overlay manager will generally follow the model investment portfolios AWM provides. However, the sponsor or overlay manager has full investment discretion to invest client accounts in accordance with the model investment portfolios, and may deviate from the model investment portfolios and select other investments.

Since AWM is not responsible for trading, reporting and similar matters in these programs, AWM typically charges a lower fee for these services.

The sponsors of the model strategist programs determine the documents, terms and conditions of the programs, which therefore vary. Clients may obtain information regarding these programs directly from the sponsors.

Miscellaneous Advisory Services

AWM provides its investment management services with respect to variable annuity contracts clients own. In so doing, AWM allocates client assets among the various fund sub-accounts available for investment under the contracts. AWM uses its proprietary research to determine which funds the client should invest in, within the framework of the client's investment objective.

AWM also provides investment management services to those assets held at the fund family. AWM uses its proprietary research to determine which funds the client should invest in, within the framework of the client's investment objective.

Fees and Compensation

Form ADV Part 2A, Item 5

All fees are negotiable with the typical account management fee billed at approximately one percent (1%), per annum, billed quarterly, in arrears. Lower fees may be available for larger accounts. Clients pay all trading costs in their account. For any of the investment advisory services offered by AWM, lower fees for comparable services may be available from other sources. In addition, AWM's Advisory Affiliates may receive commissions resulting from securities or insurance transactions. They may also receive 12b-1 service fees from certain mutual funds as disclosed in the prospectus. These 12b-1 service fees are generally not credited against program fees, but will be credited back to the account in ERISA (Employee Retirement Income Security Act), usually Profit Sharing and Pension Plan accounts. Such fees may create a conflict of interest as the Advisory Representative may receive a 12b-1 fee in addition to the investment advisory fee. Fees will be fully disclosed to clients and clients are under no obligation to purchase these securities through the Investment Advisory Representative of M.S. Howells & Co.

The minimum account size is generally \$300,000, but may be lower in certain circumstances.

Investment Management Fees are withdrawn quarterly and in arrears from the client's custodial account pursuant to the client agreement, concurrently with the mailing of notice to the client. The billing notice will provide the value of the account, the amount to be deducted and the method of calculation. Fees for the first quarter are charged on a pro-rata basis. Please refer to the Investment Management Agreement ("IMA") for more detail.

Payment of fees is generally requested after the service is provided. Fees are determined according to each individual arrangement. Generally, if a portion of the fees is paid in advance with the balance to be paid upon completion of the services or the financial plan, fees paid prior to the commencement of services will be refunded if no work has yet been performed. If work has commenced, AWM reserves the right to charge a reasonable fee for its services and time already expended, subject to a full refund if services are canceled in the first five (5) business days. The Financial Planning Agreement terminates upon delivery of the Financial Plan.

As part of the strategies it offers, AWM or its related persons may invest client assets or recommend that clients invest in shares or other interests in certain investment companies or investment products which AWM or its related persons advise or provide other services to and from which AWM and its advisory affiliates receive advisory, administrative and/or distribution fees. To the extent that AWM or its related persons invest assets of its client accounts in its exchange traded funds, MATH or MAUI, or an affiliated investment company, AWM or its related persons may, depending on any legal requirements, waive investment advisory fees on the client assets invested in such investment companies, credit the client account for the fees paid by the investment companies to AWM or AWM's related persons, avoid or limit the payment of duplicative fees to AWM and its related persons through other means, or charge fees both at the investment company level and client account level.

Certain portfolios such as allocation or tactical portfolios invest primarily in mutual funds, closed-end funds, ETFs, ETNs, and other pooled investment vehicles, including in some cases funds or investment products that are also advised or sub-advised by AWM or its affiliates. To the extent that AWM engages or may engage (or otherwise allocates or may allocate assets to) an affiliated sub-adviser (as opposed to an unaffiliated sub-adviser), a potential conflict of interest may arise since AWM and/or its affiliates are retaining a greater amount of the total fees than if AWM had engaged (or otherwise allocated to) an unaffiliated sub-adviser. For certain portfolios or strategies, a similar conflict may arise with respect to an allocation to underlying fund products with higher fees than other underlying fund products. AWM shall address these conflicts by disclosing in relevant fund prospectuses and other official offering materials its affiliation with a sub-adviser or underlying fund product.

Clients purchasing shares in the secondary market of registered investment companies ("RICs")

sub-advised by AWM through a brokerage account or with the assistance of a broker may be subject to brokerage commissions and charges. If clients purchase such shares through a broker-dealer or other financial intermediary (such as a bank), the RICs, the adviser to the RICs, or AWM may pay the intermediary for the sale of the shares of the RICs and related services. These payments may create a conflict of interest by influencing broker-dealers or other intermediaries and their salespersons to recommend the RICs over other investment products.

AssetMark Advisor as Strategist Program

Accounts on the AssetMark Platform are assessed a total Account Fee. This Account Fee includes the Financial Advisor's fee plus the fees for utilizing the AssetMark Platform (together the "Advisory Fee"). Additionally, the Account Fee may also include fees payable to any third-party Discretionary Manager under the Individually Managed Accounts ("IMA"), Consolidated Managed Accounts ("CMA") or Unified Managed Accounts ("UMA") investment solutions. Fees and compensation for using the AssetMark Platform, including Discretionary Manager fee schedules, are provided in the AssetMark Platform Disclosure Brochure.

After the AssetMark Platform Fee is deducted from the Advisory Fee, the resulting net fees are payable to the Financial Advisor.

Advisory Fees – Tactical Constrained Strategy

- | | |
|---|--------------------|
| • Financial advisor fee (paid to financial advisor) | 1.00% ¹ |
| • Strategist fee (paid to AWM) | 0.20% ² |
| • Net platform fee (paid to AssetMark) | 0.25% ³ |
| • Total Advisory Fees | 1.45% ⁴ |

Advisory Fees – Tactical Unconstrained Strategy

- | | |
|---|--------------------|
| • Financial advisor fee (paid to financial advisor) | 1.00% ¹ |
| • Strategist fee (paid to AWM) | 0.35% ² |
| • Net platform fee (paid to AssetMark) | 0.25% ³ |
| • Total Advisory Fees | 1.60% ⁴ |

Custodial Fees:

- Pershing Advisor Solutions will be the named custodian for AWM.
- Standard ETF custody fees, as disclosed in Section 3 of CSA, are applied to client accounts for all traditional strategist solutions on the AssetMark platform.⁵

Client fees are payable quarterly, in advance, based on assets under management. Clients may terminate AssetMark accounts at any time and receive a full pro-rata refund of any unearned fees.

¹ Tiered fee schedules to be provided by the financial advisor. Amounts and breakpoints may vary for certain clients. Actual fees will be included in the Client Investment Proposal.

² Flat amount paid to AWM for services performed as a strategist for Custom Strategies. This amount will be included in total "Platform Fee".

³ Flat amount paid to AssetMark for administrative services to support Custom Strategies.

⁴ Amount referenced in Quarterly Performance Report's billing page.

⁵ Amount paid to Pershing Advisor Solutions. Minimum annual fee is \$250 per account. Fees are charged as follows: First \$250,000 – 25 bps; next \$750,000 – 10 bps; next \$1 million – 8 bps; next \$3 million – 7 bps.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

AWM does not enter into performance-based fee arrangements.

Types of Clients

Form ADV Part 2A, Item 7

AWM's clients include individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, business entities, and registered and unregistered investment companies.

Generally, the minimum value of assets required to open an AWM managed account depends on the type of investment strategy selected by the client. AWM generally requires a minimum of \$300,000, although at its sole discretion, AWM may allow accounts with smaller balances.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Methods of Analysis

AWM generally implements client investment strategies by investing the account assets in funds, including exchange-traded funds (ETFs) and mutual funds. Individual stock and bonds may be purchased depending on client needs. AWM's tactical investment strategies focus on total return. In line with this, AWM does not generally take tax considerations into account in making tactical investment decisions. Some of AWM's investment strategies also may involve high portfolio turnover, which increases transaction costs, lowers returns and may have negative tax consequences in taxable accounts. AWM's core investment strategies tend to have lower turnover and be more tax sensitive.

AWM makes independent discretionary investment decisions for its clients' accounts. In making its investment decisions, AWM reviews quantitative data generated by its proprietary system, a research tool which analyses, among other things, relative price momentum and trends to rank various equity investment styles, sectors, international regions and countries and alternative and fixed income asset classes or groups.

AWM's review of the rankings generated by its proprietary system is central to its independent discretionary investment decision-making process. In most cases, AWM's investment decisions will reflect the rankings, but they will not always do so. For example, AWM may not make investments suggested by the rankings if AWM believes it would create too much concentration, it may retain securities to limit portfolio turnover, or the Chief Investment Officer and portfolio managers may make other investment decisions based on their investment experience and judgment.

AWM's proprietary research tool, analyzes a large amount of price information which AWM obtains from third-party sources. AWM does not guarantee the accuracy of this information or that it will be correctly captured or analyzed by the system. Any errors in the information, its capture or the analytical process may result in different rankings, which may influence or cause AWM to make different investment decisions. AWM will not be liable for investment decisions resulting from inaccurate price information or errors in capturing or analyzing information.

Investment Strategies and Risk of Loss

AWM's strategies, like most investment strategies, involve the risk of loss. In light of this, clients should be prepared to bear losses in their accounts. Clients should not assume that future performance results will be profitable or equal the AWM's past performance. The use of AWM's strategies may be appropriate for certain clients as part of their overall investment strategy. However, the use of investment strategies is not a substitute for personalized investment advice and clients should consult with an experienced financial advisor, either AWM or someone else acting in that capacity, before implementing any strategy.

AWM's investment strategies are generally implemented using ETF's, which are subject to risks similar to those of other publicly-traded shares, including loss of principal, price volatility, competitive industry pressures, global political and economic developments, possible trading halts and index tracking error. In some cases AWM's strategies invest in mutual funds, which share many of these risks. While mutual funds are not publicly-traded, and are therefore not subject to possible trading halts, investments in mutual funds do involve the risks of loss of principal, price volatility, competitive industry pressures, global political and economic developments, and index tracking error. Funds with concentrated holdings will be subject to greater market volatility than those that invest more broadly. In all cases, investment returns will fluctuate and are subject to market volatility, so that a client's shares, when sold, may be worth more or less than the original cost. Various types of investments involve different kinds of risk and there is no assurance that any investment strategy will be profitable. AWM's tactical investment strategies may experience a high level of portfolio turnover, which may increase transaction costs, lower returns and have negative consequences in taxable accounts.

Although index funds are designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indices, the funds may not be able to exactly replicate the performance of the indices because of fund expenses and other factors.

Although many ETFs are registered under the Investment Company Act like traditional mutual funds, some ETFs, in particular that invest in commodities, are not registered as investment companies under the Investment Company Act. These types of ETFs may be formed as limited partnerships or grantor trusts and may have unique tax consequences. When owning certain asset classes, like commodities, the strategy may invest in ETFs organized as partnerships or trusts, which report tax information to investors in the form of Schedule K-1s or grantor trust statements. Clients may want to consider the tax reporting of investments in these types of entities before they invest.

Comparison of AWM's returns to the returns of one or more specific indices is for illustrative purposes only and does not imply that any composite will have investments which reflect the composition of the indices. Some of AWM's investment strategies are less diversified than these indices, which may increase both the volatility and risk of client accounts. An investor cannot invest directly in an index. An index's performance does not reflect the deduction of transaction costs, management fees or other costs which would reduce returns.

AWMs Tactical Investment Process

AWM's proprietary quantitative investment process is designed to identify long-term price trends, while avoiding so-called "head fakes", i.e., short-term movements in prices that are not in line with long-term trends. As a result, some investment losses will typically occur in a severe market decline before AWM reduces the equity exposure in client accounts. In the same way, the system will by design generally not suggest re-entering the market in response to the early stages of the recovery, so that there will typically be a period of time before client accounts fully benefit from rising equity prices. AWM's investment strategies involve a high level of portfolio turnover, which may increase transaction costs, lower returns, and have negative tax consequences in taxable accounts.

AWM Balanced Strategies

AWM manages three general balanced strategies (1) Strategic, (2) Tactical Constrained, and (3) Tactical Unconstrained. The following five risk profile allocations between equity and fixed income are available within each balanced strategy 75/25, 60/40, 45/55, 30/70, and 15/85. The following three risk profile allocations 60/40, 80/20, and 97/3 of equity to fixed income are available in Tactical Constrained and Tactical Unconstrained portfolio models through AssetMark. The Tactical Constrained strategies offered through AssetMark may have a higher minimum allocation to equities than directly through AWM.

These strategies may invest in sector funds which may be adversely affected by the performance of the specific sector or group of industries on which they are based, and may make small cap investments, which are subject to greater volatility than those in other asset categories. The strategies also make international investments, which are subject to additional risks, such as currency fluctuation, confiscatory policy, political instability or potential illiquidity, including investing in emerging markets, which may accentuate these risks. In addition, they make fixed income investments, which are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayment, corporate events, tax ramifications and other risks. Specifically, bonds are subject to market and interest rate risk if sold prior to maturity. Bond values and yields will decline as interest rates rise and bonds are subject to availability and change in price. In addition, the strategy may also invest in commodity funds, which may be subject to volatility in the value of future contracts and other instruments relating to underlying commodities, together with fluctuations in the price of the underlying commodities themselves, as well as leverage, liquidity, counterparty and credit risks. The portfolios may also invest in alternative investment strategies through mutual funds or ETFs.

Most of AWM's tactical strategies are designed to provide a measure of downside protection in severe equity market declines by reducing normal equity exposure by up to 100%. In AWM's view, it is not possible to fully "time" the market, always selling at the "top", and re-entering at the market "low". AWM's tactical strategies are

therefore not intended to prevent all losses in client accounts, and will not do so. It does not seek to reduce the risk of losses in normal equity market corrections or declines. Instead, AWM's tactical strategies seek to limit portfolio losses by reducing equity exposure in client accounts in more extreme market conditions, so preserving more assets to participate in any ensuing market recoveries.

While AWM's tactical strategies are designed to reduce the magnitude of losses in severe equity market declines, there can be no guarantee that it will successfully do so. If AWM does not correctly identify price trends in the equity markets, client investment portfolios may not receive the measure of protection AWM's tactical strategies are designed to provide. In addition, since AWM does not intend to reduce equity exposure in the Core Balanced strategies, or a portion of the Core/Tactical Balanced strategies, a significant portion of the assets in these accounts will at all times remain invested, and exposed to the risks associated with the equity markets.

AWM Tactical Advantage Strategy

AWM Tactical Advantage may invest in sector funds which may be adversely affected by the performance of the specific sector or group of industries on which they are based, and may make small cap investments, which are subject to greater volatility than those in other asset categories. The strategies also make international investments, which are subject to additional risks, such as currency fluctuation, confiscatory policy, political instability or potential illiquidity, including investing in emerging markets, which may accentuate these risks. In addition, they make fixed income investments, which are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayment, corporate events, tax ramifications and other risks. Specifically, bonds are subject to market and interest rate risk if sold prior to maturity. Bond values and yields will decline as interest rates rise and bonds are subject to availability and change in price.

AWM U.S. Sector Strategy

AWM U.S. Sector Strategy may invest in U.S. sectors which may be adversely affected by the performance of the specific sector or group of industries on which they are based. The strategy will make an equal portfolio allocation to each sector that meets the investment criteria. As the number of sectors that meet the criteria diminishes, the dollars will be reallocated equally to the remaining sectors. Once the number of sectors that meet the investment criteria drops below four, the portfolio will invest the excess cash in money markets or short term bonds. The largest allocation to any one sector will not exceed approximately 25%.

AWM Global Sector Strategy

AWM Global Sector Strategy may invest in global sectors which may be adversely affected by the performance of the specific sector or group of industries on which they are based. The strategy will make an equal portfolio allocation to each sector that meets the investment criteria. As the number of sectors that meet the criteria diminishes, the dollars will be reallocated equally to the remaining sectors. Once the number of sectors that meet the investment criteria drops below four, the portfolio will invest the excess cash in money markets or short term bonds. The largest allocation to any one sector will not exceed approximately 25%.

AWM Global Momentum Strategy

AWM Global Momentum Strategy may invest in sector funds which may be adversely affected by the performance of the specific sector or group of industries on which they are based, and may make small cap investments, which are subject to greater volatility than those in other asset categories. The strategies also make international investments, which are subject to additional risks, such as currency fluctuation, confiscatory policy, political instability or potential illiquidity, including investing in emerging markets, which may accentuate these risks. The strategy is designed to identify and invest in those areas of the market with the highest relative strength. Though this strategy is tactically unconstrained and may choose to go to cash, it is not designed to limit portfolio drawdowns.

AWM US Equity Style Strategy

AWM US Equity may invest in U.S. market capitalization weighted funds which may be adversely affected by the performance of the specific sector or group of industries on which they are based, and may make mid cap and small cap investments, which are subject to greater volatility than those in other asset categories. The strategy will make an equal portfolio allocation to each sector that meets the investment criteria. As the number of sectors that meet the criteria diminishes, the dollars will be reallocated equally to the remaining sectors. Once the number of sectors that meet the investment criteria drops below four, the portfolio will invest the excess cash in money markets or short term bonds. The largest allocation to any one sector will not exceed approximately 25%.

AWM Fixed Income Strategy

AWM Fixed Income invests in fixed income investments, which are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayment, corporate events, tax ramifications and other risks. Specifically, bonds are subject to market and interest rate risk if sold prior to maturity. Bond values and yields will decline as interest rates rise and bonds are subject to availability and change in price. The strategy may also make international investments, which are subject to additional risks, such as currency fluctuation, confiscatory policy, political instability or potential illiquidity, including investing in emerging markets, which may accentuate these risks.

AWM Tactical Income Strategy

AWM Tactical Income Strategy invests in fixed income investments through mutual funds and/or exchange traded funds (ETFs) and is designed to limit downside volatility. Fixed income investments are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayment, corporate events, tax ramifications and other risks. Specifically, bonds are subject to market and interest rate risk if sold prior to maturity. Bond values and yields will decline as interest rates rise and bonds are subject to availability and change in price. The strategy may make international investments, which are subject to additional risks, such as currency fluctuation, confiscatory policy, political instability or potential illiquidity, including investing in emerging markets, which may accentuate these risks.

AWM Tactical All Market Strategy

AWM Tactical All Market may make investments in a variety of asset classes which are subject to potentially greater risks than those of other asset categories, including small cap investments, which are subject to greater volatility than those of other asset categories; sector funds, which may involve a greater degree of risk than investments in other funds with greater diversification and which may also be adversely affected by the performance of the specific sector or group of industries on which they are based; international investments, which are subject to additional risks, such as currency fluctuation, confiscatory policy, political instability or potential illiquidity, including investing in emerging markets, which may accentuate these risks; commodity funds, which may be subject to volatility in the value of future contracts and other instruments relating to underlying commodities, together with fluctuations in the price of the underlying commodities themselves, as well as leverage, liquidity, counterparty and credit risks; currency funds, which are subject to risks as international investments, including fluctuations in exchange rates; real estate funds, which are subject to the risks of changing economic conditions, declines in the value of real estate, increasing vacancies or declining rents, and liquidity, counterparty and credit risks; and "inverse" funds, which utilize derivatives and may engage in short selling in order to emulate the inverse performance of a particular index, and are subject to the risks associated with derivatives, including leverage, liquidity, counterparty and credit risks. This strategy may also invest in fixed income investments, which are subject to various risks, including changes in interest rates, credit quality, market valuations, liquidity, prepayment, corporate events, tax ramifications and other risks. Specifically, bonds are subject to market and interest rate risk if sold prior to maturity. Bond values and yields will decline as interest rates rise and bonds are subject to availability and change in price.

Although index funds are designed to provide investment results that generally correspond to the price and yield performance of their respective underlying indices, the funds may not be able to exactly replicate the

performance of the indices because of the fund expenses and other factors. This is especially the case with respect to inverse funds, which seek to deliver the opposite of the performance of the indexes they track, where the divergence may be significantly greater than with traditional index funds. Inverse funds pursue their investment objective by investing in various financial instruments (including derivatives), many of which involve the use of leverage, and these investment strategies increase the risk of divergence. In addition, inverse funds seek to track the inverse of their indexes only on a daily basis, which means significant divergence can occur over time, especially when the effect of compounding is taken into account.

AdvisorShares Meidell Tactical Advantage ETF

AWM acts as sub-advisor to the AdvisorShares Meidell Tactical Advantage ETF (NYSE: MATH) (hereinafter, "MATH" or the "Fund"). MATH seeks to provide long-term capital appreciation and capital preservation. The Fund is considered a "fund-of-funds" that seeks to achieve this investment objective by managing a tactical strategy that has the ability to dynamically rebalance the Fund's portfolio from as much as 100% equity assets to 100% fixed income assets or cash and cash equivalents depending on market trends. The Fund employs a long only tactical strategy that seeks to minimize portfolio losses by rotating out of higher volatility assets and into lower volatility assets depending on the Fund's current view of risks in different asset classes. AWM uses a quantitative tactical methodology to identify the ETPs believed to be participating in long-term "durable trends" within the market. This model enables AWM to evaluate, rank and select the appropriate mix of investments in ETPs given market conditions.

In managing a client's portfolio, AWM may purchase shares in MATH as part of its overall investment strategy unless a client is not eligible to purchase such shares or if a client expressly prohibits in writing any such purchases of MATH. The Fund charges a management fee of 1.20%, of which AWM receives 0.70% based on the average daily net assets of the Fund.

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs will affect the Fund's performance. In addition, when client assets are invested in a product like MATH, clients indirectly bear a prorated share of operating expenses incurred by the Fund, including without limitation, brokerage fees and transaction costs, trade correction costs, transfer agency fees and custodial expenses. These expenses are described in greater detail in the prospectus and/or SAI for MATH. In addition, daily holdings for MATH, additional strategy information and updates, semi-annual, annual and other regulatory disclosures are publicly available at www.advisorshares.com.

The Fund is subject to a number of risks, as described below, that may affect the value of its shares, including, the possible loss of money. As with any fund, there is no guarantee that the Fund will achieve its investment objective.

Allocation Risk. The Fund's particular allocations may have a significant effect on the Fund's performance. Allocation risk is the risk that the selection of ETPs and the allocation of assets among such ETPs will cause the Fund to underperform other funds with a similar investment objective that do not allocate their assets in the same manner or the market as a whole.

Exchange-Traded Note Risk. ETNs are senior, unsecured, unsubordinated debt securities issued by an underwriting bank that are designed to provide returns that are linked to a particular reference asset or benchmark less investor fees. ETNs have a maturity date and generally are backed only by the creditworthiness of the issuer. As a result, the value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in the underlying market (e.g., the commodities market), changes in the

applicable interest rates, and changes in the issuer's credit rating and economic, legal, political or geographic events that affect the underlying market. ETNs also may be subject to commodities market risk and credit risk.

Exchange-Traded Product Risk. Through its investments in ETPs, the Fund is subject to the risks associated with the ETPs' investments or reference assets/benchmark components, including the possibility that the value of the securities or instruments held by or linked to an ETP could decrease. These risks include any combination of the risks described below, as well as certain of the other risks described in this section. The Fund's exposure to a particular risk will be proportionate to the Fund's overall allocation and the ETPs' asset allocation.

Commodity Risk. The commodities industries can be significantly affected by the level and volatility of commodity prices; world events including international monetary and political developments; import controls and worldwide competition; exploration and production spending; and tax and other government regulations and economic conditions.

Concentration Risk. An ETP may, at various times, concentrate in the securities of a particular industry, group of industries, or sector, and when a fund is over-weighted in an industry, group of industries, or sector, it may be more sensitive to any single economic, business, political, or regulatory occurrence than a fund that is not over-weighted in an industry, group of industries, or sector.

Credit Risk. Certain of the ETPs are subject to the risk that a decline in the credit quality of a portfolio investment could cause the ETP's share price to fall. The ETPs could lose money if the issuer or guarantor of a portfolio investment or the counterparty to a derivatives contract fails to make timely principal or interest payments or otherwise honor its obligations.

Emerging Markets Risk. There is an increased risk of price volatility associated with an ETP's investments in emerging market countries, which may be magnified by currency fluctuations relative to the U.S. dollar.

Equity Risk. The prices of equity securities in which an ETP invests in or is exposed to rise and fall daily. These price movements may result from factors affecting individual companies, industries or the securities market as a whole. In addition, equity markets tend to move in cycles which may cause stock prices to fall over extended periods of time.

Fixed Income Risk. An ETP's investments in fixed income securities are subject to the risk that the securities may be paid off earlier or later than expected. Either situation could cause the ETP to hold securities paying lower- than-market rates of interest, which could hurt the Fund's yield or share price.

Foreign Currency Risk. Currency movements may negatively impact the value of an ETP security even when there is no change in the value of the security in the issuer's home country. Under normal circumstances, the ETPs do not intend to hedge against the risk of currency exchange rate fluctuations, but some ETPs may reserve the right to do so if there is extreme volatility in currency exchange rates.

Foreign Securities Risk. An ETP's investments in securities of foreign issuers involve certain risks including, but not limited to, risks of adverse changes in foreign economic, political, regulatory and other conditions, or changes in currency exchange rates or exchange control regulations (including limitations on currency movements and exchanges). In certain countries, legal remedies available to investors may be more limited than those available with respect to investments in the United States. In addition, the securities of some foreign companies may be less liquid and, at time, more volatile than securities of comparable U.S. companies.

Growth Investing Risk. An ETP may pursue a “growth style” of investing. Growth stocks can be volatile for several reasons. Since those companies usually invest a high portion of earnings in their businesses, they may lack the dividends of value stocks that can cushion stock prices in a falling market. The prices of growth stocks are based largely on projections of the issuer’s future earnings and revenues. If a company’s earnings or revenues fall short of expectations, its stock price may fall dramatically.

High-Yield Risk. An ETP may invest in high-yield securities and unrated securities of similar credit quality (commonly known as “junk bonds”). High-yield securities generally pay higher yields (greater income) than investment in higher quality securities; however, high-yield securities and junk bonds may be subject to greater levels of interest rate, credit and liquidity risk than funds that do not invest in such securities, and are considered predominantly speculative with respect to an issuer’s continuing ability to make principal and interest payments.

Income Risk. An ETP may derive dividend and interest income from certain of its investments. This income can vary widely over the short- and long-term. If prevailing market interest rates drop, distribution rates of an ETP’s income producing investments may decline which then may adversely affect the Fund’s value.

Interest Rate Risk. An ETP’s investments in fixed income securities are subject to the risk that interest rates rise and fall over time. As with any investment whose yield reflects current interest rates, an ETP’s yield will change over time. During periods when interest rates are low, an ETP’s yield (and total return) also may be low. To the extent that the investment advisor (or sub-advisor) of an ETP anticipates interest rate trends imprecisely, the ETP could miss yield opportunities or its share price could fall.

Large-Capitalization Risk. An ETP may invest in large-cap companies. Returns on investments in stocks of large U.S. companies could trail the returns on investments in stocks of smaller and mid-sized companies.

Mid-Capitalization Risk. An ETP may invest in mid-cap companies. Mid-sized companies may be more volatile and more likely than large-capitalization companies to have limited product lines, markets or financial resources, or depend on a few key employees. Returns on investments in stocks of mid-size companies could trail the returns on investments in stocks of larger or smaller companies.

Small-Capitalization Risk. An ETP may invest in small-cap companies. Small-capitalization companies may be more vulnerable than larger, more established organizations to adverse business or economic developments. In particular, small-capitalization companies may have limited product lines, markets, and financial resources and may be dependent upon a relatively small management group. These securities may be listed on an exchange or trade over-the-counter, and may or may not pay dividends. During a period when small-cap stocks fall behind other types of investments — large-cap stocks, for instance — the ETP’s performance could be reduced.

Value Investing Risk. Because it may invest indirectly in value stocks, the Fund could suffer losses or produce poor results relative to other funds, even in a rising market, if the Underlying ETF’s investment advisor or Underlying ETP’s issuers assessment of a company’s value or prospects for exceeding earnings expectations or market conditions is wrong.

Liquidity Risk. Liquidity risk exists when particular Fund investments are difficult to purchase or sell. This can reduce the Fund's returns because the Fund may be unable to transact at advantageous times or prices.

Market Risk. Due to market conditions, the Fund's investments may fluctuate significantly from day to day. This volatility may cause the value of your investment in the Fund to decrease.

Portfolio Turnover Risk. The Fund may experience relatively high portfolio turnover, which may result in increased transaction costs and lower Fund performance.

Tax Risk. In order to qualify for the favorable U.S. federal income tax treatment accorded to regulated investment companies ("RICs"), the Fund must derive at least 90% of its gross income in each taxable year from certain categories of income ("qualifying income") and must satisfy certain asset diversification requirements. Certain of the Fund's investments may generate income that is not qualifying income. If the Fund were to fail to meet the qualifying income test or asset diversification requirements and fail to qualify as a RIC, it would be taxed in the same manner as an ordinary corporation, and distributions to its shareholders would not be deductible by the Fund in computing its taxable income.

Trading Risk. Shares of the Fund may trade above or below their net asset value ("NAV"). The trading price of the Fund's shares may deviate significantly from their NAV during periods of market volatility. In addition, trading in shares of the Fund may be halted because of market conditions or for reasons that, in view of the NYSE Arca, Inc. (the "Exchange"), make trading in shares inadvisable.

Tax Information. The Fund makes distributions that may be taxed as ordinary income, qualified dividend income or capital gains (or a combination thereof), unless you are investing through a tax-advantaged arrangement such as a 401(k) plan or an individual retirement account ("IRA"), which may be taxed upon withdrawal.

Payments to Broker-Dealers and Other Financial Intermediaries. Investors purchasing shares in the secondary market through a brokerage account or with the assistance of a broker may be subject to brokerage commissions and charges. If you purchase Fund shares through a broker-dealer or other financial intermediary (such as a bank), the Fund or AWM may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing broker-dealers or other intermediaries and your salesperson to recommend the Fund over another investment.

AdvisorShares Market Adaptive Unconstrained Income ETF

AWM acts as subadvisor to the AdvisorShares Market Adaptive Unconstrained Income ETF (NASDAQ: MAUI) (hereinafter, "MAUI"). MAUI seeks to provide long-term total return and income with a secondary emphasis on capital preservation. MAUI is considered a "fund of funds" and seeks to achieve its investment objective by investing primarily in exchange-traded funds ("ETFs"), as well as other exchange-traded products, including, but not limited to, exchange traded notes ("ETNs") and closed-end funds (collectively with ETFs and ETNs, "ETPs"), that offer diversified exposure to various global regions, credit qualities, durations and maturity dates. MAUI primarily invests in domestic and U.S.-listed foreign fixed income ETPs.

In order to achieve MAUI's investment objective, AWM will employ a proprietary strategy that includes a combination of active sector rotation and disciplined risk management utilizing various quantitative investment methods, including trend-following and momentum. MAUI will generally equally weight up to five sectors of the

bond market that meet its investment criteria and will not overweight more than approximately one third of the portfolio into a given sector.

In managing a client's portfolio, AWM may purchase shares in MAUI as part of its overall investment strategy unless a client is not eligible to purchase such shares or if a client expressly prohibits in writing any such purchases of MAUI. MAUI charges a management fee of 0.90%, of which AWM receives a sub-advisory fee of 0.45% of the average daily net assets of MAUI.

MAUI pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when MAUI shares are held in a taxable account. These costs will affect MAUI's performance. In addition, when client assets are invested in a product like MAUI, clients indirectly bear a prorated share of operating expenses incurred by MAUI, including without limitation, brokerage fees and transaction costs, trade correction costs, transfer agency fees and custodial expenses. These expenses are described in greater detail in the prospectus and/or SAI for MAUI. In addition, daily holdings for MAUI, additional strategy information and updates, semi-annual, annual and other regulatory disclosures are publicly available at www.advisorshares.com

MAUI intends to make distributions that may be taxed as ordinary income, qualified dividend incomes or capital gains (or a combination thereof), unless a client invests through a tax deferred arrangements such as a 401(k) plan or an individual retirement account.

MAUI is subject to a number of risks, as described below, that may affect the value of its shares. As with any fund, there is no guarantee that MAUI will achieve its investment objective.

Closed-End Fund Risk. Secondary market trading prices of closed-end funds should be expected to fluctuate and such prices may be higher or lower than the net asset value ("NAV") of a closed-end fund's portfolio holdings. There can be no guarantee that shares of a closed-end held by MAUI will not trade at a persistent and ongoing discount. Nor can there be any guarantee that an active market in shares of closed-end funds held by MAUI will exist. MAUI may not be able to sell closed-end fund shares at a price equal to the NAV of the closed-end fund.

Exchange-Traded Note Risk. ETNs are senior, unsecured unsubordinated debt securities issued by an underwriting bank that are designed to provide returns that are linked to a particular reference asset or benchmark less investor fees. ETNs have a maturity date and generally are backed only by the creditworthiness of the issuer. As a result, the value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in the underlying market (e.g., the commodities market), changes in the applicable interest rates, and changes in the issuer's credit rating and economic, legal, political or geographic events that affect the underlying market. ETNs also may be subject to commodities market risk and credit risk.

Exchange-Traded Product Risk. Through its investments in ETPs, MAUI is subject to the risks associated with the ETPs' investments or reference assets/benchmark components, including the possibility that the value of the securities or assets held by or linked to an ETP could decrease. These risks include any combination of the risks described below, as well as certain of the other risks described in this section. MAUI's exposure to a particular risk will be proportionate to its overall allocation and each ETP's asset allocation.

Concentration Risk. An ETP may, at various times, concentrate in the securities of a particular industry, group of industries, or sector, and when a fund is over-weighted in an industry, group of industries, or sector, it may be more sensitive to any single economic, business, political, or regulatory occurrence than a fund that is not overweighted in an industry, group of industries, or sector.

Credit Risk. Certain of the ETPs are subject to the risk that a decline in the credit quality of a portfolio investment or reference asset could cause the ETP's share price to fall. The ETPs could lose money if the issuer or guarantor of a portfolio investment or the counterparty to a derivatives contract fails to make timely principal or interest payments or otherwise honor its obligations.

Fixed Income Securities Risk. An ETP's investments in, or exposure to, fixed income securities are subject to the risk that the securities may be paid off earlier or later than expected. Either situation could cause the ETP to hold securities paying lower- than-market rates of interest, which could hurt MAUI's yield or share price.

Foreign Securities Risk. An ETP's investments in securities of foreign issuers involve certain risks including, but not limited to, risks of adverse changes in foreign economic, political, regulatory and other conditions, or changes in currency exchange rates or exchange control regulations (including limitations on currency movements and exchanges). In certain countries, legal remedies available to investors may be more limited than those available with respect to investments in the United States. In addition, the securities of some foreign companies may be less liquid and, at time, more volatile than securities of comparable U.S. companies. These risks are heightened when investing in emerging market securities.

Income Risk. An ETP may derive dividend and interest income from certain of its investments. This income can vary widely over the short- and long-term. If prevailing market interest rates drop, distribution rates of an ETP's income producing investments may decline which then may adversely affect MAUI's value.

Interest Rate Risk. An ETP's investments in or exposure to fixed income securities are subject to the risk that interest rates rise and fall over time. As with any investment whose yield reflects current interest rates, an ETP's yield will change over time. During periods when interest rates are low, an ETP's yield (and total return) also may be low. To the extent that the investment advisor or issuer of an ETP anticipates interest rate trends imprecisely, the ETP could miss yield opportunities or its share price could fall.

Liquidity Risk. Liquidity risk exists when particular MAUI investments are difficult to purchase or sell. This can reduce MAUI's returns because it may be unable to transact at advantageous times or prices.

Market Risk. Due to market conditions, MAUI's investments may fluctuate significantly from day to day. This volatility may cause the value of an investment in MAUI to decrease.

Portfolio Turnover Risk. MAUI may experience relatively high portfolio turnover, which may result in increased transaction costs and performance that is lower than expected.

Tax Risk. In order to qualify for the favorable U.S. federal income tax treatment accorded to RICs, MAUI must derive at least 90% of its gross income in each taxable year from certain categories of income ("qualifying income") and must satisfy certain asset diversification requirements. Certain of MAUI's investments may generate income that is not qualifying income. If MAUI were to fail to meet the qualifying income test or asset diversification requirements and fail to qualify as a RIC, it would be taxed in the same manner as an ordinary corporation, and distributions to its shareholders would not be deductible in computing its taxable income.

Trading Risk. Shares of MAUI may trade above or below their NAV. The trading price of MAUI's shares may deviate significantly from their NAV during periods of market volatility. In addition, trading in shares of MAUI may be halted because of market conditions or for reasons that, in view of the NASDAQ Stock Market LLC, make trading in shares inadvisable.

Foreign Currency Risk. MAUI may invest in ETPs that hold securities denominated in foreign currency. The value of securities denominated in foreign currencies can change when foreign currencies strengthen or weaken relative to the U.S. dollar. These currency movements may negatively impact the value of an ETP security even when there is no change in the value of the security in the issuer's home country. Under normal circumstances, the ETPs do not intend to hedge against the risk of currency exchange rate fluctuations, but some ETPs may reserve the right to do so if there is extreme volatility in currency exchange rates.

High-Yield Risk. An ETP may invest in high-yield securities and unrated securities of similar credit quality (commonly known as "junk bonds"). High-yield securities generally pay higher yields (greater income) than investment in higher quality securities; however, high-yield securities and junk bonds may be subject to greater levels of interest rate, credit and liquidity risk than funds that do not invest in such securities, and are considered predominantly speculative with respect to an issuer's continuing ability to make principal and interest payments. The value of these securities often fluctuates in response to company, political or economic developments and declines significantly over short periods of time or during periods of general economic difficulty. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce the ability of certain of the underlying funds to sell these securities (liquidity risk). These securities can also be thinly traded or have restrictions on resale, making them difficult to sell at an acceptable price. If the issuer of a security is in default with respect to interest or principal payments, the ETP may lose its entire investment.

Other Risks. Other risks include counterparty risk, issuer risk, premium-discount risk, foreign securities risk and foreign investment risk.

Tax Information. MAUI intends to make distributions that may be taxed as ordinary income, qualified dividend income or capital gains (or a combination thereof), unless an investor is investing through a tax deferred arrangement such as a 401(k) plan or an individual retirement account ("IRA").

Temporary Defensive Positions. To respond to adverse market, economic, political or other conditions, MAUI may invest up to 100% of its total assets, without limitation, in debt securities and money market instruments, either directly or through ETPs. MAUI may be invested in this manner for extended periods, depending on AWM's assessment of market conditions. Debt securities and money market instruments include shares of other mutual funds, commercial paper, certificates of deposit, bankers' acceptances, U.S. government securities, repurchase agreements, and bonds that are rated BBB or higher. While MAUI is in a defensive position, the opportunity to achieve its investment objective will be limited. Furthermore, to the extent that MAUI invests in money market funds, MAUI would bear its pro rata portion of each such money market fund's advisory fees and operational expenses.

AssetMark Advisor as Strategist Program

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

In advising retail clients of AWM investing in AssetMark Platform, AWM uses model portfolios of mutual funds, Exchange Traded Funds (ETF's) provided by a number of institutional investment strategists and based on the information, research, asset allocation methodology and investment strategies of these institutional strategists.

Disciplinary Information

Form ADV Part 2A, Item 9

AWM has no disciplinary information to disclose.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

Certain representatives of American Wealth Management (AWM) also sell products and services through their affiliations with insurance agencies and their broker-dealer M.S. Howells & Co.

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

Form ADV Part 2A, Item 11

AWM and its officers, directors and employees may buy or sell securities that AWM buys or sells for clients.

In most cases, these transactions occur in clients' accounts opened by AWM or the officer, director or employee. As a result, the AWM officer, director or employee account participates in the same transactions, at the same time and on the same terms as any other client account.

In the less frequent instance where transactions of this type take place in an outside account, the Chief Compliance Officer's review of all personal transactions reports ensures that these transactions do not disadvantage clients in any way.

As required to the Investment Advisers Act of 1940, AWM has adopted a Code of Ethics that describes the standards of conduct expected of its directors, officer and employees. The Code of Ethics covers the use of material non-public information, limitations on gifts and entertainment and personal securities transactions of officers, directors and employees. The Code of Ethics requires that AWM and certain of AWM's officers, directors, and employees report their proprietary or personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Upon request, AWM will provide any client or prospective client with a copy of its Code of Ethics.

Brokerage Practices

Form ADV Part 2A, Item 12

Brokerage Discretion

AWM has entered into an agreement with Pershing Advisor Solutions, LLC (PAS) to provide custody and trading execution services within its clients' accounts. This decision was made based on account management technology, software compatibility, and competitive transaction costs. Clients are typically required to pay the transactions costs within their accounts in addition to the annual management fee.

AWM has not entered into any soft dollar relationship with PAS or any other broker-dealer. PAS may provide AWM with free research and other services that may enhance AWM's portfolio management capabilities with respect to its clients generally, although their research and other services will not necessarily directly benefit the client paying the brokerage fees or commissions. Similarly, AWM may receive computer software and/or systems support from PAS which enhances AWM ability to manage client accounts maintained at PAS. However, AWM does not direct brokerage transactions to PAS in order to receive free research or service.

With regard to trading practices for the management of the Meidell Tactical Advantage ETF and the Market Adaptive Unconstrained Income ETF, AWM has established relationships with various institutional trading desks to provide agency only execution of securities at AWM's discretion. The negotiated trading cost with these broker-dealers is three quarters of a cent (.0075) per share traded.

Block Trades

AWM will frequently purchase or sell the same security at the same time for a number of clients having the same investment strategy. In these cases, trades in the same security for clients will be aggregated or "blocked" into a single order in an effort to obtain the best executions available with or through PAS, or to allocate equitable among AWM's clients differences in prices that may have been obtained or incurred if client orders were individually placed. In block trades, all transactions (including any partial fills) will be averaged as to price and allocated among AWM's clients in proportion to the purchase and sale orders placed for each client on any given day. Where AWM block trades, including securities in which AWM and its officers, directors and employees may invest, AWM will do so in accordance with the SEC No-Action Letter, SMC Capital, Inc. AWM will not receive any additional compensation in connection with block trades.

Trade Error Policy

AWM seeks to address trade errors fairly and equitably. If a trading error is discovered before the trade is settled, AWM will correct the error outside of client accounts so that no client account is affected by the trade. Unless the Broker-Dealer / Custodian accepts responsibility for the error, any gain or loss will go into AWM's error account. AWM's policy regarding trade errors discovered pre-settlement creates a conflict of interest because it benefits from gains by using them to offset losses. If a trade error is discovered after the trade has settled, AWM will correct the error and the client will retain the gain, unless the client advises AWM that they do not wish to retain the gain. If AWM is responsible for the error, AWM will contribute funds or securities to the client's account to place the client in the same financial position they would have been in the absence of the error. If the Broker-Dealer/Custodian is responsible for the error, AWM will request the Broker-Dealer / Custodian to make the client whole.

AssetMark Advisor as Strategist Program

AWM assists the client in selecting the risk/return objective and Portfolio Strategists that best suit the client's objectives. The client then specifically directs the account to be invested in accordance with the chosen asset allocation. When the client selects the asset allocation, the client further directs that the account be automatically adjusted to reflect any adjustment in the asset allocation by the selected Portfolio Strategist. This client authorization results in the purchase and sale of certain mutual funds or ETFs without further authorization by the client or any other party at such time as the Portfolio Strategist changes the composition of the selected model asset allocation.

The client receives confirmation of all transactions in the account and is free to terminate participation in the Platform and retain or dispose of any assets in the account at any time. AWM has no authority to cause any purchase or sale of securities in any client account, or change the selected model asset allocation or to direct the account to be invested in any manner other than as previously authorized by the client.

If a client selects an IMA, UMA or CMA investment solution, the third-party Discretionary Managers are granted the authority to manage the accounts on a discretionary basis, including the authority to buy, sell, select, remove and select securities and other investments for the account, and to select broker-dealers or others through which transactions will be effected.

Review of Accounts

Form ADV Part 2A, Item 13

AWM's portfolio managers and operations analysts review client accounts on an ongoing basis. Status reports and billing statements are issued quarterly for investment management accounts. Reports and reviews may be oral or written and available via mail or electronic delivery depending on the nature and scope of services desired by the client.

AssetMark Advisor as Strategist Program

Investors participating in the AssetMark Platform will receive periodic custodial account statements (not less frequently than quarterly) from their account Custodian.

Additionally, AWM issues periodic written reports to its investment advisory clients. These written reports generally contain a list of assets, investment results, and statistical data related to the client's account, and are made available via mail or electronic delivery. The information in these reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. We urge clients to carefully review these reports and compare the statements that they receive from their custodian to the reports that we provide.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

AWM has no active solicitation of referral arrangements with broker-dealers or other third parties and has made a decision not to enter into any new agreements.

Custody

Form ADV Part 2A, Item 15

AWM does not take physical or constructive custody of client assets other than to deduct fees for advisory services.

Clients receive monthly or quarterly account statements directly from Pershing Advisor Solutions LLC. These statements include the account balances, positions held and transactions that were made throughout the period, and will reflect a deduction for the quarterly advisory fee.

AWM also produces written performance reports that it sends to its clients. The reports shows transactions in client accounts during the relevant period, provides account positions, time-weighted returns, a summary of investment advisory fees, and additional relevant information. AWM reports may vary from the custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

We strongly encourage clients to carefully review and compare all statements, and to contact AWM with any questions or if there is ever a material difference between the statements received.

AssetMark Advisor as Strategist Program

AWM does not provide custodial services to its clients. Client assets are held with banks, financial institutions or registered broker- dealers that are "qualified custodians." Clients will receive statements directly from the qualified custodians at least quarterly. We urge clients to carefully review those statements and compare the custodial records to the reports that we provide them. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Investment Discretion

Form ADV Part 2A, Item 16

AWM has authority to determine which securities are bought or sold and the amount of securities to be bought and sold for all client accounts that AWM manages on a discretionary basis. However, this authority may be limited with respect to some accounts by investment restrictions or other limitations imposed by the client.

Before assuming discretionary authority, AWM requires the client(s) sign an investment management agreement granting AWM limited power of attorney and authority to supervise and direct the investment of the account, making and implementing investment decisions, all without prior consultation with the client, in accordance with the investment objective and specified services within the agreement.

Voting Client Securities

Form ADV Part 2A, Item 17

AWM declines to vote proxies for its clients including individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and business entities. Clients will receive their proxies or other solicitations directly from the custodian or the transfer agent.

AWM will vote proxies for the Meidell Tactical Advantage ETF and the Market Adaptive Unconstrained Income ETF. Voting will be made and recorded in accordance with AWM's Investment Adviser Written Policies and Supervisory Procedures manual. A copy of the proxy voting policies and procedures are available upon request.

AssetMark Advisor as Strategist Program

The Client retains the right to vote proxies if the Account is invested in a Mutual Fund or ETF. If the Account is invested in an IMA, CMA, or UMA Investment Solution, the Client designates the applicable Discretionary Manager as their agent to vote proxies on securities in the Account. Client acknowledges that as a result of this voting designation they are also designating the Discretionary Manager as their agent to receive proxies, proxy solicitation materials, annual reports provided in connection with proxy solicitations and other materials provided in connection with the above actions relating to the assets in the Account. However, the Client retains the right to vote proxies and may do so by notifying AWM in writing of the desire to vote future proxies.

Financial Information

Form ADV Part 2A, Item 18

AWM has no financial information to disclose.

Additional Information

AWM has no additional information to disclose.