



# THOMPSON WEALTH MANAGEMENT

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## ***Item 1. Introduction***

This Form ADV Part 2A (“Disclosure Brochure”) gives information about Thompson Wealth Management, Ltd. (“TWM” or the “Advisor”) and its business for the use of Clients and prospective clients. If you have any questions about the contents of this Disclosure Brochure, please contact us using one of the methods listed above. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

Additional information about our firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and searching with our firm name or our CRD# 108313.

This Disclosure Brochure has been written in “plain English” style so as to give clear, straightforward information about TWM’s business, services, fees, investment philosophy and strategies followed on our Clients’ behalf, as well the risks posed.



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***Item 2. Material Changes***

There have been no material changes to this Disclosure Brochure since the last distribution to Clients.



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## ***Item 4. Advisory Business***

### **Firm Description (Advisory Firm)**

Thompson Wealth Management, Ltd. (“TWM” or the “Advisor” and also referred to as “we”, “our” and “us”) is an independent investment advisory firm, providing ongoing portfolio management and financial planning for a select number of Clients. TWM has been registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment advisor since 1991. TWM provides advisory services to individuals, high net worth individuals, pension, profit sharing plans and other ERISA accounts, trusts, estates, and business entities (each a “Client”).

Clients will discover a committed team of professionals focused on creating disciplined, risk-appropriate investment strategies and clarity of purpose to generations of Clients. Bruce Thompson, President, founded TWM in 1991. He has been in the financial services industry since 1982 and serves as the principal investment officer. Andrew Richardt, CFP<sup>®</sup>, Vice President of Wealth Management, has been with TWM since 2005 and serves as financial planner. (See Brochure Supplements for each of our Advisory Persons).

Our practice has been set up to minimize conflicts of interest with you, in order to foster a constructive fiduciary relationship and a collaborative approach toward realizing your most important financial goals. All services are provided on a fee-only basis. We do not take or pay commissions, finder's fees or referral fees. You establish your investment accounts with a reputable independent custodian/broker, and TWM's access to your money is limited to placing trades in your behalf. We don't accept referrals or soft dollars from brokers or other vendors, except when the benefits accrue directly to Clients.

Neither TWM nor any of its associated persons (our “Supervised Persons”) have any subsidiaries or interests in other businesses that might conflict with or affect our advice to you. We obtain research almost exclusively from independent sources and avoid organizational and compensation-related influences on our thinking and in our business with you.

There will always be potential conflicts of interest in an advisory relationship. It is our responsibility to identify germane conflicts and disclose them to you in this document. You should read this document and other disclosures we provide and consider how those conflicts and risks might affect you. Please do not hesitate to inquire about our business practices.

New conflicts may arise with changes in the investment markets, products, regulations, and the technology we use, as well as in our business, services or personnel. On an annual basis, we will give you a statement of Material Changes to this brochure to make it easy to identify such disclosures.

### **Assets under Management**

As of December 31, 2016, TWM has discretionary regulatory assets under management of approximately \$240,533,781. TWM manages an additional \$2,500,391 in non-discretionary accounts, with a total of assets under management of \$243,034,172.



## **Advisory Services**

TWM provides wealth management – integrated investment management and financial planning -- services to private Clients (individuals) and their related business entities and retirement plans who recognize the important role that professional guidance and a cohesive strategy plays in the pursuit of financial stability and independence.

Advice is based always on the individual needs of each Client and financial strategies are custom in nature. Assets are managed individually, not automated, and not as pooled funds or farmed out to third-party (“separate” or “wrap account”) money managers. Clients enjoy an advisory team approach combining investment and financial planning expertise, and are always assured of direct speaking access to the principal investment officer.

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## **Service Models and Types of Agreements**

We offer two wealth management service models for private Clients, “Personal Financial Management” (PFM) and “Personal CFO” (CFO) involving comprehensive investment management and financial planning services. The services are specified in an advisory agreement. Clients have the flexibility to choose the model that best suits their needs.

All of our services afford Clients a high degree of custom service, but the most appropriate agreement depends on the scope of our planning and oversight of Client assets, the composition of the Client’s assets and liabilities and, following from that, how TWM is compensated to align advice with the Client’s interests and objectives.

All engagements begin with a no-obligation “chemistry session,” an opportunity for the Client and adviser to determine if we can add value to your family’s or business’ financial well-being, followed by data gathering and a comprehensive financial review. The optimal advisory agreement is often determined after completion of the review, which provides insight into your financial profile and needs.

For Private Clients (Individuals):

### **Personal Financial Management (PFM) Agreement**

TWM provides discretionary investment management in accordance with an Investment Policy Statement, a standard financial plan and ongoing financial planning advice as described below (see Description of Services). TWM is compensated through a customary asset based fee which covers both investment management and financial planning as described. This encourages Clients to maximize our planning service which, we believe, leads to better financial outcomes for many Clients.

### **Personal CFO (CFO) Agreement**

TWM’s “Personal CFO” agreement provides discretionary investment management in accordance with an Investment Policy Statement, unlimited financial planning and ongoing



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financial advice. The Client receives assistance with implementation of planning advice and ongoing collaboration with outside advisers, such as CPAs, estate attorneys, lenders, real estate agents, etc. The relationship involves continuous oversight and application of asset allocation strategy across the Client's total assets and liabilities, including non-managed assets. TWM electronically aggregates and values supervised assets and liabilities and provides comprehensive net worth and income statements.

CFO is designed primarily for high net worth individuals who wish or need to delegate some of the work involved in implementing recommended strategies and overseeing a complexity of assets and liabilities. Think of it as a "family office" for those not named "Rockefeller."

TWM is compensated as a percentage of the Client's net worth, valued quarterly. Clients appreciate that this arrangement fosters advisory objectivity and avoids conflicts of interest with respect to advice relating to, for example, diversifying concentrated or employee stock positions, paying off mortgages or other debt, purchasing real estate or collectibles, making gifts and charitable contributions, and placing assets with outside managers including private placements, hedge funds and venture capital.

### **Financial Planning Agreement**

TWM occasionally provides a la carte financial planning services for Clients who need financial planning advice on a limited basis, but this is not an emphasis of our practice. That's because what drives us is the mission of serving as an indispensable steward of our Client's financial lives. If we give occasional or incidental advice, we cannot stand by the outcome, and we lose much of the meaningful, qualitative aspect of ongoing relationships.

For Business Clients, Organizations and Retirement Plan Sponsors

### **Investment Management Agreement**

We offer an Investment Management agreement to businesses and other entities, including profit sharing and pension plans, and charitable organizations. Investment Management services are described in detail below, and our investment approach and philosophy is described in the section "Methods of Analysis, Investment Strategies and Risk of Loss."

### **Fiduciary Services to Retirement Plans**

TWM also provides ERISA fiduciary and investment management services to participant directed 401(k) Plans and Profit Sharing Plans. TWM assists the Plan Sponsor in setting up "open architecture plans" which allow for objective selection and monitoring of investment options designed to reduce costs and emphasize critical investment factors, such as asset allocation and diversification, in an attempt to optimize returns in the context of Participants' specific risk and return profiles. We offer periodic, individual counseling and education to participants on risk assessment, asset allocation, investment selection and preparedness for retirement. Services are specified in a Service Agreement, based on the requirements of each Plan.



## Description of Services

The following highlights investment and financial planning services provided in conjunction with and depending on the Client agreements described above.

### Investment Management Services

We offer disciplined, endowment-style investment management services tailored to the needs of individuals and small to medium sized business entities. We help Clients create a sound, intelligent framework for making investment decisions and for preventing our own natural instincts from becoming our own worst enemy.

Each relationship begins with a financial review undertaken to determine the Client's financial situation, risk taking capacity and investment objectives, and to establish a logical basis for accepting or rejecting risk.

TWM supplies a written investment policy statement summarizing the Client's investment objectives, the investment management and asset allocation guidelines to be followed, as well as reporting and performance requirements. Clients have the opportunity to impose reasonable restrictions on the management of their account[s].

Clients also have the ability to leave standing instructions with the Advisor to refrain from investing in particular securities or types of securities, or invest in limited amounts of securities.

Quarterly the Advisor notifies the Client in writing to contact the Advisor if there have been any changes in the Client's financial situation or investment objectives, or to impose or modify account restrictions. It is the Client's responsibility to notify the Advisor if there are any changes in the financial situation. Clients may call our office at any time during normal business hours to discuss directly with the Advisor about the Client's account[s], financial situation, or investment. Every investment management engagement involves a financial plan and:

- Education and ongoing communication regarding investment concepts, philosophy and the Advisor's strategy.
- Development of an Investment Policy Statement (IPS) addressing asset allocation targets, expected rate of return, portfolio selection, a rebalancing plan as well as a strategy framework for responding to market fluctuations.
- Portfolio Stress Testing to determine your margin of safety against a wide range of good and bad economic circumstances and investment outcomes.
- Financial projections using sophisticated modeling software to analyze the ability of your investment portfolio to support your financial needs in retirement.
- Monte Carlo Analysis to determine the probability that you won't run out of money in your later years.



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- Comprehensive quarterly performance reports so that you know where you are in relation to your goals at all times.
- CFO Clients receive quarterly personal financial statements tracking net worth and progress toward financial goals, as well as periodic cash flow and tax status checkups.

### **Financial Planning Services**

The goal of planning is not to predict the future but to prepare for it. Our focus is on creating a “Margin-of-Safety” in Clients’ financial lives. We perform scenario analyses so that Clients can assess the range of potential outcomes related to various goals, financial decisions and opportunities. The key to material happiness is the adoption of a standard of living that could be maintained with little difficulty under almost all economic conditions.

A standard financial review includes:

- A review of financial goals, risk tolerance (sleep factor) and investment related risk capacity (investment staying power), as well as an assessment of the adequacy of current savings levels to achieve those goals.
- Pre and post-retirement spending projections including the establishment of a savings program and help with budgeting and expense management.
- Financial projections using sophisticated modeling software to analyze the ability of your investment portfolio to support your financial needs in retirement.
- Monte Carlo Analysis to determine the probability that you won't run out of money in your later years, and portfolio Stress Testing to determine your margin of safety in case the future does not unfold as expected.
- Review of Client’s assets and liabilities and recommendations for realignment.
- Tax planning to maximize wealth.
- Review of insurance policies and other risk management options to protect you from things that can go wrong.
- College funding plan.
- Estate planning to minimize future estate taxes and provide for efficient and loving transfer of assets.
- Plans that address other Client-specific needs such as development of asset protection strategies, stock option analysis, strategic planning for closely-held businesses, as well as succession planning and exit strategies for business owners.

### **TWM Monument Partners**

TWM serves as co-managing member of TWM Monument Partners, LLC (the “Fund”), a private fund established as a pooled investment vehicle for certain eligible Clients and individuals affiliated with TWM to make angel and venture capital investments. The Fund is





a Delaware limited liability company (“LLC”). To avoid conflicts of interest, TWM does not receive a management fee or incentive fee for its role as the Manager of the Fund. TWM manages the operations of the Fund pursuant to the terms of the Fund’s Operating Agreement. Each investor that seeks to become a Member of the Fund, shall first be qualified for suitability by TWM and then shall become a Member by executing the Operating Agreement, which contains the provisions for investment and related disclosures.

### **Fiduciary Services for Retirement Plans**

TWM provides investment and consulting services to Plan Sponsors of defined contribution plans (Plans), who normally are related to or introduced by our private Clients. Our mission is to help Plan Sponsors observe their fiduciary obligations under ERISA, and to reduce costs associated with Plans, while increasing participation, retirement savings, education and consistency of investment results.

Typically, TWM accepts fiduciary status as an “investment manager” under Section 3(38) of ERISA, meaning the Advisor makes discretionary decisions with respect to selection of Plan investment options, and with respect to the management of model asset allocation portfolios, if applicable. TWM also may serve in a fiduciary role as an “investment adviser” under Section 3(21) of ERISA, in which case TWM provides consulting, fiduciary monitoring and investment advice to the Plan Sponsor, but the Client makes final decisions with respect to selection of investment options.

TWM works with Plan Sponsors to establish an investment committee and an overall program of procedural diligence. We formulate customized investment policy statements and give benchmarking and expense disclosure reports to Plan Trustees.

Generally, we recommend “open architecture” plans. With this type of plan, services such as administration and custody, investment management and investment education/advice are “unbundled” – offered by independent, replaceable entities. This enables small to medium sized Plans to obtain institutional pricing, fee transparency, maximum flexibility and objective investment advice for their participants.

TWM recommends and monitors primarily independent third party administrators, which provide Plan documentation, reporting, recordkeeping, custody for plan assets, web based interfaces and tools for Participants and Plan Sponsors.

TWM selects and monitors the investment options to be included in each Plan and has the flexibility to pick from a wide universe of mutual fund managers, and to replace those managers as necessary.

TWM also constructs, manages and rebalances model asset allocation portfolios that Participants may select from based on individual risk tolerance and financial circumstances. These models are broadly diversified among many asset classes and are comprised mainly of low cost, index specific mutual funds and exchange-traded funds providing pure and



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consistent exposure to each asset class.

TWM provides one on one meetings with employees to help select risk appropriate assets allocations and investments within the plan's menu, and to determine the adequacy of retirement savings. Our Plan-level services include enrollment meetings and educational materials designed to drive participation and appropriate usage of investments.

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### ***Item 5. Fees and Compensation***

TWM services are provided on a strictly fee-only basis. We do not take commissions, finder's fees or referral fees. We believe our fee structure should encourage objectivity and support the fiduciary nature of the relationship. All fee arrangements are specified in a separate Investment Advisory Agreement.

#### **Fees during Review Period**

TWM typically requests an upfront fee ranging from \$1,500 to \$5,000, depending on the complexity of the plan, which covers compensation during the financial review.

#### **Personal Financial Management**

Investment Management and Financial Planning (see description of services Item 4)

- 1.125% of assets on amounts up to \$1,500,000
- 0.75% of assets on amounts from \$1,500,000 to \$3,000,000
- 0.66% of assets on amounts from \$3,000,000 to \$5,000,000
- 0.50% of assets on amounts over \$5,000,000.

#### **Personal CFO**

Investment Management and Financial Planning (see description of services Item 4)

Fees are calculated as a percentage of the Client's net worth (assets minus liabilities). The fee rate typically ranges from 0.40% to 0.75% of the Client's net worth, depending on the relative planning complexity and composition of assets and liabilities.

#### **Financial Planning**

Financial planning engagements not covered above incur hourly planning fees at the rate of \$200 per hour. Alternatively, the Advisor and Client may agree on a flat fee for a project, the scope of which is to be confirmed in writing in advance. Clients may authorize the deduction of financial planning fees directly from a custodial (brokerage) account[s].

#### **Investment Management**

- 1.00% of assets on amounts up to \$1,500,000
- 0.75% of assets on amounts from \$1,500,000 to \$3,000,000
- 0.66% of assets on amounts from \$3,000,000 to \$5,000,000
- 0.50% of assets on amounts over \$5,000,000.



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### **Retirement Plan Consulting Services**

TWM receives no compensation from third parties in connection with retirement plan services. Fees for retirement plan consulting services are specified in a Service Agreement and normally range from 0.25% to 0.50% on assets based on the suite of required services. Factors include plan size and number of Participants, whether TWM is accepting fiduciary status under ERISA section 3(38) as an investment manager or 3(21) as an investment adviser, whether we are providing investment advice on the Plan or Participant level, the number of enrollment, employee education and investment committee meetings required.

Plan sponsors may opt to pay a flat fee. TWM's fees may be paid by the Plan Sponsor in whole or in part, or charged to individual Participants' assets in accordance with procedures specified in the service agreement.

### **Fee Disclosures**

Legacy Clients of TWM pay fees as determined by the schedule in place on the currently effective Investment Advisory Agreement.

Separate related accounts within a household may be combined for the purposes of calculating the total and minimum fee.

The minimum annual combined fee for new Clients is \$7,500. This means our services are best suited for those with approximately \$750,000 or more to invest. Exceptions are made for family members of existing Clients, or accounts may be set up when the Client and adviser anticipate the Client will add additional funds.

TWM's fees are generally not negotiable except in limited individual circumstances.

Fees are payable quarterly in advance. The first payment or upfront payment as described above is due and payable upon execution of the Agreement, and will be assessed pro-rata in the event the Agreement is executed other than the first day of the new calendar quarter. Subsequent payments are due and will be assessed on the first day of each calendar quarter based on the value of the portfolio as of the last day of the prior month.

Clients may authorize the Custodian to deduct TWM's advisory fees directly from the Clients' account[s] in accordance with statements prepared and submitted to the Custodian by the Advisor. The Custodian will provide periodic account statements to the Clients. Such statements will reflect all fee withdrawals by the Advisor. It is the Client's responsibility to verify the accuracy of the fee calculation. The Custodian will not determine whether the fee is properly calculated.

Fees are not collected for services to be performed more than six months in advance.

Fees do not cover accounting, legal or other fees to outside advisers. TWM does not render any legal or tax advice and our agreements do not provide for such services. Clients must



rely on Client's tax accountant for tax advice or tax preparation.

Calculation of "Personal CFO" fees involve valuation risk with respect to illiquid assets and we have established procedures to mitigate these risks. On a quarterly basis, TWM sends the Client an updated balance sheet reflecting current investment values supplied by an independent pricing service. With respect to illiquid assets, it is our policy to rely on appraisals, or on a consistent agreed-upon valuation formula, or on the values supplied by the Clients. TWM sends a quarterly reminder to Clients to update values.

Fees described above are for advisory services only and do not include any transaction fees or commissions, which may be charged separately by the broker-dealer/custodial firm. We recommend brokers who provide discounted or institutional commission rates and no-load, no transaction fee mutual funds, although we may occasionally purchase a fund in which the transaction entails a small fee. These transaction charges are usually small and incidental to the purchase or sale of a security. In our opinion, the selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security. TWM's investment strategies generally involve low investment turnover.

**Mutual Fund Fees.** Mutual funds generally charge a management fee for their services as investment managers. The management fee is also called an expense ratio. For example, an expense ratio of .25 means that the management company charges .25% for their services and these fees are charged directly to your fund balance. These fees are in addition to the fees paid by you to the Advisor. Investors also incur indirect costs within funds for transaction costs, bid-ask spreads and market impact costs. These costs are significantly higher for actively managed funds. TWM's investment focus is mainly on low cost and institutional class mutual funds.

### **Cancellation and Refund of Prepaid Fees**

The Client's agreement may be cancelled at any time for any reason by either party by giving written notice to the other. Notice given by Client to Advisor shall be sent to the address specified in this document. Upon termination of the Agreement, the Advisor shall perform no functions whatsoever with respect to the managing of the account(s) and further management of those accounts shall be the sole responsibility of Clients. Notwithstanding the foregoing, Client's investment will be subject to market fluctuation during this period. In the event of termination, the regular management fee will be refunded, pro-rata, from the date of termination to the date to which service has been prepaid.

The term of the financial planning agreement for standalone financial plans ends upon the delivery of the plan or services. At this time, no refunds will be made.

The Advisory Agreement contains a pre-dispute arbitration clause. Client understands that the agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such a waiver would be void under the federal securities laws. Arbitration is final and binding on the parties.



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

TWM does not charge performance-based fees, which are fees based on capital gains in the Client's account[s].

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## ***Item 7. Types of Clients***

TWM provides advisory services to individuals, high net worth individuals, pension, profit sharing plans and other ERISA accounts, trusts, estates, and business entities. We work mainly with an intentionally limited group of successful individuals, families and business executives who recognize the important role that professional guidance and a comprehensive wealth management strategy plays in the pursuit of financial stability and independence.

As a service to our Clients, we offer each child and grandchild a complementary counseling session upon graduation from college or otherwise in which we familiarize them with basic financial concepts, the dangers of debt, and the virtues of saving and investing.

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

We obtain research almost exclusively from independent sources and avoid organizational and compensation-related influences on our thinking and in our business with you.

### **Philosophy**

TWM's overarching role is to help Clients adopt a sound, intelligent framework for making financial decisions, and for staying on track toward important goals. Portfolios are individually managed in accordance with the planning objectives, values and risk tolerance of each Client in mind. Each relationship begins with a comprehensive financial review to establish a logical basis for taking or rejecting risk. We help Clients to articulate realistic objectives, and understand the risk and return tradeoffs associated with investment strategies. Education and communication are keys to the success of Client relationships.

While all portfolios are individually managed, our firm follows a common, systematic process driven by our experience, philosophy and investigations into those strategies that have and have not worked for individuals over time. This process serves as both map and compass when natural instincts might lead investors off plan.

Central to TWM's philosophy is the creation of a *margin of safety* in each Client's personal finances and investment portfolio. This means asking what happens if the future doesn't turn out



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as planned *before* you invest. We can't predict the future, but we can prepare for it.

We believe in a patient, businesslike investment mindset. When you invest only within your financial and emotional capacity to accept risk, you gain a basic advantage over market participants who are not so disciplined. We help Clients take an in depth look at their risk tolerance and their financial risk capacity, ensuring a proper financial foundation and investment staying power.

TWM's approach focuses on managing those investment factors of success that we can control:

- Asset allocation – adopting a suitable mix of low risk and high risk investments in
- Diversification – spreading money broadly within each asset class, to reduce business specific risks, and across many asset classes, to manage market risks.
- Expenses/Costs – we manage them by trading infrequently, and by investing mainly in low cost mutual and index funds to reduce turnover and, besides the funds' expense ratio, the hidden layers of fund expenses -- trading costs, market spreads and market impact costs – which reduce investment returns over the long run. Additionally, we help Clients minimize opportunity costs (Tracking Error) associated with active management by purchasing mainly index funds to provide consistent exposure to the returns of asset classes (e.g. bonds, stocks, real estate) within a prudent asset allocation strategy.
- Price/Valuation – our investment plans recognize that expected returns for an asset class will vary in inverse proportion to the price paid and is designed to reduce but not eliminate risk associate with significantly overvalued market conditions, and take advantage of undervalued market conditions.
- Psychology – We help Clients manage opportunity costs associated with their own behavior. Investors who know their own tendencies and create disciplines to manage them earn “behavioral alpha” from those who don't.
- Taxes – portfolios are managed in a tax sensitive fashion, taking advantage of tax harvesting, optimal asset location and other strategies to keep more of the potential returns.
- Savings – we help Clients manage cash flow, one of the factors directly under your control.

### Strategies

TWM prepares a customized Investment Policy Statement for each Client a framework for making sound, consistent investment decisions. The IPS establishes agreement on the strategies to be followed and provides guidelines, restrictions, and a joint statement of objectives for the investment management relationship. Each Client has the opportunity to impose reasonable restrictions on the management of their assets.

TWM's recommended investment strategy is called *Intelligent Asset Allocation*, which incorporates margin of safety or value disciplines into a core, endowment-style asset allocation strategy. We believe this makes common sense adjustments to modern portfolio theory strategies around the needs, time horizons and risk attitudes of individuals. While adhering to the tenets of diversification and a general buy and hold strategy, value disciplines instill a healthy wariness





about following the crowd and about getting caught up in the whims and moods of the market, which we believe is one of the biggest risks investors face.

*Asset Allocation and Diversification.* We emphasize asset allocation strategy and spend a lot of time assessing the asset allocation decision because the mix of cash, bonds and stocks determines much more of the difference in portfolio returns than market timing or security selection. Asset allocation is a useful tool for managing systematic risk (see risks) because different categories of investments respond to changing economic and market conditions in different and usually unpredictable ways. By balancing different asset classes in your portfolio, you're reducing the risk of major losses that can result from over-emphasizing a single asset class, no matter how positive the returns may seem.

Asset allocation is a coordinated portfolio strategy where the risk and return characteristics of the whole portfolio mix is more important than the individual investments. New investments are selected with an eye to existing investments and the potential diversification benefits. By combining volatile and price stable investments in a single portfolio, the goal is to produce more return for a given level of risk, or less risk for a given level of return.

Sometimes adding a riskier investment can reduce the theoretical risk of a portfolio if the returns of the security tend to exhibit low correlation to other portfolio assets. However, Clients should be aware that correlations can change and such analysis does not eliminate or otherwise imply a guarantee against market risks.

A sense of the past can tell you which asset classes have provided the strongest return over time and what their risk is. Historical data indicates that diversification into certain sectors such as small cap, value, emerging markets, real estate, etc., may provide higher returns over time, but such assets may also involve greater volatility and risk of loss. There is no such thing as a "free lunch" when it comes to risk and return— if an investment promises a higher return, it entails higher risk in some form.

While we can recognize historical patterns that seem to indicate a strong period for a particular asset class or sector, the length and intensity of these cyclical patterns are not predictable. Rather than speculate, it is important to maintain a broad representation in many asset classes at a given time.

*Index Funds.* Core investments are made in a risk appropriate mix of low cost, primarily passively managed bond, stock and alternative asset class index mutual funds. Mutual funds provide broad *diversification* within each asset class which reduces non-systematic risks, the risks that a specific business or industry may experience losses.

Index funds provide consistent, tax efficient exposure to the carefully crafted asset mix. Index funds help to reduce "tracking error" – the chance that your investments might underperform the stock or bond market for you are attempting to capture available returns over the long-term. We believe that index fund investing helps to narrow the range of potential financial planning outcomes. One can manage asset class risks in a portfolio, but



it is difficult to account for the wildcards associated with active management returns, or to make up for missed returns if the manager should underperform the specific market, and statistics indicate that the great majority of active managers do underperform index funds.

The primary criteria for fund selection are 1) cost, 2) how closely and consistently the fund performance tracks the return and risk characteristics of the target index, and 3) tax efficiency.

While index funds offer lower expense ratios than most actively managed funds, they also work to reduce commissions, bid and ask spreads and market impact costs related to fund transactions, which are not reported as part of funds' expense ratios and which tend to be much higher in actively managed funds. The higher combined expenses help to explain how so many active managers have underperformed equivalent index funds.

While index funds are expected to comprise the core holdings for most accounts, TWM may invest in selected actively managed and other fund vehicles if it believes it is in the Client's best interest to do so. Moreover, TWM believes it is critical to keep an open mind to changing fundamentals and opportunities within the investment world and may change the investment focus and types of vehicles we invest in if it deems it to be in the Client's best interests.

*Stress Testing.* TWM applies quantitative scenario analysis tools, such as Monte Carlo Simulation, to help stress test portfolios and assist Clients in assessing the range of potential outcomes associated with various financial strategies. In doing so, we make it clear that the past performance of an investment never guarantees what will happen in the future. But a historical perspective can alert you to the kinds of declines you should be prepared for – an awareness that's essential to managing your risk.

*Liability Driven Asset Allocation:* The margin of safety approach to investing plays a role in our asset allocation methods, especially with respect to those in or nearing retirement. For example, we utilize a bucketed ("cookie jar") method for assessing asset allocation and matching assets to the short, medium and long-term withdrawals a Client is expected to take. By planning cash flows and holding sufficient cash and short term fixed income securities to meet short term needs, and sufficient fixed income securities to meet intermediate term needs, riskier assets such as stocks may be viewed and maintained appropriately as long-term investments with less concern about market fluctuations, which are a fact of life.

*Strategic Rebalancing.* Portfolios are rebalanced systematically to maintain the target asset allocations and risk exposure. *Strategic rebalancing* is critical because it keeps the proportion of stocks and bonds and other assets in line with the target policy and forces some selling when prices are high, and buying when prices are low. We believe this increases return and reduces risk over the long run. The *strategic rebalancing* process takes discipline because it often means selling the asset class that is in favor and purchasing one that is not popular.





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Portfolios are reviewed for rebalancing monthly but, as a practical matter, portfolio wide rebalancing occurs infrequently, perhaps once or twice a year. Rebalancing more frequently increases costs and deprives a portfolio of returns from market momentum which, while it cannot be predicted, it is a fact in markets.

*Valuation Driven Rebalancing.* This is a more assertive approach to rebalancing which TWM intends to implement when market valuations are extremely high or low by historical standards, which happens infrequently. This involves selling a portion of assets when prices are very high in relation to an objective historical measure of valuation, and buying when they are low. A slice of the overall portfolio is designated as a “tactical pot” for modulating exposure within a prescribed range for stocks, bonds and cash.

Valuation Driven Rebalancing is distinguished from market *timing*, which we believe leads to poor results. Market timing relies on forecasting unknowable events and the market effects of those events, which are often counterintuitive and out of sync with the precipitating event. On the other hand, the price or valuation of an investment is known in advance.

*Selected Securities.* A portion of the bond and stock allocations may be invested in individual stocks and bonds. We recommend that these constitute “satellite” positions around a core of broadly diversified and appropriately balanced index mutual funds.

Whether selected securities are permitted within an investment policy depends on the size of the portfolio to ensure that sufficient diversification is possible.

Stocks are selected primarily based on margin of safety value analysis and dividend income potential. Margin of Safety analysis compares a company’s demonstrated (not forecast) earnings power to the going rate for Treasury bonds over a period of years to assess whether compounded dividends and earnings provide a compelling return compared to the bond yield, enough excess return to warrant the risk. As such, a determination may be made about the relative risks and returns over a suitable period of time. We occasionally purchase corporate and credit sensitive bonds and other securities when the additional yield provides a sufficient margin of safety.

*Venture Capital and other Illiquid Securities.* In selected circumstances, high net worth Clients with long term investment objectives may seek potential return premiums related to giving up liquidity on a portion of their assets. Such investments carry unique risks and are appropriate for accredited investors who are willing to assume the possibility of total loss of an investment. This is a minor part of TWM’s strategy and, when such investments are made, they are made with specific written approval of the Client for each investment.

*Index Options:* The adviser may open an option account for the Client which authorizes the adviser to purchase option contracts on equities and equity indexes. Unless otherwise approved by the Client, the adviser is permitted to invest only in put options or to sell covered call options for the purposes of hedging, risk reduction or income. Such strategies may be employed from time to time to protect the portfolio for specified periods of time,



particularly where the alternative may involve selling equities that would incur significant taxable gains, or reducing long-term upside potential. The purchase or sale of any option contracts, when taken in isolation, is considered “aggressive” and “speculative” with a high risk of loss. However, when employed as a hedging strategy, the objective is capital preservation.

### Types of Risk

While there is risk in all investments, some carry a greater degree of risk or higher costs. There is no guarantee that the investment strategy selected for the Clients will result in the Client’s goals being met, nor is there any guarantee of profit or protection from loss. Investing in securities involves risk of loss and Clients should be prepared to bear that risk.

There are many different types of investment risk. The two general types of risk are:

- Losing money, which you can identify as investment risk.
- Losing buying power, which is inflation risk.

Investors face many different forms of risk depending on the kinds of investments they choose. Most investment risk is described as either systematic or nonsystematic. While those terms seem intimidating, what they refer to is actually straightforward.

**Systematic risk:** is also known as market risk and relates to factors that affect the overall economy or securities markets. Systematic risk affects all companies, regardless of the company's financial condition, management, or capital structure, and, depending on the investment, can involve international as well as domestic factors. Stocks tend to fluctuate more than other asset classes such as bonds and may pose more risk over short periods of time.

**Nonsystematic risk:** in contrast to systematic risk, affects a much smaller number of companies or investments and is associated with investing in a particular product, company, or industry sector. One way to manage nonsystematic risk is to spread your investment dollars around, diversifying your portfolio holdings within each major asset class—stock, bonds, and cash—either by owning individual securities or mutual funds that invest in those securities. While you're likely to feel the impact of a company that crashes and burns, it should be much less traumatic if that company's stock is just one among several you own.

**Credit risk:** This is the risk of a bond issuer not being able to make timely payments of principal and interest. The value of a bond may also decrease due to financial difficulties or the declining creditworthiness of the issuer.

**Interest-rate risk:** All bonds tend to rise in value when interest rates fall and to fall in value when interest rates rise. Typically, there is greater price volatility associated with bonds with a longer maturity.

**Call/reinvestment risk:** As interest rates fall, bonds with call provisions may be called in by the issuer prior to maturity. This may leave the investor with the problem of reinvesting the principal



at a lower interest rate.

**Inflation risk:** This is also known as purchasing power risk. Inflation is a rise in the general level of prices for goods and services. If investments do not keep up with inflation, an investor's money will purchase less in the future than it did in the past.

**Liquidity risk:** Some investments may not be widely held by the public and may be difficult to sell if prices drop dramatically.

**Currency risk:** Currency exchange can affect the returns of a foreign security because foreign exchange rates constantly fluctuate with changes in the supply and demand of each country's currency. Thus, returns achieved by local investors are often quite different from the returns that U.S. investors achieved—even though both are investing in the same security.

**Foreign Security Risk:** Foreign securities are subject to the same market risk as the US. However, foreign securities involve the additional risk of loss due to political, economic, legal, regulatory and currency risk. Also, differences accounting and financial reporting standards.

**Commodities:** Commodities include soft assets such as crops and coffee that are generally extracted from the ground, as well as hard assets such as minerals and metals that are mined. Investing in commodities carries significant risks, including price, credit and market risk. Many physical commodities, as well as intangible commodities (such as security or fixed income indices) serve as the underlying to commodity futures contracts.

**Market-timing risk:** By attempting to time market movements, investors risk being out of the market during the best times and may find themselves jumping into markets during the worst times.

**Mutual Fund Securities:** Investing in Mutual Funds carries inherent risk. The major risk of investing in a mutual fund include the quality and experience of the mutual fund portfolio management team and its ability to create fund value by investing in securities that have growth, the amount of individual company diversification, the type and amount of industry diversification, and the type amount of sector diversification within specific industries.

**Exchange Traded Funds (ETFs):** ETFs are investments whose shares are bought and sold on security exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some ETFs are SPDRs, Power Shares and I Shares. Our investment strategies could purchase ETFs to gain exposure to a portion of the US or foreign markets/Sectors/Industry or Commodities. Our investment strategies investing in another investment company will bear their pro rata share of the other investment company's advisory fee and other expenses, in addition to their own. Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have a wide price (Bid and Ask) spreads, thus diluting or negating any upward price movements of the ETF or enhancing any downward price movement. Also, ETFs, require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of an ETF. Certain ETFs employ leverage, which creates additional volatility and price risk depending on the



amount of leverage utilized, the collateral, and the liquidity of the supporting collateral. The use of leverage increases interest rate cost to the ETF as well as increase the level of volatility.

**Optimization/Monte Carlo Simulation Estimation Error Risks:** Quantitative asset allocation tools provide recommendations for optimal diversified portfolio mix as well as estimates of ranges of expected risk and return. Monte Carlo simulations attempt to show the ranges of potential outcomes associated with various retirement investments and planning approaches. Estimates for portfolio risk and return are based on historical market risk and return data or on adjustments to this data involving forecasts about future returns. Past performance is not a guarantee of future return or risk levels. Forecasts about future returns are not dependable. Poorly selected data and assumptions may result in large distortions in recommended asset allocation and in projected estimates for risk and return. Diversification relies on assumptions about correlation patterns between asset classes, e.g. stocks, bonds, foreign real estate, commodities, etc. These correlations change over time and will affect portfolio risk and volatility compared to historical data.

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### *Item 9. Disciplinary Information*

There are no legal, regulatory or disciplinary events involving TWM or any of its management persons. TWM values the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching by our firm name or our CRD# 108313.

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

Neither TWM nor any of its associated persons (our “Supervised Persons”) have any subsidiaries or interests in other businesses that might conflict with or affect our advice to you

TWM is not and employs no reps registered, licensed or obligated to do business with any specific company, including but not limited to the following entities below.

- Broker-dealer, municipal securities dealer, or government securities dealer or broker.
- Other investment advisor or financial planner.
- Futures commission merchant, commodity pool operator, or commodity trading advisor.
- Banking or thrift institution.
- Accountant or accounting firm.
- Lawyer or law firm.
- Insurance company or agency.
- Pension consultant.
- Real estate broker or dealer.
- Sponsor or syndicator of limited partnerships.



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## ***Item 11. Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading***

### **Code of Ethics**

TWM has adopted a Code of Ethics, which is available to Clients upon request by contacting us at (978) 287-5151 or by email at [teamtwm@twmltd.com](mailto:teamtwm@twmltd.com). We have several goals in adopting this Code. First, we desire to comply with all applicable laws and regulations governing its practice. Compliance with such regulations is a signal to Clients that our fiduciary obligations are paramount and that we support the efforts of those organizations dedicated to upholding the law. The Advisor and its management has determined to set forth guidelines for professional standards, under which all Supervised Persons (including management) are to conduct themselves. We have set high standards, the intention of which is to protect Clients interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with Clients. All Supervised Persons are expected to strictly adhere to these guidelines, as well as the procedures for approval and reporting established in the Code of Ethics primarily related to personal securities transactions, and violations of the Code. This will serve to educate Supervised Persons regarding appropriate activities.

### **Participation or Interest in Client Transactions**

TWM does not act as principal in Clients transactions. Nor does it act as broker or agent in effecting securities transactions for compensation for any Clients or for anyone else.

### **Personal Trading**

It is impermissible for any Supervised Person of TWM to purchase or sell any security which he or she actually knows at the time is being considered for purchase or sale for the account[s] of any TWM Clients if such Supervised Person would thereby realize a market advantage or if such purchase or sale would otherwise adversely affect any Clients.

At times TWM and/or its Supervised Persons may take positions in the same securities as Clients, and we will try to avoid conflicts with Clients. The Advisor and its Supervised Persons will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to Client trades. We will not violate the Advisor's fiduciary responsibilities to our Clients. Scalping (trading shortly ahead of Clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the Client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not need to be disclosed at the time of trading.

### **Insider Trading Policy:**

In accordance with Section 204-A of the Investment Advisers Act of 1940, as amended, the Advisor also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information, i.e. insider trading by the Advisor and its Supervised



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Persons. A copy of our Code of Ethics and Insider Trading Policy is available upon request by contacting us at (978) 287-5151 or by email at [teamtwm@twmltd.com](mailto:teamtwm@twmltd.com).

### Privacy Policy:

Protecting Clients' privacy is very important to TWM. We view protecting Clients' private information as a top priority and, pursuant to the requirements of state and federal privacy laws; the Advisor has instituted policies and procedures to ensure that customer information is kept private and secure. We will provide Clients with a Privacy Policy Notice annually, upon engagement, and whenever the policy is amended.

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### ***Item 12. Brokerage Practices***

We do not take or pay commissions, finder's fees or referral fees. Your investment account[s] are established by you with a reputable independent custodian/broker, and TWM's access to your money is limited to placing trades in your behalf.

We don't accept referrals or soft dollars from brokers or other vendors, except when the benefits accrue directly to Clients.

### **Selection or Recommendation of Broker-Dealers**

We recommend Fidelity Clearing & Custody Solutions and its related entities under Fidelity Investments, Inc. (collectively "Fidelity" or the "Custodian") that customarily supplies institutional services to investment advisers and their Clients. The selection is made on the discount rates and execution services available to the Clients. We perform due diligence on costs and services provided by competitors in the industry and remain committed to recommending a custodial arrangement that allows us to fulfill our fiduciary obligations to Clients. In addition to commission costs, trading efficiency, and timeliness of executions, we consider the quality of service, responsiveness of brokerage personnel and back office operations. We also consider account statement features, the availability of no-load/no-transaction fee mutual funds, online trading and the availability of retirement plan services. Wealth management services are also important, such as trustee and agent trust and services relating to assisting Clients with concentrated equity positions.

A major factor is the ability of the Custodian to provide automated transfer of account related and transaction data via electronic interface to our firm's portfolio management system. This enhances management and reporting of Client portfolios, allowing for real time, continuous supervision of portfolios. This service reduces our firm's administrative expense. Clients should be aware that they might receive more deeply discounted brokerage at institutions, which might not offer some of these services. Clients may pay transaction fees to Fidelity or National Financial Services for the purchase of "no-load" funds. Fidelity and National Financial Services provides the Clients with consolidated statements.

### **Best Execution**





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In addition to the due diligence described above, TWM has established procedures for observing our obligations in this regard. Most importantly, we will continue to communicate with Clients, seek feedback on the custodial relationship and research what is available from other Custodians. On a quarterly basis, we will obtain and review broker's required best execution reports. We will compare commission charged against the published commission schedule. We also perform random tests for execution timeliness and responsiveness of customer service.

### **Directed Brokerage**

Clients may select their own Custodian. The Custodian needs to offer access to the specific services and products that will allow us to implement the agreed upon investment strategy in a consistent, efficient and cost effective manner. For discretionary accounts, the Custodian must allow TWM to place transactions in the account[s] in the Client's behalf and should be able to send transaction confirmations and copies of account statements to TWM. In addition, the Custodian must be able to send periodic account statements directly to the Clients and not through the adviser. (See the Custody section below).

### **Trade Aggregation**

#### **Bunched Orders:**

In placing transactions with the Custodian for execution, TWM may aggregate or "bunch" those orders on behalf of two or more of its accounts, so long as the bunching is done for purposes of achieving best execution, and no Client is systematically advantaged or disadvantaged by the bunching. The adviser may include accounts in which its officers, employees or related persons have an interest in a bunched order.

#### **Principal and Agency Cross Transactions:**

Occasionally, if it is in the best interests of each Client, TWM may ask the Custodian to cross a security between the accounts of different Clients. TWM effects such transactions through the Custodian and does not act as a principal or agent for such trades. TWM does not receive compensation for arranging the transaction[s] and does not set the price[s] for such transactions. The Custodian will set a level price for the transaction[s].

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### ***Item 13. Review of Accounts***

TWM continuously monitors both the risk and the return aspects of a portfolio and issues in depth appraisals on a quarterly basis. TWM employs a computer based portfolio management system, which aggregates Clients' assets held at an outside Custodian. The Custodian provides both the Client and the Advisor with regular account statements. TWM recommends Custodians that have the capacity to send portfolio and transaction data to TWM via electronic interface with our portfolio management system. This allows us to efficiently supervise and manage Clients' portfolios on a consistent basis. We set asset allocation models for each Client and monitor compliance on a continuous basis. Further, we evaluate how proposed portfolio changes might affect potential risk and return. We construct target benchmarks so that each Client may



compare portfolio performance in a relevant manner. Importantly, our system allows us to monitor both return and risk by several different measures.

Each account is reviewed on a quarterly basis in conjunction with the preparation and presentation of a comprehensive quarterly Portfolio Report. This review involves evaluation of portfolio performance and risk data in comparison with Clients' objectives and with other similarly situated portfolios. It involves a review of the asset allocation in comparison with the portfolio policy and whether rebalancing is desired. Interim reviews are based on certain triggering factors including: 1) a significant change in financial circumstances; 2) significant deposits and withdrawals or planned cash flows; 3) significant changes in the markets that may affect asset allocation; 4) a decision to implement a tactical switch between asset classes or to implement a specific fundamental strategy; 5) the request of a Client; 6) income tax considerations.

On a quarterly basis, Clients are invited to review the portfolio report and investment strategy. On an annual basis, Clients are called to arrange a comprehensive meeting to review the Client's financial circumstances, to revisit the comprehensive plan, risk parameters, investment strategy, and to review their objectives in conjunction with the investment plan. In addition, we may set forth a timetable to address planning issues in the year ahead. Interim meetings may be held to address specific financial planning objectives, or at the request of the Client. It should be noted that, in the end, this review schedule is driven by the Client. Some Clients wish to be in contact more or less frequently and we offer the flexibility to accommodate Client's needs in this regard.

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### ***Item 14. Client Referrals & Other Compensation***

TWM does not have any arrangements where it is paid in cash or receives economic benefit from non-Clients in connection with giving advice to Clients or for Clients' referrals.

TWM does not have any arrangements through which it directly or indirectly compensates any person for Clients' referrals.

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### ***Item 15. Custody***

TWM has a responsibility to safeguard Clients' assets from conversion or inappropriate use. This extends to safeguarding Client account information, which is addressed in our Privacy Policy. Generally, TWM does not hold custody of or take possession of Client's cash, securities or other marketable assets. Our firm is typically authorized to deduct advisory fees directly from Clients' brokerage accounts and observes the requisite safeguards. We deduct fees only from accounts held at the Custodian, pursuant to the Client's authorization in the agreement and separate forms of the Custodian. We view the separation of advisory and custody services as an important safeguard for our Clients, and essential in avoiding potential conflicts of interest.





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However for limited relationships, TWM has accepted custody over Client accounts and assets. TWM will obtain an annual surprise examination from a qualified, independent audit firm with respect to these accounts. The Client will continue to receive account statements from the qualified custodian that maintains the account[s].

Clients receive account statements at least quarterly from the Custodian. Clients are urged to compare custodial account statements against statements prepared by TWM for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of the Client's account[s]. As a "qualified custodian", the Client's Custodian must be able to send transaction confirmations and periodic account statements directly to the Clients (and not through the Advisor). The Custodian will however, provide a copy of these documents to TWM.

### **Restrictions when Advisor Serves as Trustee**

Requests for TWM or any of its Supervised Persons to serve in the capacity as the Client's trustee, successor trustee, or personal representative must be approved on a case-by-case basis by the Advisor's Chief Compliance Officer. TWM and its Supervised Persons will not engage in such a capacity that would deem the Advisor to have "custody" under the securities laws. The Advisor will not have custody if the Advisor serves with a co-trustee and is prohibited from separating assets from the account[s] without the additional, formal authorization of the co-trustee for any transactions that involve the movement of funds or securities (aside from the approved deduction of TWM's advisory fees). The account[s] must be held at a Qualified Custodian who is operationally independent from TWM and the Custodian must send account statements to the co-trustee no less than quarterly.

### **Management of Held Away Accounts**

If applicable, Client may give Advisor the authority to supervise, allocate and rebalance Client's employment related retirement plan accounts or other held away accounts designated by the Client in accordance with the established investment plan. Client authorizes Advisor to view accounts online, to rebalance investments and make trades as necessary, and to use the services of an online aggregation service if available, which provides for automated downloading of positions, transactions and values and allows for reconciliation of same within Advisor's portfolio management system. The Advisor intends to avoid custody of assets and therefore will deal with a held away account only if it does not have authority, and ascertains that it does not have authority, to withdraw or otherwise distribute funds from the account, except to the Client's address or authorized account, and except in connection with deduction of fees, if applicable. Advisor access to Client's online accounts is subject to the TWM Privacy Policy.

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### ***Item 16. Investment Discretion***

Clients customarily agree to give TWM discretion to implement an agreed upon investment strategy by determining the specific securities to be bought or sold and the amount of the



securities to be bought or sold without obtaining specific consent. The authority is limited to transactions placed through a qualified independent Custodian and does not include the power to issue, disburse or transfer Client's assets. The Custodian promptly notifies the Clients of all transactions by mailed confirmation. Limits on discretionary authority are determined further by the investment policy framework agreed upon with the Clients, which may include specific instructions given by the Clients. Guidelines may be spelled out in a written "Investment Policy Statement".

Occasionally, TWM agrees to manage Client's assets on a "Prior Consultation" basis. Clients are consulted with respect to individual securities transactions before execution. TWM maintains continuous portfolio supervision and, with consent, may exercise discretion with respect to price and timing of the transaction.

TWM does not have the authority to determine, without obtaining specific Clients consent, the broker or dealers to be used or the commission rates paid.

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### ***Item 17. Voting Client Securities***

TWM's Clients shall maintain all proxy voting authority over securities managed by TWM. TWM Clients will receive their proxy notices and solicitations directly from the custodian or transfer agent. On rare occasions, TWM may share its thoughts to all Clients regarding a proxy vote, if it deems such communication beneficial to assisting its Clients. Clients can contact us directly at 978-287-5151 regarding any question about proxies.

With respect to legacy proxies voted by TWM in conjunction with a prior proxy policy, Clients may contact TWM to obtain information on how proxies were voted.

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### ***Item 18. Financial Information***

An investment advisor must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years. TWM does not have any disclosure items in this section.

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## ***Item 19. Brochure Supplements***

### ***Brochure Supplements – Investment Advisor Representatives Form ADV2B (“Brochure Supplement”)***

Bruce P. Thompson, President and Founder  
Born in 1958.

#### Experience

President, Founder and CCO, Thompson Wealth Management	1991-Present
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#### Education

Syracuse University, BA Economics/Political Science	1981
London School of Economics, N/A	1979
Harvard University Extension, Special Studies, Portfolio Management	1997-1999

***Disciplinary information*** – An investment advisor and its Investment Advisor Representatives must disclose material facts about any legal or disciplinary event that is material to a Client’s evaluation of the advisory business or of the integrity of the Advisor. Bruce Thompson does not have any disciplinary disclosure items. However, we do encourage you to independently view the background of Mr. Thompson on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 1191893.

***Other business activities*** – Bruce Thompson serves on the Board of Directors of uAspire, a non-profit organization which provides financial aid college counseling to high school students in Boston, the San Francisco Bay area, and other inner cities around the country. This role does not involve asset management and should not conflict with responsibilities at TWM.

***Additional compensation*** – The Brochure Supplement must describe arrangements in which somebody other than the Clients provides the supervised individual an economic benefit, such as a sales award or other prize, for providing advisory services. Bruce Thompson does not have any sources of additional investment business related compensation.

***Supervision*** – An investment adviser must explain how it supervises the supervised individual, including how it monitors the advice provided to the Clients by the supervised individual and must include the name, title, and telephone number of the individual’s supervisor. As President and Chief Compliance Officer, Bruce Thompson is responsible for all advice provided to Clients, and for establishing and enforcing Written Supervisory Procedures (“WSP”) designed to protect Clients. The WSP establishes procedures designed to place checks on key man authority. For example, Mr. Thompson’s personal trades are reviewed by Mr. Richardt.



## THOMPSON WEALTH MANAGEMENT

### **Form ADV2B (“Brochure Supplement”)**

Andrew Richardt, CFP® -- Certified Financial Planner, Vice President Financial Planning  
Born in 1970.

#### Education

Indiana University, Kelley School of Business, BA Business	1996
Boston University, Certificate in Financial Planning	2005

#### Experience

Vice President Financial Planning, Thompson Wealth Management	1991-Present
Software Engineer, Leerink Swann (Investment Bank)	2004
Software Engineer, William Blair	

***Disciplinary information*** – An investment advisor and its Investment Advisor Representatives must disclose material facts about any legal or disciplinary event that is material to a Client’s evaluation of the advisory business or of the integrity of the Advisor. Andy Richardt does not have any disciplinary disclosure items. However, we do encourage you to independently view the background of Mr. Richardt on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 2791051.

***Other business activities*** – Andrew Richardt does not have any disclosure items.

***Additional compensation*** – The Brochure Supplement must describe arrangements in which somebody other than the Clients provides the supervised individual an economic benefit, such as a sales award or other prize, for providing advisory services. Andrew Richardt does not have any sources of additional investment business related compensation.

**Supervision** – Mr. Richardt is directly supervised by Bruce Thompson, Chief Compliance Officer. Mr. Thompson may be reached at 978-287-5151. Bruce Thompson is responsible for establishing and enforcing Written Supervisory Procedures (“WSP”) designed to protect Clients.



## THOMPSON WEALTH MANAGEMENT

### **Form ADV2B (“Brochure Supplement”)**

Jordan Gentile. Assistant Financial Advisor  
Born in 1993.

#### **Education**

Ithaca College, BS Business Administration; Finance 2015

#### **Experience**

Assistant Financial Advisor, Thompson Wealth Management	11/2015-Present
Intern, Thompson Wealth Management	07/2015-11/2015
Intern, LPL Financial RIA	06/2014-08/2014
Installer, Comfort Windows	06/2009-08/2013

***Disciplinary information*** – An investment advisor and its Investment Advisor Representatives must disclose material facts about any legal or disciplinary event that is material to a Client’s evaluation of the advisory business or of the integrity of the Advisor. Jordan Gentile does not have any disciplinary disclosure items. However, we do encourage you to independently view the background of Mr. Gentile on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 6344190.

***Other business activities*** – Jordan Gentile does not have any disclosure items.

***Additional compensation*** – The Brochure Supplement must describe arrangements in which somebody other than the Clients provides the supervised individual an economic benefit, such as a sales award or other prize, for providing advisory services. Jordan Gentile does not have any sources of additional investment business related compensation.

***Supervision*** – Mr. Gentile is directly supervised by Bruce Thompson, Chief Compliance Officer. Mr. Thompson may be reached at 978-287-5151. Bruce Thompson is responsible for establishing and enforcing Written Supervisory Procedures (“WSP”) designed to protect Clients.