

Item 1 – Cover Page

Bell Wealth Management  
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January 1, 2017

This brochure provides information about the qualifications and business practices of Bell Wealth Management. If you have any questions about the contents of this brochure, please contact us at (512) 347-9500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Bell Wealth Management is a registered investment adviser. This fact does not imply any level of skill or training. The oral and written communications from Bell Wealth Management will provide you with the information necessary to make a decision with respect to retaining this adviser.

Additional information about Bell Wealth Management is available at the following sites:

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

[www.bellwm.com](http://www.bellwm.com)

## **Item 2 – Material Changes**

There have been no material changes since the January 1, 2016 Form ADV filing on the IARD system.

### Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes .....	ii
Item 3 - Table of Contents.....	iii
Item 4 – Advisory Business.....	4
Item 5 – Fees and Compensation .....	6
Item 6 – Performance-Based Fees and Side-By-Side Management.....	9
Item 7 – Types of Clients .....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	9
Item 9 – Disciplinary Information .....	13
Item10 – Other Financial Industry Activities and Affiliations.....	13
Item11 – Code of Ethics .....	13
Item12 – Brokerage Practices .....	14
Item13 – Review of Accounts .....	15
Item14 – Client Referrals and Other Compensation .....	16
Item15 – Custody .....	17
Item16 – Investment Discretion.....	17
Item17 – Voting Client Securities .....	17
Item18 – Financial Information.....	18
Item19 - Requirements for State Registered Advisers.....	18
Privacy Policy.....	20

## **Item 4 – Advisory Business**

### ***Firm Description***

Bell Wealth Management (“BWM”) is a SEC-registered investment advisor. The firm principal place of business is located in Texas and is incorporated under the laws of the State of Texas.

### ***Principal Owner***

The principal owner of Bell Wealth Management is Colin A. Bell.

### ***Types of Advisory Services***

Bell Wealth Management provides discretionary investment management, consultative wealth management, and other financial consulting services. Investment management services and research are primarily focused on mutual funds and exchange traded funds (ETFs).

All individuals and entities seeking to establish a business relationship with BWM are required to sign a Client Agreement. This Agreement outlines the duties and obligations of both parties and defines the specific relationship between Bell Wealth Management and the Client.

More specific information regarding services is as follows:

### **Investment Management**

Bell Wealth Management meets personally with each client to understand and help prioritize specific financial goals. The following issues are addressed and a comprehensive investment strategy is created to help the client meet their personal goals and objectives.

- Expected return
- Willingness and economic ability to assume risk
- Investment time horizon
- Inflation
- Liquidity needs
- Tax issues
- Legal and regulatory constraints
- Unique circumstances

The investment philosophy at Bell Wealth Management is based on a long-term perspective. It is focused on portfolio construction and the trade-off between risk and return. No single investment is prudent or imprudent by itself—it depends on the client and how that investment fits into the overall portfolio design.

The foundation of our investment philosophy is based on Modern Portfolio Theory. This theory states that there is an optimal asset allocation mix that maximizes investor utility at each level of risk. Therefore, the asset allocation decision must consider investment opportunity as well as investor preferences and constraints. The key to Modern Portfolio Theory is the correlation (or relationship) between different individual investments and different asset classes over time.

Bell Wealth Management provides investment management clients with portfolio design, construction, implementation, monitoring, and reporting. In special situations and at the discretion of Bell Wealth Management, clients may request restrictions on investing in certain asset classes, but no restrictions will be allowed on individual securities. All investment management assets will be titled in the name of the client and held in a custodial account by an independent third-party (e.g., custodian/broker-dealer).

As of January 1, 2017, Bell Wealth Management managed \$143,640,000 in client assets on a discretionary basis and \$7,100,000 in client assets on a non-discretionary basis.

#### Wealth Management Consulting

Bell Wealth Management provides consultative wealth management to investment management clients on a discretionary basis (see Item 5). This consulting service is a dynamic process that includes three key elements: Discovery, Planning, and Review.

Discovery refers to understanding much more about a client than just income, assets and liabilities. Additional topics explored include (but are not limited to) values, goals, interests, and relationships. Information garnered during the Discovery process is used to create a Total Client Profile which is vital to creating a successful plan.

During the Planning process, a personalized Investment Plan and Investment Policy Statement are created for the client. These two documents provide the foundation for all future work together as client and advisor. They are designed to be dynamic documents and will mature over time as life events cause a client's needs and goals to change. The Investment Plan outlines goals and objectives and enables both parties to review progress over time. The Investment Policy Statement provides guidelines for how the client's money will be invested. It also provides structure and discipline to help keep clients and investment managers accountable to the strategic plan.

The Review process is systematic, continuous, and designed around the client's preferences and lifestyle. Progress meetings are scheduled on a regular basis and expand the focus from investments to other areas of wealth management (e.g., wealth protection, wealth transfer, and wealth enhancement). Bell Wealth Management embraces a "team of experts" approach and partners with specialized professionals in the fields of insurance, tax, estate planning, and charitable giving in order to provide clients with a comprehensive wealth management approach.

### Pension and Profit-Sharing Plans

Bell Wealth Management provides investment advisory and consulting services to corporations, pensions, employee benefit plans and their fiduciaries. In general, these services may include a review of the existing Plan, new design, implementation, conversion, investment management, performance reporting and other financial consulting services. Bell Wealth Management may also offer financial consulting to Plan participants and assist the Plan sponsor in effectively communicating relevant information about the Plan. In some cases, Bell Wealth Management may be introduced to a Plan through a third-party administrator and provide service directly to the Plan.

Bell Wealth Management will hold on-site educational meetings for Plan participants and provide detailed information about the Plan and applicable asset allocation choices. In some cases, we may also meet with Plan participants individually and offer personalized advice based on their individual objectives.

### Other Consulting Services

On a discretionary basis, Bell Wealth Management may provide investment advice and/or financial planning services on a project-basis.

## Item 5 – Fees and Compensation

### **Description**

Bell Wealth Management is a **fee-only** investment adviser. Compensation is earned by charging a fee based on client assets under advisement. These fees can be hourly, fixed and/or a percentage of assets under management. Bell Wealth Management does not receive any compensation based on commission (e.g., sales charges), transactions (e.g., brokerage fees), or performance (e.g., a percentage of profit).

The standard fee schedules are as follows:

### Investment Management

Assets Under Management	Quarterly	Annual
Up to \$1 million	0.25%	1.00%
\$1 million to \$3 million	0.20%	0.80%
\$3 million to \$5 million	0.15%	0.60%
\$5 million to \$10 million	0.10%	0.40%
Greater than \$10 million	0.0625%	0.25%

### Pension and Profit-Sharing Plan Advisory Services

Assets Under Management	Quarterly	Annual
Up to \$5 million	0.1875%	0.75%
\$5 million to \$10 million	0.1250%	0.50%
Greater than \$10 million	0.0875%	0.35%

All standard services are covered by the fee schedules above. Fees are billed quarterly, in arrears, and may be negotiable in certain circumstances. The minimum quarterly fee is \$2,500.

### Wealth Management Consulting

On a discretionary basis, Bell Wealth Management provides Wealth Management Consulting services to Investment Management clients whose quarterly fee is \$2,500 or greater. At our discretion, we may provide these services to clients whose annual fees are below that threshold.

### Other Consulting Services

On a discretionary basis, Bell Wealth Management may provide investment and/or other financial advice on a project basis. The hourly rate for project-based work is \$195.00 with a three-hour minimum.

***Fee Billing*****Investment Management**

The Client Agreement authorizes Bell Wealth Management to automatically deduct fees from client accounts on a quarterly basis. A statement from Bell Wealth Management will be sent to clients quarterly (January, April, July, and October) and will include a calculation of the fee.

On at least a quarterly basis, the custodian will also send a statement to clients. The statement will include an accounting of all transactions (including fees) that occurred during the preceding month or quarter. Client is responsible for verifying the accuracy of the fee calculation and should promptly notify Bell Wealth Management if they fail to receive a statement from their custodian on at least a quarterly basis.

***Other Fees and Expenses*****Investment Management**

Fees paid to Bell Wealth Management are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Some of these costs may include custodial fees, brokerage fees, third-party investment manager fees, asset transfer fees, and wire transfer fees. Mutual funds and exchange traded funds (ETFs) also charge internal management fees (i.e., expense ratio) which are disclosed in the prospectus.

Bell Wealth Management does not receive any portion of these additional fees, commissions, or expenses.

***Termination of Advisory Agreement*****Investment Management**

Either party (Client or Bell Wealth Management) may terminate the Client Agreement under the following circumstances:

- Mutual agreement of both the client and the investment adviser
- Either party giving verbal or written notice to the other party specifying the date of termination (verbal notice must be confirmed via written notice within 14 days)

Clients who terminate the Client Agreement will owe the unpaid portion of any fee earned, but not yet paid as of the date of the termination notice (or such later date as may be designated by the client). The amount due will be based on the following formula:

$$\frac{(\text{Days in Quarter Under Investment Advisory}) \times (\text{Quarterly Management Fee Percentage})}{(\text{Total Number of Days in Quarter})}$$



*See Item 12 for a summary of the factors that Bell Wealth Management considers in selecting or recommending broker-dealers for client transactions as well as the criteria for determining the reasonableness of their compensation.*

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

Bell Wealth Management does not charge any performance-based fees (i.e., compensation that is based on a share of a client's profit or capital appreciation of a client's assets).

## **Item 7 – Types of Clients**

Bell Wealth Management generally provides investment management, wealth management consulting, and advisory services to individuals, trusts, estates, corporations, business entities, pension plans and/or profit-sharing plans.

In most cases, a person (or entity) must have at least \$500,000 in investable assets to begin an Investment Management relationship with Bell Wealth Management. In certain unique circumstances, the minimum account size and/or minimum quarterly fee (see Item 5) may be reduced.

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

### ***Methods of Analysis***

Investment research and analysis at Bell Wealth Management is rooted in the tenants of Modern Portfolio Theory. We believe that an efficient portfolio can be created for any level of assumed risk. The key to building an efficient portfolio is to properly diversify the portfolio with investments that are not highly correlated to each other (low or negatively correlated assets are preferable). Risk is reduced through systematic diversification both across and within asset classes.

The primary investment strategy at Bell Wealth Management is intelligent asset allocation. There is significant research supporting the idea that the majority of variance in portfolio returns is attributed to the asset allocation decision. Therefore, we do not believe that individual security selection or market timing represents a prudent, long-term strategy for preserving wealth and growing it efficiently.

Once the asset allocation decision has been made, the next step is to select the appropriate investment managers. Since our goal is to capture the asset class return, we search for managers who have consistently delivered the asset class return over a sufficiently long period of time and have done so efficiently (i.e., kept costs low). Based on these criteria, our research leads us to institutional-style index mutual funds and exchange traded funds (e.g., Dimensional Fund Advisors, iShares, Schwab and Vanguard).

Mutual funds and exchange traded funds recommended by Bell Wealth Management typically invest in some or all of the following types of securities:

- Domestic stocks (large, medium, small)
- Foreign stocks (large, medium, small, developed countries, emerging markets)
- Government and government agency bonds (domestic and foreign)
- Investment-grade corporate bonds (domestic and foreign)
- Mortgage-back and asset-back securities (domestic)
- Real estate investment trusts (domestic and foreign)
- Money market securities

These investments are not guaranteed against loss and their prices may fluctuate on a daily basis. Mutual funds and exchange traded funds may help to reduce volatility in a portfolio vis-à-vis individual common stocks and bonds, but they do not protect against general market volatility.

Upon individual client request and at the discretion of Bell Wealth Management, we may provide a limited review of client assets for which we do not have discretionary authority. This analysis would be done in the context of the client's overall Investment Plan.

### ***Principal Investment Strategies***

Detailed asset allocation models and specific investment recommendations are set forth in the client's Investment Policy Statement.

Bell Wealth Management adheres to a disciplined asset allocation strategy and primarily recommends low-cost, tax-efficient index mutual funds and exchange traded funds. This is due to the fact that these types of funds provide excellent diversification from an individual security perspective and they do not stray from their stated investment objective (i.e., low tracking error). This strategy has proved successful in the past and is supported by significant theoretical research and empirical data. Bell Wealth Management believes in investment strategies with a long-term focus and we do not engage in market timing.

Bell Wealth Management does not generally recommend individual stocks or bonds, but certain exceptions may be made if there is a significant and prudent reason to do so and the exception is requested by the client.

We may give advice and take action with respect to one client that is different from another client. Timing, allocation, and types of investments are determined as part of each client's overall financial plan.

Bell Wealth Management typically uses long-term investment strategies to implement investment advice given to clients. A long-term purchase strategy generally assumes the financial markets will go up over the long-term. In reality, this may not be the case. There is also the risk that certain segments of the market will go down over time even if the overall financial markets advance. Purchasing investments long-term may involve an opportunity cost – that of “locking-up” assets that may be better utilized in the short-term for other investments. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

### ***Principal Investment Risks***

***Investing in securities involves risk of loss that clients should be prepared to bear.*** Risk refers to the possibility that you will lose money (both principal and any earnings) or fail to make money on an investment. BWM cannot guarantee that it will achieve a client’s investment objective. Below are some of the more specific risks of investments which BWM may recommend to clients:

- **Market Risk.** The prices of securities held by mutual funds in which clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by a fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.
- **Management Risk.** The advisor’s investment approach may fail to produce the intended results. If the advisor’s assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the client’s portfolio may suffer.
- **Equity Risk.** Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the client’s overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.
- **Fixed Income Risk.** The issuer of a fixed income security may not be able to make interest and principal payments when due. In general, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by a fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.

- **Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears their proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETFs shares may trade at a market price that is above or below their net asset value or (ii) trading of an ETFs shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. BWM has no control over the risks taken by the underlying funds in which client invests.
- **REIT Risk.** To the extent that a client invests in REITs, it is subject to risks generally associated with investing in real estate, such as (i) possible declines in the value of real estate, (ii) adverse general and local economic conditions, (iii) possible lack of availability of mortgage funds, (iv) changes in interest rates, and (v) environmental problems. In addition, REITs are subject to certain other risks related specifically to their structure and focus such as: dependency upon management skills; limited diversification; the risks of locating and managing financing for projects; heavy cash flow dependency; possible default by borrowers; the costs and potential losses of self-liquidation of one or more holdings; the possibility of failing to maintain exemptions from securities registration; and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility.
- **Derivatives Risk.** Funds in a client's portfolio may use derivative instruments. The value of these derivative instruments derives from the value of an underlying asset, currency or index. Investments by a fund in such underlying funds may involve the risk that the value of the underlying fund's derivatives may rise or fall more rapidly than other investments, and the risk that an underlying fund may lose more than the amount that it invested in the derivative instrument in the first place. Derivative instruments also involve the risk that other parties to the derivative contract may fail to meet their obligations, which could cause losses.
- **Foreign Securities Risk.** Funds in which clients invest may invest in foreign securities. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BWM or the integrity of BWM's management. BWM has no information applicable to this Item.

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

Bell Wealth Management's sole business and source of income is providing wealth management, financial planning and investment management. BWM does not take part in any other type of business.

Bell Wealth Management is not owned or controlled by, or under common control with, any other company. We have no obligation to use a particular broker-dealer, vendor, or investment product.

## **Item 11 – Code of Ethics**

### ***Code of Ethics***

BWM has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940. The Code of Ethics is based on the principle that our employees owe a fiduciary duty to clients. In complying with this duty, advisory personnel must avoid activities or interests that might interfere with making decisions in the best interests of clients. Under the Code of Ethics, advisory personnel are required to submit quarterly reports of their personal securities transactions to BWM's Chief Compliance Officer for review. Employees are prohibited from investing in initial public offerings and private placements without prior consent of the Chief Compliance Officer. In addition, each person subject to the Code of Ethics is required to report to the Chief Compliance Officer all violations of the Code of which such person becomes aware. BWM will provide a copy of its Code of Ethics, free of charge, upon the request of any client.

Employees of BWM who have obtained the Certified Financial Planner (CFP®) designation are bound by the CFP® Board's *Standards of Professional Conduct*, which outline ethical and practice standards for CFP® professionals. On behalf of BWM, only our employees with a CFP® or CFA designation are authorized to give investment advice to clients.

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

BWM generally does not recommend investments to clients in which BWM or any of its principals has a financial interest. If any such investment were proposed, the principal would be required to disclose any participation or interest in the transaction to the client and to obtain the approval of BWM's Chief Compliance Officer in advance.

### ***Personal Trading***

BWM employees are subject to the firm's Code of Ethics and must report their personal securities transactions to our Chief Compliance Officer for review on a regular basis to the extent required under the Investment Advisers Act of 1940. BWM employees may purchase mutual funds and other securities, and frequently do, for their personal accounts, which are recommended to clients. In such cases, employees will not effect transactions for their personal accounts which will be contrary to recommendations being made to clients, nor will they compete with clients in connection with such transactions. BWM has adopted an Insider Trading Policy that prohibits its employees from trading on material, non-public information.

## **Item 12 – Brokerage Practices**

### ***Recommending Brokerage Firms***

Bell Wealth Management typically recommends that clients establish an account with Charles Schwab & Co., Inc. BWM does not have discretion to select brokers without the client's consent and approval. Schwab serves as custodian of client's assets, executes securities transactions and may charge fees and/or commissions for such services. BWM currently recommends Schwab based on its determination that they provide low transaction fees, good execution capabilities, financial stability, access to institutional mutual funds, web trading platform and their ability to provide clients' account information in an electronic format acceptable to BWM. While as a fiduciary, BWM endeavors to act in the best interest of the client, its recommendation that a client maintain an account at a particular broker dealer may be based, in part, on other benefits that BWM receives from such broker, in the form of related services, and not solely on the nature, cost or quality of brokerage services, which may create a potential conflict. For example, Schwab provides discounts on certain services it provides to its institutional advisors, including BWM, such as discounts on access to Morningstar and various software programs for account maintenance and portfolio management, most of which are typically not available to retail investors. Schwab also provides various publications to advisors like BWM, and invitations to Schwab-sponsored events, such as conferences on practice management, regulatory compliance, marketing, or entertainment opportunities.

Client's independent broker-dealer will charge each client a commission or fee to execute transactions in the customer's account. The broker-dealer, not BWM, determines the commission rate and fees charged to clients. While BWM believes the commissions and fees charged by the broker-dealers that it recommends are competitive, transactions may not always be executed at the lowest available commission rate. Although BWM routinely requests that clients direct BWM to execute all transactions through Schwab, clients may direct the use of another qualified custodian and broker-dealer. Brokers selected at the discretion of the client may limit BWM's ability to obtain the best price and execution and the client will incur trade away fees when trades are placed away from client's custodian.

***Best Execution***

As a fiduciary, Bell Wealth Management has an obligation to obtain best execution of advisory clients' transactions under the circumstances of the particular transaction. BWM seeks to execute client transactions in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances. BWM has evaluated the full range of brokerage services offered by Schwab and considers Schwab to have reliable execution capabilities, compared to other comparable brokers. Based on these factors, BWM believes that Schwab provides competitive price and execution to its clients compared to other broker-dealers that offer institutional advisory platforms. If client establishes a brokerage/custodial account with Schwab, then BWM will place all orders pursuant to its investment determinations on behalf of client's portfolio through Schwab, even though client potentially could obtain a more favorable net price and execution from another broker-dealer in particular transactions or from a discount broker in general. While we believe Schwab's transaction rates to be competitive, transactions may not always be executed at the lowest available commission rate.

***Soft Dollars***

Bell Wealth Management does not enter into so-called "soft dollar arrangements," where an adviser directs client commissions to a broker-dealer that provides research and brokerage services to the adviser.

Schwab offers an institutional trading platform to advisers. As an adviser, BWM receives certain benefits from Schwab, including electronic receipt of duplicate client confirmations and statements; ability to have investment advisory fees deducted directly from client accounts; access to an electronic communication network for client order entry and account information; and discounts on services offered by the broker-dealer and its affiliates

***Order Aggregation***

Bell Wealth Management does not execute aggregate or block trades on behalf of its clients. This may adversely effect execution prices of securities and therefore result in higher costs to clients.

**Item 13 – Review of Accounts**

If Bell Wealth Management prepares a written financial plan for a client, the plan is reviewed periodically as agreed upon with the client. Typically, financial plans are reviewed at least annually. Reviews may be conducted by any of the following individuals at BWM: Colin A. Bell, Joel A. Lange, or Mark Herman.

Bell Wealth Management reviews investment management accounts at least quarterly. More frequent reviews may be provided upon request by a client or in the event of unusual market activity. Reviews of BWM's investment management relationships may be conducted by one or more of the following individuals: Colin A. Bell or Joel A. Lange.

Bell Wealth Management will attempt to contact each client at least annually to determine whether there have been any changes in the client's financial situation or investment objectives, or whether the client wishes to impose reasonable restrictions on the management of the account or modify an existing restriction. Clients will be notified quarterly in writing that BWM should be contacted if there have been any changes in the client's financial situation or the way in which the client's portfolio is managed. BWM advisory representatives, who are knowledgeable about its management style, are available at BWM's office, by telephone or by email on a reasonable basis to meet with the client at the client's request.

Bell Wealth Management typically provides Wealth Management Consulting for clients with a written investment plan that may include, among other items, asset allocation recommendations, net worth statement, charitable giving strategies, estate planning information, or information regarding cash flow management, current market values, rates of return, and portfolio allocation.

Bell Wealth Management typically provides investment management clients with quarterly reports that may include, among other items, billing invoice, current market values, and rates of return.

Bell Wealth Management occasionally provides clients with newsletters containing general discussions of current market conditions or educational articles.

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

##### ***Incoming Referrals***

Bell Wealth Management does not pay for referrals from other clients, professional or firms.

##### ***Referrals of Other Professionals***

Bell Wealth Management emphasizes a “team approach” when providing investment advisory services to its clients. If requested by a client, or if BWM believes legal or accounting services are required and in the best interests of a client's financial plan, BWM will recommend an independent attorney or accountant. BWM does not pay for client referrals or enter into arrangements with other professionals for client referrals. However, BWM may have a conflict of interest in making these recommendations because it may receive referrals from professionals that it has recommended to clients. BWM will refer other professionals to its clients only when the services provided by the professional best suit the client's needs.

##### ***Other Compensation***

Bell Wealth Management does not receive sales charges, commissions, service fees, 12b-1 fees or other compensation from a non-client in connection with providing investment advice to a client.



## **Item 15 – Custody**

Clients typically grant Bell Wealth Management authority to deduct fees directly from client's custodial account. Under Rule 206(4)-2 of the Advisers Act, BWM has limited custody of client assets when it has the authority to deduct its advisory fees directly from a client's account. BWM strictly limits its custody of client funds to the authority to deduct advisory fees and otherwise does not accept custody of client funds. Clients will retain ownership of all funds and securities in their accounts.

Clients should receive at least quarterly statements from the broker dealer or other qualified custodian that holds and maintains client's investment assets. BWM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

### ***Discretionary Trading Authority***

Clients typically grant Bell Wealth Management discretionary authority over the client's account to determine the securities to be bought and sold, to place trades, to negotiate transactions costs on their behalf, where possible, and periodically to rebalance the client's account back to the recommended allocation. BWM has no obligation to supervise or direct investments held in client accounts that were not recommended, or that are not subject to review, by BWM for a fee.

### ***Limited Power of Attorney***

Clients who have granted discretionary trading authority to Bell Wealth Management are required to grant a "limited power of attorney" to BWM over client's custodial account for purposes of trading and fee deduction. The client grants this authority in the brokerage account application.

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

Bell Wealth Management does not exercise proxy voting authority over securities held in clients' accounts. Each client retains proxy voting authority over the securities that are held in the client's account. The client's account custodian, i.e. Schwab, will provide all proxy solicitation notices that relate to securities held in the client's account. Client may thereafter, in the client's sole discretion and at the client's sole expense, decide how to vote such proxies. Copies of our proxy voting policy are available, free of charge, upon the client's written request to BWM. Clients may contact BWM with any questions about a mutual fund proxy solicitation at the address on the cover page.

## **Item 18 – Financial Information**

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

## **Item 19 – Requirements of State-Registered Advisers**

### ***Education and Background of Management Persons:***

Bell Wealth Management Inc is owned and managed solely by its President, Colin A. Bell. The following individuals are the principal executive officers and management persons of Bell Wealth Management Inc.

NAME: Colin A. Bell

YEAR OF BIRTH: 1976

EDUCATION: B.B.A. in Finance from The University of Texas at Austin 1998

CFP® - Certified Financial Planner™

**BUSINESS BACKGROUND:** Colin is a Certified Financial Planner™. Colin works directly with individuals and families to provide comprehensive wealth management services. He is responsible for business operations and for leading strategic planning at BWM. He is a NAPFA Registered Financial Advisor and member of The Financial Planning Association. Previous to joining BWM, Colin was a Financial Analyst with International Paper in various positions and locations throughout the United States.

NAME: Joel Alan Lange

BORN: 1965

EDUCATION: Chartered Financial Analyst (CFA); MBA from Washington University (St. Louis, MO); Bachelor of Science in Business Administration (BSBA) with a major in Finance from Valparaiso University (Valparaiso, IN)

**BUSINESS BACKGROUND:** Joel has worked in the investment field since 1987. He has held portfolio management positions with U.S. Trust, Commerce Trust Company, and The Lutheran Church-Missouri Synod Foundation. Prior to managing individual investment portfolios, he gained experience as both an equity research analyst and as a fixed income research analyst. Joel has worked as an Investment Advisor with BWM since 2009.

NAME: Mark W. Herman

YEAR OF BIRTH: 1980

EDUCATION: MBA from Mays Business School at Texas A&M University (College Station, TX); B.S. in German Studies and Systems Engineering from the United States Military Academy (West Point, NY)

BUSINESS BACKGROUND: Mark is responsible for creating and updating comprehensive financial plans and managing 401k administration and business development. Previous to joining BWM, Mark was a Global Commodity Manager at Dell and served as an Associate Professor of Military Science at the University Texas at Austin. Mark has worked as an analyst and Advisor with BWM since 2014 and is completing the experience requirement to become a Certified Financial Planner® Professional.

***Other Business Activities***

**Colin A. Bell**

ACB Properties, Inc. - is a private corporation involved in commercial property ownership and leasing. Mr. Bell is 100% shareholder and spends less than 5% of his time on these activities.

***Performance Based Fees***

Neither BWM, nor any supervised person, is compensated for Advisory services with performance-based fees.

***Other Material Events***

Neither BWM, nor any management person, has been the subject of an event where it was found to be liable for fraud, giving false statements or omissions, theft, embezzlement, wrongful taking of property, bribery, forgery, counterfeiting, extortion, or dishonest, unfair, or unethical practices. This includes any awards or events relating to an arbitration claim in excess of \$2,500, as well as the results of any civil, self-regulatory, or administrative proceeding.

***Other Relationships with Issuers of Securities***

Neither BWM, nor any of its management persons, has any relationship or arrangement with any issuers of securities.

## Privacy Policy

Bell Wealth Management Inc. is committed to maintaining the confidentiality, integrity and security of the personal information that you entrust to us. We maintain high standards to safeguard your personal financial information, and we will remain vigilant in protecting that information. Our most important asset is our relationship with you. We understand that you have entrusted us with your private financial information, and we do everything we can to maintain that trust.

We do not give or sell your personal information to anyone.

We collect personal information in the normal course of business in order to administer your accounts, serve you better and to meet legal and regulatory requirements. We restrict access to personal information to our employees for business purposes only. All employees are trained about privacy and are required to safeguard such information.

We may share information when it is necessary and required to process a transaction or to service a customer relationship. For example, information may be shared with Charles Schwab to establish investment accounts and to execute security trades. The recipients of the information are required to protect the confidentiality and security of the information and may use it only for the purposes agreed.

We may share information when it is required or permitted by law. For example, information may be shared to protect you against fraud or with someone who has a legal or beneficial interest, such as your power of attorney, or in response to a subpoena. State regulators may review our records and your personal records, as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.