

**Wrap Fee Brochure**  
(Part 2A Appendix 1 of Form ADV)



**ADAMS WEALTH MANAGEMENT, LLC**  
**WRAP FEE PROGRAM**

Sponsored by

**ADAMS WEALTH MANAGEMENT, LLC**  
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This wrap fee program brochure provides information about the qualifications and business practices of Adams Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (435) 752-1702 and/ or Dylan Nielson, chief compliance officer at [dylan@adams-wealth.com](mailto:dylan@adams-wealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Adams Wealth Management, LLC. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our Firm's CRD number is 286087.

September 26, 2019

## ITEM 2: MATERIAL CHANGES

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### MATERIAL CHANGES SINCE THE LAST UPDATE

This section of our wrap fee program brochure will reflect the update(s) of any material changes that occur after the delivery of our Firm's last annual update wrap fee program brochure.

We may, at any time, update this brochure. We expect to update this brochure no less than annually.

- Added the requirement to have at least \$250,000 in AUM with Adams Wealth Management in order to participate in the Wrap Program
- Updated language in Item 6 related to private fund and sub-advisory conflicts.
- Updated language discussing the risks of various securities, strategies, and methods of analysis.

### FULL BROCHURE AVAILABLE

Whenever you would like to receive a complete copy of our wrap fee program brochure, please contact us by telephone at **(435) 752-1702** or by email at [dylan@adamswealth.com](mailto:dylan@adamswealth.com)

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## **ITEM 4: SERVICES, FEES AND COMPENSATION**

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### **SERVICES**

Adams Wealth Management, LLC. (“AWM” or the “Adviser”) is an investment management firm that is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser. AWM offers the following wrap fee program, where appropriate, to interested clients and prospective clients.

The Adams Wealth Management Wrap Fee Program (“Program”) is sponsored by AWM. The Program provides clients the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap-fee program is one that provides the Client with advisory and brokerage execution services for one all-inclusive fee. The Program is designed to assist Clients to clarify their investment needs and to obtain professional asset management for a convenient single “wrap fee.”

Prior to receiving services through the Program, Clients are required to enter into a written agreement with AWM setting forth the relevant terms and conditions of the advisory relationship (“Agreement”). Clients must also have at least \$250,000 AUM with Adams Wealth Management to Participate in the Program. But, Adams Wealth Management may waive this requirement at their discretion. Clients must also open a new securities brokerage account and complete a new account agreement with either Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), TD Ameritrade, Inc. (TD) or Fidelity Investments, Inc. (“Fidelity”), the Wrap Fee Broker(s).

AWM and its Investment Adviser Representatives (IARs) actively solicit advisory clients for the Program. IARs recommending the Program, do not receive compensation as a result of the Client’s participation in the Program. However, some IARs own a portion of AWM. This may present a conflict of interest as IARs may have a financial incentive to recommend the Program over other programs and services. The amount of this compensation to AWM may be more than what AWM would receive if the Client participated in AWM’s other programs or paid separately for investment advice, brokerage, and other services.

On the outset of the Program, AWM will work with Clients to achieve a mutual understanding of their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors that are pertinent to their specific financial situations. After an analysis of the relevant information, AWM assists its Clients in developing an appropriate strategy for managing their assets. The investment portfolios of Clients are generally managed on a discretionary or non-discretionary basis, as determined by the Agreement between AWM and the Client.

AWM has their clients complete suitability assessments and perform account setup on their client’s behalf, respectively. AWM serves solely as investment advisor to these wrap programs.

## FEES

Services are offered through the Program on a fee basis, meaning that Clients pay an annualized fee based upon the assets under management. The maximum annualized fee schedule, subject to negotiation are as follows:

Assets Under Management	Annualized Fee
0 to \$1,999,999	2.75%
\$2,000,000 to \$4,999,999	2.50%
\$5,000,000 to \$9,999,999	2.25%
\$10,000,000 to \$19,999,999	2.00%
\$20,000,000 OR ABOVE	1.75%

The Fee is billed quarterly in advance on the last day of the quarter. Fees will be assessed pro-rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar quarter. All asset-based billings are calculated from the account value on the last day of the quarter. If the account is terminated prior to the end of a quarter, the fee for that quarter will be prorated for the number of days the account was open during that quarter. Client shall be invoiced for the pro-rata fees that are due to AWM.

Under the Program, Clients receive both investment advisory services and the execution of transactions for a single, combined annualized fee, the Program Fee. Clients may be able to purchase services similar to those offered under the Program from other service providers either separately as part of a similar wrap fee program. These services or programs may cost more or less than the Program, depending on the fees charged by such other service providers. As the IA absorbs certain transaction costs in wrap fee accounts, the IA may have a financial incentive not to place transaction orders in those accounts since doing so increases its transaction costs. Thus, an incentive exists to place trades less frequently in a wrap fee arrangement.

### Subadviser Services

AWM receives between .40% - 1% depending upon the level of service.

## OTHER CHARGES

Clients may incur certain charges imposed by third parties in addition to the Program fee. There may be additional fees or charges that result from the maintenance of your account. Other fees that may be imposed by third parties in connection with investments made through your account, include but are not limited to, no-load mutual fund 12(b)-1 distribution fees, certain deferred sales charges on previously purchased mutual funds, and

IRA, Qualified Retirement Plan fees and fees for trades executed away from the custodian. Clients may be charged an additional fee per transaction that will be billed directly to the Client's account. **Clients should review their materials to better understand the fees and charges they may incur.**

## **ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

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The Program participants include individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Clients approved for an account must maintain a securities brokerage and custody account with one of the three following custodians, Fidelity Investments, Inc. ("Fidelity"), Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab) and TD Ameritrade, Inc. (TD). AWM selected these custodians on the basis of services they provide to AWM Clients and the fees it charges to AWM.

## **ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION**

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AWM acts as the sponsor and portfolio manager to the Program.

### **ADVISORY BUSINESS**

AWM offers personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. AWM offers investment management services which are focused on several investment strategies which may include; risk aversion, dividend yield and capital appreciation.

AWM practices custom management of portfolios in two distinct programs, the AWM Advisory Account Program – Discretionary, and AWM Advisory Account Program – Non-Discretionary, according to the client's objectives.

- ***AWM Advisory Account Program – Discretionary:*** As a discretionary adviser, AWM will have the authority to supervise and direct the Client's portfolio without prior consultation with the Client. Notwithstanding the foregoing, Clients may impose certain written restrictions on AWM with the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments. Each Client should take note, however, that restrictions imposed by a Client may adversely affect the composition and performance of the Client's investment portfolio.

- ***AWM Advisory Account Program – Non-Discretionary:*** Alternatively, AWM provides non-discretionary portfolio management services whereby the Firm will make specific investment recommendations to a client tailored to meet the needs and investment objectives of that specific client, but shall not initiate any orders to purchase or sell any securities (or specific securities) without the client's approval.

AWM requires that a written Financial Service Agreement ("FSA") be signed by the Client prior to the provision of services. The FSA outlines the services rendered by AWM and the fees Clients will be charged. As noted above, Clients shall open either a discretionary asset management account or a non-discretionary account with the Custodian, through which AWM shall monitor the assets of the Account, and purchase and/or sell securities on a discretionary basis within the Account, according to the terms and conditions of the IA Agreement.

AWM serves as the Managing Member and investment manager for AIM Multi-Strategy Fund, AIM Ventura Capital Fund, AIM Real Asset Opportunities Fund, and AIM Defined Investment Fund(s). AWM is a sub adviser for Certeza Tactical Fund ("CTF"). AWM may allocate a portion of client's funds to CTF if it is a suitable investment for the client and the client qualifies as an "Accredited Investor" as defined by the SEC. Because AWM is a sub adviser for CTF and receives a portion of the management and performance fees charged to clients, there is a material conflict of interest. But, AWM is guided by fiduciary principles in the management of conflicts of interest. AWM is expected to and does always act in the best interests of its clients.

AWM also acts as a subadviser to advisers unaffiliated with AWM. These third-party advisers would outsource portfolio management services to AWM. This relationship will be memorialized in each contract between AWM and the third-party advisor.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Performance Fees are based on a share of the capital gains or capital appreciation of the assets of a Client. Fees based on performance means that AWM would participate directly in the account's results. **AWM currently does not accept Performance-Based Fees on Wrap accounts.**

"Side-by-Side Management" refers to a situation in which the same Adviser manages accounts that are billed based on a percentage of assets under management ("Management Fee") and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because AWM has no performance-based WRAP fee accounts, it does not conduct side-by-side management.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **METHODS OF ANALYSIS**

AWM utilizes one or more of the following methods of analysis when providing investment advice to its clients:



**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. It involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. It attempts to predict a future stock price or direction based on market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. Technical analysis methods employ software and other financial data management tools to assess various aspects of the marketplace. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that markets react in cyclical patterns which, once identified, can be leveraged to provide performance. Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical analysis is a time-based assessment which incorporates past and present performance to determine future value. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. The risks of this strategy are two-fold: (1) the markets do not always repeat cyclical patterns; and (2) if too many investors begin to implement this strategy, it changes the very cycles of which they are trying to take advantage.

**Economic analysis** is used to determine the economic environment over a certain time horizon. This involves following and updating historic economic data such as U.S. gross domestic product and consumer price index as well as monitoring key economic drivers such as employment, inflation and money supply for all the world's major economies.

## **INVESTMENT STRATEGIES**

AWM may utilize the following investment strategies when implementing investment advice given to clients:

**Long Term Purchases** – Securities are purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen long-term changes in the company in which a client is invested or in the overall market. Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Due to its nature, the long-term strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include, but are not limited to, inflation

(purchasing power) risk, interest rate risk, economic risk, and political/regulatory risk.

**Short Term Purchases** – Securities are purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Short term trading generally holds greater risk. Frequent trading can affect investment performance due to increased brokerage and other transaction costs and taxes.

The investment strategies summarized above represent AWM 's current intentions. Depending on conditions and trends in the securities markets and the economy in general, AWM may pursue any objectives, employ any investment techniques or strategies, or purchase any type of security that it considers appropriate and in the best interests of the client, whether described herein.

**Capital Preservation** - Capital Preservation seeks to preserve capital and provide income as an alternative to traditional bond portfolios. The portfolio attempts to mitigate some of the inherent risks associated with fixed income (i.e. interest rate, credit risk, and currency). It can also invest a small percentage into commodity ETFs and equity ETFs to help mitigate the risks associated with fixed income. The portfolio can invest in more traditional bonds which typically do well when interest rates fall, and less traditional bonds which can do well when rates rise. Capital Preservation will attempt to outperform the Barclays U.S. Aggregate Bond Index each year. Some but not all of the risks associated with this strategy include: market risk, interest rate risk, inflation risk and currency risk.

**Dynamic Balanced** - The Balanced portfolio seeks to invest in broad asset classes including equity, fixed-income, commodity, and inverse-related ETFs, depending on our proprietary relative strength and quantitative algorithms. If our indicators predict a downtrend in the equity or fixed-income space, the portfolio can be moved partially or entirely to cash in order to preserve the principal investment. The Balanced portfolio will attempt to outperform a 60/40 blend of the S&P 500 and Aggregate Bond Index. Some but not all of the risks associated with this strategy include: market risk, interest rate risk, inflation risk and currency risk.

**Dynamic Protected Growth** - This is our hedged growth portfolio, which selects assets based on proprietary relative strength and quantitative algorithms. In addition to traditional equity sectors, this portfolio can be invested in fixed-income, commodity, inverse-related, domestic and international sector specific ETFs, in order to try and achieve the best possible return. If our indicators predict a downtrend, the portfolio can be moved partially or entirely to cash in order to preserve your principal investment. Protected Growth will attempt to outperform an 80/20 blend of the S&P 500 and Aggregate Bond Index each year. Some but not all of the risks associated with this strategy include: market risk, interest rate risk, inflation risk and currency risk.

**Aggressive Growth** - Selects specific market sectors with high growth potential in the current market environment by using a rules-based, qualitative and quantitative investment methodology with the objective of maximizing returns. If our indicators signal a downtrend, a portion of the portfolio can be moved to cash in order to preserve your principal investment. Attempts to outperform the S&P 500 index. Some but not all of the risks associated with this strategy include: market risk, interest rate risk, inflation risk

and currency risk.

**Closed Ends** - Employing a multi-sector approach, the fund seeks high current income through investing in Closed-End Funds that are trading at a significant discounted price relative to their NAVs. The strategy is primarily focused on providing high current income, while striving to generate capital appreciation by mismatches in funds' prices and NAVs and preserving principal through extensive fundamental, macroeconomic, and sector research. Some but not all of the risks associated with this strategy include: market risk, interest rate risk, inflation risk, currency risk, and business risk.

**Dividend Equity** - Dividend Equity is an individual stock portfolio seeking to provide a high, growing monthly dividend income stream through dividend distributions. The strategy invests in high-quality, fundamentally sound public companies with a steady history of dividend payouts and high annual dividend growth. The portfolio targets a 5% dividend yield and 5% year over year dividend growth. It secondarily emphasizes capital appreciation. Some but not all of the risks associated with this strategy include: market risk, interest rate risk, inflation risk, currency risk, and business risk.

**Focused Growth** - Our Focused Growth strategy seeks to achieve capital appreciation by building a concentrated portfolio of quality companies with competitive advantages and the potential for sustainable long-term growth. We employ a combination of quantitative screening followed by bottom up fundamental and technical analysis, unconstrained by market cap, size, or industry, that results in a high conviction, go anywhere strategy. As part of our process, we utilize risk management methods in attempt to lower correlation to the broad market and increase risk adjusted returns. The strategy is unconstrained and opportunistic, providing us with the flexibility to focus on securities and industries, both domestic and international, that are poised to experience greater earnings growth and price appreciation. Some but not all of the risks associated with this strategy include: market risk, interest rate risk, inflation risk, currency risk, and business risk.

## **RISK OF LOSS**

*Clients need to be aware that investing in securities involves risk of loss of the principal.*

Every method of analysis has its own inherent risks. To perform an accurate market analysis AWM must have access to current/new market information. AWM has no control over the dissemination rate of market information; therefore, unbeknownst to AWM, certain analyses may be compiled with outdated market information, severely limiting the value of AWM's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by AWM) will be profitable or equal any specific performance level(s). AWM does not represent, warrant, or imply that its services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses

due to market corrections or declines. Notwithstanding AWM's method of analysis or investment strategy, the assets within the client's portfolio are subject to risk of devaluation or loss. The client should be aware that there are many different events that can affect the value of the client's assets or portfolio including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Prepayment Risk:** The returns on the collateral for the deal can change dramatically at times if the debtors prepay the loans earlier than scheduled.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** This risk is associated with a particular industry or a particular company within an industry.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Risk Factors relevant to specific securities utilized include:

- **Equity Securities.** The value of the equity securities are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and more risky than some other forms of investment.
- **Exchange Traded Funds ("ETF").** ETFs represent an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a

particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETF's performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

- **Mutual Fund Shares.** Some of the risks of investing in mutual fund shares include: (i) the price to invest in mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads), (ii) investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs, and (iii) investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.
- **Model portfolios** are designed to capture return and risk at market rates. This seeks to provide clients with diversification benefits help to smooth returns, reduce volatility and decrease asset-class and single-strategy risks. Risks specific to using model portfolios include the possibility that the model portfolio will underperform the market and the possibility that the model will not be able take advantage of opportunities that a non-model portfolio management approach might capture. Model portfolios entail inflation (purchasing power) risk, interest rate risk, economic risk, market risk, political/regulatory risk, and asset allocation risk – meaning that any given asset allocation strategy does not guarantee any specific result or profit nor protect against a loss.
- **Fixed Income Securities Risk.** Prices of fixed income securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect fixed income security prices. The longer the effective maturity and duration of the client's portfolio, the more the portfolio's value is likely to react to interest rates. For example, securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts as a result of interest rate changes than debt securities with shorter maturities. Some fixed income securities give the issuer the option to call, or redeem, the securities before their maturity dates. If an issuer calls its security during a time of declining interest rates, we might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of callable issues are subject to increased price fluctuation.

- **Real Estate Related Securities Risk.** Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation; possible lack of availability of mortgage funds; overbuilding; extending vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; costs resulting from cleanup of, and liability to third parties for damages resulting from environmental problems; casualty or condemnation losses; uninsured damages from floods, earth quakes or other natural disasters; limitations on and variations in rents; and changes in interest rates. Investing in Real Estate Investment Trusts (“REITs”) involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs are dependent upon management skills, are not diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation.
- **Alternative Investments Risks.** Alternative investments, including (but not limited to) investment partnerships, alternative mutual funds, non-traditional ETFs, managed futures, and/or real estate (related) investments may also present unique risks, such as decreased liquidity and transparency and increased complexity. Alternative investments typically use derivative instruments (such as options, futures, or index-based instruments) and/or leveraging strategies. The use of derivative instruments involves multiple risks, as discussed in more detail above. In addition, to the extent that the alternative investment uses commodities (or commodity-based derivatives) as part of its investment strategy, the investment return may also vary as a result of fluctuations in the supply and demand of the underlying commodities. Certain alternative investments may be less tax efficient than others. Additional risks may include style-specific risk, speculative investment risk, concentration risk, correlation risk, credit risk and lower- quality debt securities risk, equity securities risk, financial services companies’ risk, interest rate risk, non-diversification risk, small- and mid-cap company risk, and special risks of mutual funds and/or ETFs, among others.
- **Municipal Bond Risk.** Municipal securities issuers may face local economic or business conditions (including bankruptcy) and litigation, legislation or other political events that could have a significant effect on the ability of the municipality to make payments on the interest or principal of its municipal bonds. In addition, because municipalities issue municipal securities to finance similar types of projects, such as education, healthcare, transportation, infrastructure and utility projects, conditions in those sectors can affect the overall municipal bond market. Furthermore, changes in the financial condition of one municipality may affect the overall municipal bond market. The municipal obligations in which clients invest will be subject to credit risk, market risk, interest rate risk, credit spread risk, selection risk, call and redemption risk and tax risk, and the occurrence of any one of these risks may materially and adversely affect the value of the Client’s assets or profits.
- **Structured Note Risk** - Structured products are designed to facilitate highly customized risk-return objectives. This is accomplished by taking a traditional security, such as a conventional investment grade bond, and replacing the usual payment features (e.g. periodic coupons and final principal) with non-traditional payoffs derived not from the issuer's own cash flow, but from the performance of one

or more underlying assets. The payoffs from these performance outcomes are contingent in the sense that if the underlying assets return "x", then the structured product pays out "y". This means that structured products closely relate to traditional models of option pricing, though they may also contain other derivative types such as swaps, forwards and futures, as well as embedded features such as leveraged upside participation or downside buffers. Structured products include all risks from options, plus additional risks: counterparty and credit risk of the issuer.

- **Conservation Easement Risk** – Conservation easements are a type of real estate investment that may allow clients to receive a substantial taxable income deduction. The deduction is dependent upon the hypothetical developed valuation of the real estate investment. Because the valuations can differ there is a possibility that the IRS will say the hypothetical valuation is not valid. As a result, the IRS may reduce the amount of the hypothetical valuation, simultaneously lowering the allowable charitable deduction. If this takes place, the client is at risk for paying back taxes with interest to the IRS.

While this information provides a synopsis of the events that may affect a client's investments, this listing is not exhaustive. Although AWM's methods of analysis and investment strategies do not present any significant or unusual risks, all investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Clients should understand that there are inherent risks associated with investing and depending on the risk occurrence; clients may suffer LOSS OF ALL OR PART OF THE CLIENT'S PRINCIPAL INVESTMENT.

### **VOTING CLIENT SECURITIES**

AWM does not vote proxies for account under the Fidelity wrap platform. AWM will not take nor be required to take any action or render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the Client's account may be invested in occasionally. Furthermore, AWM will not take any action or render any advice with respect to any securities held in any Client's accounts that are named in or subject to class action lawsuits.

## **ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

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AWM acts as the sponsor and portfolio manager to the Program. Certain wrap fee programs involve the services of multiple parties in these capacities. In those circumstances, the sponsor is required to disclose how and what type of information about the Client that it provides to portfolio managers. AWM has no disclosures to make under this section.

## **ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGES**

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There are no restrictions on a Client's ability to contact and consult with AWM.

## **ITEM 9: ADDITIONAL INFORMATION**

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### **DISCIPLINARY INFORMATION**

Clients should be aware that neither AWM nor its management persons have been involved in legal or disciplinary events related to past or present investment Clients.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Mr. S. Craig Adams is the owner/chief executive officer of Adams Wealth Management, LLC., a Utah corporation.

AWM may have arrangements with other investment advisers that are material to its advisory service and its Clients. AWM may participate in a program with independent money managers and is compensated based on a percentage share of those firm's advisory fees as discussed in The AWM Part 2A of Form ADV (the Firm Brochure). All such arrangements are fully disclosed to Clients who grant their approval, in advance. All such arrangements result in no increase in Client expense or AWM compensation.

Clients should be aware that the additional receipt of compensation by AWM and its management persons or employees creates a conflict of interest that may impair the objectivity of AWM and these individuals when making advisory recommendations. AWM endeavors at all times to put the interest of its Clients first as part of its fiduciary duty. AWM takes the following steps to address this conflict of interest:

- (a) Disclose to Clients the existence of all material conflicts of interest, including the potential for AWM and its employees to earn compensation from the referral of Clients to other registered investment advisers;
- (b) Collect, maintain and document accurate, complete and relevant Client background information, including the Client's financial goals, objectives and risk tolerance
- (c) Conduct regular reviews of each Client account to verify that all recommendations made to a Client are suitable to the Client's needs and circumstances; and
- (d) Conduct due diligence on selected investment advisers to establish that these advisers are suitable to recommend to Clients of AWM.

Client of AWM are not obligated to use the services of any other investment adviser recommended by AWM.



## **CODE OF ETHICS**

All employees of AWM must act in an ethical and professional manner. AWM has adopted a Code of Ethics, the full text of which is available to Clients and prospective Clients upon request. AWM has several goals in adopting this Code. AWM's Code of Ethics, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. The Firm desires to comply with all applicable laws and regulations governing its practice, and the management of AWM has determined to set forth guidelines for professional standards, under which all associated persons of AWM are to conduct themselves. AWM has set high standards, the intention of which is to protect Client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with Clients, as well as the procedures for approval and reporting established in the Code of Ethics. All associated persons are expected to adhere strictly to these guidelines. In addition, AWM maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by AWM or any person associated with the Firm. AWM will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

At times, AWM and/or its affiliated persons may buy or sell securities for their own accounts that we have also recommended to Clients. This presents a conflict of interest. In any instance where similar securities are being bought or sold, we will uphold our fiduciary duty by always transacting on behalf of our Client before transacting for our own benefit. It is the express policy of AWM that employees shall not have priority in any purchase or sale over Clients' accounts.

## **REVIEW OF ACCOUNTS AND GENERAL REPORTS**

Investment Adviser Representatives, including S. Craig Adams, Tanner Dance, Ryan Bohm, Riley Crosbie will monitor their respective Client accounts on an ongoing basis and will conduct regular reviews on an annual basis. Triggering factors that may stimulate additional reviews of a Client's account include, but are not limited to, the following: changes in economic conditions, changes in the Client's financial situation or investment objectives, and/or the Client's request for an additional review of the account.

Intermittent reviews may be triggered by substantial market fluctuations, economic or political events, or by changes in your financial status (such as retirement, termination of employment, relocation, or inheritance). Clients are advised to notify AWM promptly if there are any material changes to their financial situation, investment objectives, or in the event they wish to place restrictions on their account.

AWM reviews the third party money managers' investment strategies including current portfolio holdings on a continual basis. We review the investment programs of the third party money managers to analyze whether your portfolio is aligned with your investment

goals and objectives. We may at times monitor the performance of the third party money managers and if necessary recommend the new managers.

**Clients are encouraged to notify AWM if changes occur in his/her personal financial situation that might adversely affect his/her investment plan.**

Clients will receive a report at least quarterly from the custodian, detailing account performance and account holdings. In addition, the Client will receive other supporting reports from mutual funds, asset managers, trust companies or custodians, insurance companies, broker/dealers and others who are involved with Client accounts.

AWM may supplement any such information, at its sole discretion. At its sole discretion, AWM may also provide periodic written reports or letters to Clients.

#### **CLIENT REFERRALS AND OTHER COMPENSATION**

AWM can have arrangements with third party money managers. We may receive compensation from third party investment advisory firms for client referrals.

AWM will directly compensate unaffiliated third parties for client referrals and in doing so, the Firm will ensure that its solicitation activities are in compliance with Rule 206(4)-3 and that they comply with applicable state rules which may require registration of such persons. AWM has entered into written arrangements to pay selling commissions and/or referral fees to individuals or companies ("solicitors") in connection with any referral of a potential Client who becomes a Client of AWM.

In these cases, there will be a written agreement between AWM and the solicitors, which clearly defines the duties and responsibilities of the solicitor under this arrangement. In addition, each solicitor is required to provide at the time of the solicitation, a written disclosure document which explains to the prospective Client the terms under which the solicitor is working for AWM and the fact that the solicitor is being compensated for referral fees. The solicitor is also required to furnish a copy of the Firm's written disclosure document (Part 2A of Form ADV) to the prospective Client and obtain a written acknowledgment from the Client that both the solicitor's and AWM's disclosure documents have been received.

#### **OTHER ECONOMIC BENEFIT**

Our firm receives economic benefit from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described in our Firm brochure (see Item 12 – Brokerage Practices). The availability of Schwab's products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

#### **FINANCIAL INFORMATION**

AWM is not the qualified custodian of Client funds or securities, does not have custody of Client funds or securities and does not require prepayment of fees of more than \$500 per Client, six (6) months or more in advance.

AWM will comply with the balance sheet requirement within the jurisdictions in which it is registered as an Investment Adviser.

## **FINANCIAL CONDITION**

AWM is not required to disclose any financial information pursuant to this item due to the following:

- AWM is not the qualified custodian of Client funds or securities, does not have custody of Client funds or securities and does not require prepayment of fees of more than \$500 per Client, six (6) months or more in advance.
- AWM does not have any financial impairment that would preclude the Adviser from meeting contractual commitments to Clients.
- Neither AWM nor its management has been the subject of a bankruptcy petition at any time during the last 10 years.