

**Item 1 – Cover Page**

**Part 2A Appendix 1  
Wrap Fee Program Brochure**

**Triad Investment Management, LLC**

**Also Doing Business Under:  
Triad Financial Strategies  
Path Wealth Management**

195 NE Gilman Blvd, Suite 101  
Issaquah, Washington 98027  
425-392-2200  
[www.triad-fs.com](http://www.triad-fs.com)

Date of Disclosure Brochure: December 2018

---

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Triad Investment Management, LLC (also referred to as we, us and TIM throughout this disclosure brochure). If you have any questions about the contents of this brochure, please contact Tait Lane at 425-392-2200. 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 TIM is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Triad Investment Management, LLC or our firm's CRD number 297699.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

This Form ADV Part 2A Appendix 1 Wrap Fee Program Disclosure Brochure dated December 2018 is an amendment to the initial Wrap Fee Program Disclosure Brochure dated November 2018. Tim has made the following material changes:

In December 2018, TIM had a change in their legal and primary business name. TIM's former legal name was Triad Financial Strategies, Inc. TIM is also doing business under the names Triad Financial Strategies and Path Wealth Management.

We will ensure that you receive a summary of any material changes to this and subsequent Wrap Fee Program Disclosure Brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current Wrap Fee Program Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

### Item 3 – Table of Contents

Item 1 – Cover Page .....	1
Item 2 – Material Changes .....	2
Item 3 – Table of Contents .....	3
Item 4 – Services, Fees and Compensation .....	4
Additional Compensation, Economic and Non-Economic Benefits .....	6
Item 5 – Account Requirements and Types of Clients .....	6
Minimum Account Size .....	6
Types of Accounts .....	6
Item 6 – Portfolio Manager Selection and Evaluation .....	7
Other Advisory Services .....	7
Limits Advice to Certain Types of Investments .....	7
Tailor Advisory Services to Individual Needs of Clients .....	8
Performance-Based Fees and Side-By-Side Management .....	8
Methods of Analysis and Strategies .....	8
Risk of Loss .....	9
Voting Client Securities .....	10
Item 7 – Client Information Provided to Portfolio Managers .....	11
Item 8 - Client Contact with Portfolio Managers .....	11
Item 9 - Additional Information .....	11
Disciplinary Information .....	11
Other Financial Industry Activities and Affiliations .....	11
Registered Representative of a Broker-Dealer .....	11
Third-Party Money Managers .....	12
Insurance Agent .....	12
Interest in Client Transactions and Code of Ethics .....	13
Affiliate and Employee Personal Securities Transactions Disclosure .....	13
Account Reviews .....	14
Account Statements and Reports .....	14
Client Referrals .....	14
Financial Information .....	15
Item 10 - Customer Privacy Policy Notice .....	15

#### **Item 4 – Services, Fees and Compensation**

Triad Investment Management, LLC is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a Limited Liability Company formed under the laws of the State of Washington.

##### **Strategic Wealth Management Program**

We are the sponsor of the Strategic Wealth Management II Program (“SWM II”), a wrap fee or non-wrap fee asset management program developed through an arrangement using LPL Financial Corporation’s (“LPL”) Strategic Wealth Management platform. Through the SWM II Program, we provide investment management services, including providing continuous investment advice to and making investments for you based on your individual needs. Through this service, we offer a customized and individualized investment program. A specific asset allocation strategy and suitability profile is crafted to focus on your specific goals and objectives. The IPS defines your risk tolerance and investment objective. Your information should be updated regularly, but at a minimum every 2 years.

SWM II accounts are custodied at LPL in its capacity as a registered broker/dealer, member FINRA/SIPC. LPL is also an investment adviser registered with the SEC but does not serve as an investment advisor for you through the SWM Program. LPL provides clearing, custody and other brokerage services for accounts established through the SWM Program. Therefore, you are required to establish an advisory account(s) through LPL’s Strategic Wealth Management platform. Separate accounts are maintained for you, and you retain all rights of ownership of your accounts (e. g., the right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

SWM II accounts allow you to authorize us to purchase and sell, on a discretionary basis, portfolios consisting of securities and investments. We may limit our discretion with respect to your account and the securities eligible to be purchased for your account. *(See, Limits Advice to Certain Types of Investments at Item 6, Portfolio Manager Selection and Evaluation elsewhere in this Disclosure Brochure.)*

With discretionary authority, we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before implementing any transactions. You must provide us with written authorization to exercise this discretionary authority. Discretionary authority is limited. We do not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian. You have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. You may also place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the client agreement. *(Please see Item 16, Investment Discretion, in the separate Triad Investment Management AV Part 2A Disclosure Brochure for additional information concerning discretionary authority.)*

During any month that there is activity in the SWM II account, you receive a monthly account statement from LPL showing account activity as well as positions held in the account at month end. Additionally, you receive a confirmation of each transaction that occurs within the SWM II account unless the transaction is the result of a systematic purchase, redemption or exchange. You also receive a detailed quarterly report showing performance, positions, and activity. All account data and statements are also available on-line through the account view portal through LPL.

The annual investment advisory fee charged will vary between 0.50% – 2.25% of the assets held in the account and is negotiable depending on the market value of the account, asset types, complexity of your portfolio, your financial situation and trading activity. The annual fee is divided and paid quarterly in advance through a direct debit to your account. LPL is responsible for calculating and debiting all fees from your accounts. You must provide LPL with written authorization to debit advisory fees from your accounts and pay the fees to TIM. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter are prorated based on the number of days remaining in the initial quarter.

Prior to engaging TIM to provide investment management services, you are required to enter into a formal investment advisory agreement with us setting forth the terms and conditions, including the amount of investment advisory fees, under which we manage your assets and also separate custodial/clearing agreement with LPL.

You can open a SWM I or SWM II account. A SWM I account is a non-wrap or traditional account. This means in addition to our investment advisory fee, you also certain pay transaction charges to defray the costs associated with trade execution. These costs are set out in the LPL Strategic Wealth Management platform brokerage account and application agreement. The SWM II account is a wrap fee account, meaning you do not pay transaction charges associated with trade execution.

You will incur certain charges imposed by third parties other than TIM in connection with investments made through the account including, but not limited to, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees. Mutual fund 12b-1 fees are always paid to our custodian, LPL.

Our management fees (which include transaction and execution fees charged by LPL for SWM II accounts) are separate and distinct from the fees and expenses charged by investment company securities that will be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus. Our representatives, in their separate capacity as registered representatives of LPL, will not receive a portion of the commissions or 12b-1 fees charged to you. These commissions may include 12b-1 fees, surrender charges and IRA and qualified retirement plan fees. LPL retains all 12b-1 fees.

The SWM I and SMW II may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, you should consider opening a brokerage account rather than a SWM I or SWM II account.

We do not always charge a lower advisory fee for SWM I accounts versus SWM II accounts. The cost for a SWM II account is typically higher than a CAM I Program. This is because transaction costs are passed along to you in SWM I accounts while the transaction costs are covered under the overall fee charged for SWM II accounts.

When making the determination of whether one of the advisory programs available through TIM is appropriate for your needs, you should bear in mind that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements may result in a higher annual cost for transactions. Thus, depending on

a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. You should discuss the advantages and disadvantages of fee-based and commission-based accounts with your adviser representative.

Either party may terminate the agreement for services at any time. If services are terminated within five business days of executing the agreement, services are terminated without penalty and a full refund of all fees paid in advance is provided. If services are terminated after the initial five-day period, we provide you with a prorated refund of fees paid in advance. The refund is based on the number of days service is actually provided during the final billing period. Termination is effective from the time the other party receives written notification or such other time as will be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There is no penalty charge on termination.

### **Additional Compensation, Economic and Non-Economic Benefits**

Our representatives are also registered representatives of LPL, a securities broker-dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of LPL. When acting in this separate capacity as a registered representative, your investment adviser representative will sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL.

## **Item 5 – Account Requirements and Types of Clients**

### **Minimum Account Size**

There are no minimum investment amounts or conditions required to open any SWM account. However, all clients are required to execute an agreement for services in order to establish a client arrangement with TIM and/or the third-party money manager or the sponsor of third-party money manager platforms. Some third-party money managers may have an investment minimum.

### **Types of Accounts**

TIM generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Pension and profit sharing plans
- Charitable Institutions

- Foundations
- Endowments
- Trust Programs
- Other U.S. and International Institutions

You are required to execute a written agreement with TIM specifying the particular advisory services in order to establish a client arrangement with TIM.

### **Item 6 – Portfolio Manager Selection and Evaluation**

We select and review portfolio managers based on many criteria including, but not limited to, performance, holdings, track record, turnover, manager tenure, expense ratio, peer group rating and historical consistency of all of the above.

We rely on third party performance calculations. These third-party services utilize standard performance calculation methods. We as a firm cannot confirm or deny the accuracy of these performance measures but rely on them based on their national reputation and standard methods of calculation. We believe them to be fair and accurate representations but do not verify or confirm their accuracy.

None of our related persons act as a portfolio manager for our wrap fee program. We/they do, however, choose managers with respect to the following: asset class, percentage of portfolio, when to add/subtract them from the portfolio, etc. Managers are chosen based on your best interests.

### **Other Advisory Services**

In addition to the management services described above, we provide the following services:

- Financial Planning & Consulting Services
- Referral of Third-Party Money Managers
- Retirement Plan Services
- Newsletters
- Seminars
- Educational Events

A description of all fee-based investment advisory services that we provide is available in our Form ADV Part 2A Disclosure Brochure.

### **Limits Advice to Certain Types of Investments**

TIM provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Corporate Debt Securities
- Certificates of Deposit
- Municipal Securities
- Variable Annuities
- Variable Life Insurance
- US Government Securities
- Unit Investment Trusts

- Business Development Companies
- Interests in Business Development Companies
- Interests in Partnerships Investing in Real Estate
- Interests in Partnerships Investing in Oil and Gas Interests

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

### **Tailor Advisory Services to Individual Needs of Clients**

TIM's advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

When managing client accounts through our SWM II Program, we may manage a client's account in accordance with one or more investment models. When client accounts are managed using models, investment selections are based on the underlying model and we do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates.

### **Performance-Based Fees and Side-By-Side Management**

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. TIM does not charge or accept performance-based fees.

### **Methods of Analysis and Strategies**

Investment Planning/Portfolio Analysis - This involves advice with respect to asset allocation, tax-efficiency and investment income accumulation techniques. These techniques are implemented principally through no load mutual funds, equities, ETF's and annuities. Evaluations are made of existing investments in terms of their economic and tax characteristics as well as their suitability for meeting the clients' objectives. Tax consequences and their implications are identified and evaluated. The method of analysis is a culmination of evaluating underlying management expenses, past performance, peer performance, tracking error, comparison of alpha/beta of underlying managers as well as third party analysis. No load mutual funds, ETF's and annuities all have the potential of substantial market value loss. Investing in securities involves risk of loss that clients should be prepared to bear.

There are risks involved in using any analysis method.



To conduct analysis, TIM gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program. The following is a list of various risks:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the

ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs in the SWM I accounts.

- **Management Risk** – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Margin Risk** - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and TIM and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.
- The account custodian or clearing firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
- The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

### **Voting Client Securities**

We do not accept the proxy authority to vote client securities. Clients will receive proxies or solicitations directly from their custodian or a transfer agent. In the event the proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future.

With respect to assets managed by a third-party money manager, we will not vote the proxies associated with these assets. You will need to refer to each third-party money manager's disclosure brochure to determine whether the third-party money manager will vote proxies on your behalf. You may request a complete copy of third-party money manager's proxy voting policies and procedures as well as information on how your proxies were voted by contacting the third-party money manager or by contacting TIM at the address or phone number indicated on Page 1 of this disclosure document.

#### **Item 7 – Client Information Provided to Portfolio Managers**

Periodically we may need to provide certain financial information about clients to a portfolio manager. This requirement may be necessary when working with an investment that has certain net worth or income requirements. This information may be supplied to the portfolio manager each year as necessary. The information is only provided to establish financial suitability/wherewithal for the specific investment.

#### **Item 8 - Client Contact with Portfolio Managers**

Our SWM II Program primarily utilizes pooled investment vehicles which have investment/portfolio managers. These managers are not typically available to our clients for direct contact. We have relationships with those managers' companies and each provides us with points of contact so that we can obtain important information, updates and analysis necessary and relevant for our portfolio decision making process. Periodically we may be in direct contact with an investment manager to obtain their view on certain market events. This meeting usually does not include clients.

#### **Item 9 - Additional Information**

##### **Disciplinary Information**

We have no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or the integrity of our management.

##### **Other Financial Industry Activities and Affiliations**

TIM is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with TIM.

##### **Registered Representative of a Broker-Dealer**

Our representatives are also registered representatives of LPL, a securities broker-dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of LPL. When acting in this separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual

funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL. The commissions charged by LPL may be higher or lower than those charged by other broker/dealers. In addition, the registered representative may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment. TIM will not receive any 12b-1 fees.

Some representatives of TIM have received loans from LPL Financial in order to assist with transitioning the investment adviser representatives of TIM from their former broker-dealer. Although the loan is intended to assist the representatives with transition costs, to the extent that the amount of the loan exceeds the costs of transition, loan recipients are not required to refund the unused portion to LPL Financial and may use the funds for other purposes.

The loans are forgiven by LPL Financial based upon the length of time the investment adviser representative is affiliated with LPL Financial. The receipt of forgivable loans presents a conflict of interest in that its representatives have a financial incentive to maintain a relationship with LPL Financial. However, to the extent its representatives recommend you use LPL Financial for any services, it is because they believe that it is in your best interest to do so. TIM has systems in place to review the investment adviser representatives' managed accounts for suitability and best execution practices over the course of the advisory relationship.

### **Third-Party Money Managers**

TIM has developed several programs, previously described in *Item 6* of this disclosure brochure, designed to allow us to recommend and select third-party money managers for you. Once you select the third-party money manager to manage all or a portion of your assets, the third-party money manager will pay us a portion of the fees you are charged. Please refer to *Item 6* and TIM's Form ADV Part 2A for full details regarding the programs, fees, conflicts of interest and materials arrangements when TIM selects other investment advisers.

### **Insurance Agent**

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, disability insurance, life insurance, annuities, long term care and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent, may suggest that you implement recommendations of TIM by purchasing these insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered

to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

### **Interest in Client Transactions and Code of Ethics**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. TIM has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as supervised persons. TIM requires its supervised persons to consistently act in your best interest in all advisory activities. TIM imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of TIM. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

TIM or access persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of TIM that all persons associated in any manner with our firm must place clients’ interests ahead of their own when implementing personal investments. TIM and its access persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, access persons):

- Access persons cannot prefer their own interests to that of the client.
- Access persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Access persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Access persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Access persons are discouraged from conducting frequent personal trading.
- Access persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of TIM.

### **Code of Ethics for CFP**

In addition to abiding by our Code of Ethics, some of our representatives are Certified Financial Planners™ (CFP®) and also abide by the Code of Ethics and Responsibility Code of the Certified Financial

Planner™ Board of Standards, Inc. The Code of Ethics and Responsibility Code requires CFP® designees to not only comply with all applicable laws and regulations but to also act in an ethical and professional responsible manner in all professional services and activities. The principles guiding CFP® designees are:

- Integrity
- Objectivity
- Competence (in providing services and maintaining knowledge and skills to do so)
- Fairness (to clients, principals, partners and employers and disclosing any conflicts of interest in providing services)
- Confidentiality (keeping all client information confidential without the specific client consent unless in response to legal process or in defense of charges of wrongdoing or civil dispute)
- Professionalism
- Diligence

You can obtain a copy of the Code of Ethics and Responsibility Code by requesting a copy from one of our representatives.

Any access person not observing our policies is subject to sanctions up to and including termination.

### **Account Reviews**

SWM II accounts are reviewed at least annually. While the calendar is the main triggering factor, reviews may also be performed due to your specific request, a change in your circumstances and unusual market activity or economic conditions. Absent your specific instructions, accounts are reviewed for accuracy of holdings and to ensure that the portfolios continue to work toward your goals and objectives. Reviews are conducted by your Investment Advisor Representative, with reviews performed in accordance with your investment goals and objectives.

Accounts established and maintained with other third-party money managers are reviewed at least quarterly, usually when statements and/or reports are received from the money manager.

### **Account Statements and Reports**

You are provided with transaction confirmation notices and regular quarterly account statements in writing directly from the qualified custodian.

You are encouraged to always compare any reports or statements provided by us or a third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm.

### **Client Referrals**

TIM has entered into an agreement with Employees to receive compensation for referrals. ("Referring Parties") to refer clients to TIM. If a referred client enters into an investment advisory agreement with TIM, a cash referral fee is paid to the referring party, which is based upon a percentage of the client advisory fees that are generated. The referral agreements between any referring party and TIM will not result in any charges to clients in addition to the normal level of advisory fees charged.

When a client is referred to us by a referring party, the referring party provides the client with a copy of our Disclosure Brochure as required by the *Investment Advisers Act of 1940*. The client also will complete a Solicitor's Disclosure Statement document. If a referred client enters into an investment advisory agreement with TIM, a referral fee is paid to the referring party. The referral relationship will not



result in clients being charged any fees over and above the normal advisory fees charged for the advisory services provided.

The referral agreements between TIM and referring parties are in compliance with state and federal securities rules regarding paid solicitor arrangements.

We may from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

### **Financial Information**

TIM does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, TIM has not been the subject of a bankruptcy petition at any time.

## **Item 10 - Customer Privacy Policy Notice**

**Commitment to Your Private Information:** TIM has a policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share nonpublic personal information about you ("Information") with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we will gather and the situations under which we may need to share it.

**Why We Collect and How We Use Information.** We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial planning, financial consultation, and other services described in our Form ADV.

**How We Gather Information.** We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney, or accountant)

**How We Protect Information.** Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with providing services to you. Unrelated third parties include broker/dealers, mutual fund companies, insurance companies, and the custodian with which your assets are held. In such situations, we stress the confidential nature of information being shared.

**Former Customers.** Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your nonpublic information with strict confidentiality.