

# **WRAP FEE PROGRAM BROCHURE**

(PART 2A APPENDIX OF FORM ADV)

## **Moulton Wealth Management, Inc**

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This wrap brochure provides information about the qualifications and business practices of Moulton Wealth Management, Inc. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 509-922-3110. 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 Moulton Wealth Management, Inc (CRD #304598) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**JULY 11, 2019**

## **Item 2: Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

Initial filing.

## Item 3: Table of Contents

### Form ADV – Part 2A Appendix 1 – Firm Brochure

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## Item 4: Services, Fees and Compensation

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### **Firm Description**

Moulton Wealth Management, Inc (“MWM”) is an investment advisor registered with the State of Washington. MWM offers investment advice to Clients through the Wrap Fee Program (“Program”) based on the individual needs of the Client. MWM is the sponsor of the Program. Don Moulton and Rial Moulton each have 50% ownership of MWM and are responsible for management of the Program accounts.

This disclosure brochure is limited to describing the Program and other information that Clients should consider prior to establishing an account in the Program. For a complete description of other programs and services offered by MWM, Clients should refer to MWM’s Form ADV Part 2A, a copy of which will be provided by MWM to the Client upon request.

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### **Program Services**

MWM provides continuous and regular supervisory services on a discretionary basis. MWM will offer Clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, assets allocation, portfolio monitoring and the overall investment program will be based on the above factors.

*Discretionary:* When the Client provides MWM discretionary authority the Client will sign a limited trading authorization or equivalent. MWM will have the authority to execute transactions in the account without seeking Client approval on each transaction.

Through a multiple step discovery process, MWM obtains the necessary financial data from the Client and assists the Client in setting appropriate investment objectives for the Program account. MWM obtains updated information from the Client during regularly scheduled Client performance reviews, as necessary in order to provide personalized investment advice to the Client.

The Client will be required to enter into a written agreement with MWM in order to establish a Program account. The Client will also be required to complete an application with the broker/dealer that will act as custodian for Program account assets.

A Wrap Fee Program is an investment advisory program in which Clients pay one fee for both investment advisory services and the transaction costs in the account(s). The fee is bundled with MWM’s costs for executing transactions in the account(s). This may result in a higher advisory fee to the Client. MWM does not charge Clients higher advisory fees based on the trading activity, but Clients should be aware that MWM may have an incentive to limit the trading activities in the account(s) because MWM is charged for executed trades. By participating in a wrap fee program, Clients may end up paying more or less than they would through a non-wrap fee program where a lower advisory fee may be charged, but trade execution costs are passed directly through to the Client by the executing broker.

The Program Fee is not based directly upon the actual transaction or execution costs for the transactions within the account(s). Depending on the underlying investments in the Program and how much trading activity occurs, Clients may pay more or less than if they chose another advisory program that does not have a wrap fee, or if Clients chose to pay separately for all of the transaction costs (e.g., pay the advisory fee plus all transaction charges). Similar services to those offered in the Program may be purchased from another unaffiliated financial services provider.

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## Program Fees

The annual investment advisory fee ("Annual Fee") schedule for the Program is described below:

Assets Under Management	Annual Fee	Quarterly Fee
Up to \$1,000,000	1.25%	0.3125%
\$1,000,001 to \$3,000,000	1.00%	0.2500%
Over \$3,000,000	0.75%	0.1875%

This is a tiered or breakpoint fee schedule, the entire portfolio is charged the same asset management fee. For example, a Client with \$750,000 under management would pay \$9,375 on an annual basis.  $\$750,000 \times 1.25\% = \$9,375$ .

The annual investment advisory fees also include half price for a simple 1040 tax return filing provided by RTPS Income Tax Preparation, Inc. For clients with aggregate account values under \$500,000, the tax return filing cost is calculated on a per form basis and then reduced by 50%. For clients with aggregate account values over \$500,000 there will be no cost for a simple tax return filing. Clients should understand that providing these services is an expense to MWM. As such, if the client chooses not to utilize these services, MWM may retain a higher net fee.

All MWM clients receive a 50% discount on Client Care coverage by Moulton Law. For clients with aggregate account values over \$500,000 MWM covers the remaining 50% of the Client Care fee. Clients should understand that providing these services is an expense to MWM. As such, if the client chooses not to utilize these services, MWM may retain a higher net fee.

The annual fee may be negotiable based upon certain criteria (e.g., whether the client uses the tax preparation or client care services offered, client's historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

Fees are billed quarterly in arrears based on the amount of assets managed as of the close of business on the last business day of the previous quarter. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty. Clients may terminate advisory services at any time with thirty (30) days written notice. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. All unpaid earned fees will be due to MWM. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs. Lower fees for comparable services may be available from other sources.

Clients may make additions to or withdrawals from an account at any time, subject to MWM's right to terminate an account if it falls below the minimum account value as provided in the ADV 2A and later in this document. If a Client makes an addition or takes a withdrawal the fees will be charged on a prorated quarterly basis.

In addition to the Annual Fee, Clients may also incur certain charges imposed by third parties in connection with investments made through Program accounts, including those imposed by the custodian. These may include, but are not limited to, the following: mutual fund or money market 12b-1 fees, sub-transfer agent fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, other transaction charges

and service fees, IRA and qualified retirement plan fees, alternative investment administrative fees, administrative servicing fees for trust accounts, creation and development fees or similar fees imposed by unit investment trust sponsors, managed futures investor servicing fees, and other charges required by law. MWM does not receive any portion of these fees. Further information regarding charges and fees assessed by a mutual fund or variable annuity are available in the appropriate prospectus.

Mutual funds may also charge a redemption fee if a redemption is made within a specific time period following the investment. The terms of any redemption fee are disclosed in the fund's prospectus. Transactions in mutual fund shares (e.g., for rebalancing, liquidations, deposits or tax harvesting) may be subject to a fund's frequent trading policy.

As an investment philosophy, MWM practices a nimble trading strategy that seeks to grow Client assets in up trends and protect principal during down trends.

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

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### **Account Minimum**

MWM requires a minimum of \$350,000 to open an account. In certain instances, the minimum account size may be lowered or waived.

### **Types of Clients**

MWM generally provides investment advice to individuals, high net worth individuals and trusts.

Client relationships vary in scope and length of service.

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

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### **Portfolio Manager**

Executives of MWM will manage all Program accounts. Since no other persons, affiliated or unaffiliated will manage the wrap program, there are no additional processes for selection or review of managers. Clients make the decision to select MWM as their portfolio manager.

Since all programs are managed by Rial Moulton and Don Moulton, there is no conflict of interest regarding portfolio managers.

### **Conflicts of Interest**

In establishing a Program account, Client elects to appoint TD Ameritrade Institutional, a Division of TD Ameritrade, Inc., member FINRA/SIPC as the sole and exclusive broker/dealer and custodian with respect to processing securities transactions for the Program account. MWM does not maintain custody of Client assets.

Securities transactions for Program account are effected without commissions being charged to Client. While MWM makes every attempt to obtain the best execution possible, there is no assurance that it will be obtained. Clients should consider whether or not the appointment of TD Ameritrade as the sole broker/dealer and custodian may or may not result in certain costs or disadvantages to the Client as a result of possibly less favorable executions. In considering whether or not to restrict the execution of transactions through TD Ameritrade considered the capabilities of TD Ameritrade.

Although Client will not be charged a transaction charge for transactions through TD Ameritrade, Client should be aware that MWM will be required to pay transaction charges to TD Ameritrade. The transaction charges borne by MWM vary based on the type of transactions (e.g., ETF, mutual fund, equity or fixed income security) and for mutual funds

on whether or not the mutual fund pays 12b-1 fees and/or sub-transfer agent fees that are retained by the custodian in amounts sufficient to cover the majority of trading costs. In some instances there may be no transaction fees. Client should understand that the cost to MWM of transaction charges may be a factor MWM considers when deciding which securities to select and whether or not to place transactions in a Program account.

No agency-cross transactions or principal transactions are effected by MWM in Program accounts.

MWM may aggregate transactions for a Client with other Clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the Client will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained.

Advisor participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions.

The Annual Fee is an ongoing fee for investment advisory services and may cost the Client more than if the assets were held in a traditional brokerage account. In a brokerage account, a Client is charged a commission for each transaction and the representative has no duty to provide ongoing advice with respect to the account. If the Client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the Client should consider opening a brokerage account rather than a Program account.

MWM receives compensation as a result of the Client's participation in the Program. The amount of this compensation may be more or less than what MWM would receive if the Client participated in other programs or paid separately for investment advice, brokerage and other Client services. MWM acts as the portfolio manager for the Program and retains the management fee less execution costs. This may create a conflict of interest because MWM may have a disincentive to trade securities in the account to keep the execution costs low therefore retaining a larger portion of the management fee.

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### **Advisory Business**

MWM offers Clients an asset management account through the Program in which MWM directs and manages Program assets for Client.

Client provided goals and objectives are documented in individual Client files. Investment strategies are created that reflect the stated goals and objective.

A Client may impose restrictions on a minimum level of cash they want in their account, as well as from which account they want their withdrawals to come. Also, a Client may issue restrictions on what specific securities or security types they do not want MWM to buy or sell in their account.

MWM also offers seminars and workshops, a radio show and newsletters along with other communications.



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**Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

MWM does not select or recommend other investment advisors.

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**Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written Client consent.

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**Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

MWM does not use a performance-based fee structure because of the conflict of interest. Performance based compensation may create an incentive for MWM to recommend an investment that may carry a higher degree of risk to the Client.

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**Methods of Analysis**

Security analysis methods may include fundamental analysis, technical analysis, charting, and cyclical analysis. Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. 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 attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are twofold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

The main sources of information include financial newspapers and magazines, subscriptions, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

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**General Investment Strategy**

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time. Each Client executes a Risk Tolerance or similar form that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases and short-term purchases.

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### **Security Specific Material Risks**

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 and should discuss these risks with MWM:

- *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.
- *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.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *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.
- *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.
- *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. Generally, 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 ETF's shares may trade at a market price that is above or below their net asset value or (ii) trading of an ETF's 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. Adviser 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.

- *Long-term purchases:* Long-term investments are those vehicles purchased with the intention of being held for more than one year. Typically the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.
- *Short-term purchases:* Short-term investments are typically held for one year or less. Generally there is not a high expectation for a return or an increase in value. Typically, short-term investments are purchased for the relatively greater degree of principal protection they are designed to provide. Short-term investment vehicles may be subject to purchasing power risk — the risk that your investment's return will not keep up with inflation.
- *Trading risk:* Investing involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund or investment will be achieved.
- *Leveraged Risk:* The risks involved with using leverage may include compounding of returns (this works both ways – positive and negative), possible reset periods, volatility, use of derivatives, active trading and high expenses.
- *Inverse Risk:* The risks involved with using inverse funds may include compounding of returns (this works both ways – positive and negative), possible reset periods, volatility, use of derivatives, active trading and high expenses.

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### **Proxy Voting**

MWM does not vote, or recommend votes for proxies on securities. Clients are expected to vote their own proxies. The Client will receive their proxies directly from the custodian of their account or from a transfer agent.

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

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### **Description**

MWM obtains the necessary financial data from the Client and assists the Client in setting appropriate investment objectives for the Program account. MWM obtains updated information from the Client as necessary in order to provide personalized investment advice to the Client. It is the Client's responsibility to inform MWM of any changes in their stated objectives, financial situation, life circumstances or risk tolerance.

Client will be required to enter into a written agreement with MWM in order to establish a Program account. Client will also be required to complete an application with the broker/dealer that will act as custodian for Program account assets.

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

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### **Restrictions**

There are no restrictions placed on Clients' ability to contact and consult with the portfolio managers since Rial Moulton and Don Moulton are the portfolio managers.

## **Item 9: Additional Information**

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### **Disciplinary Information**

#### Criminal or Civil Actions

MWM and its management have not been involved in any criminal or civil action.

#### Administrative Enforcement Proceedings

MWM and its management have not been involved in administrative enforcement proceedings.

#### Self-Regulatory Organization Enforcement Proceedings

MWM and its management have not been involved in legal or disciplinary events related to past or present investment Clients.

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

#### Broker-Dealer or Representative Registration

MWM is not registered as a broker-dealer and no affiliated representatives of MWM are registered representatives of a broker-dealer.

#### Futures or Commodity Registration

MWM does not have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

#### Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Managing Members Rial Moulton and Don Moulton have financial affiliated businesses as independent insurance agents and they also share ownership of RTPS Income Tax a tax preparation company. Less than 10% of Rial Moulton and Don Moulton's time is spent on these activities. They will offer Clients services from these activities. As insurance agents and tax preparers, they will receive separate, yet typical, compensation.

These practices represent a conflict of interest because it gives an incentive to recommend products and or services based on the commission or fee amount received. These conflicts are mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products. Clients have the option to purchase these products or services through another insurance agent and or tax preparer of their choosing.

Rial Moulton is also the owner of Moulton Realty Inc, approximately 0.5% of his time is spent on this activity. There is no conflict of interest as advisory clients of MWM are not solicited for services for Moulton Realty Inc.

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### **Code of Ethics Description**

The employees of MWM have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of MWM employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of MWM. The Code reflects MWM and its supervised persons' responsibility to act in the best interest of their Client.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

MWM's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of MWM may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

MWM's Code is based on the guiding principle that the interests of the Client are our top priority. MWM's officers, directors, advisors, and other employees have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

MWM will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

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### **Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

MWM and its employees do not recommend to Clients securities in which we have a material financial interest.

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### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

MWM and its affiliated persons may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest such as trading ahead of Client transactions, affiliated persons are required to disclose all reportable securities transactions as well as provide MWM with copies of their brokerage statements.

The Chief Compliance Officer of MWM is Rial Moulton. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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### **Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

MWM does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, affiliated persons may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest such as front running, affiliated persons are required to disclose all reportable securities transactions as well as provide MWM with copies of their brokerage statements.

The Chief Compliance Officer of MWM is Rial Moulton. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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## **Review of Accounts**

### Schedule for Periodic Review of Client Accounts and Advisory Persons Involved

Account reviews are performed at least quarterly depending on the nature of the account and Client relationship. All reviews are conducted by Rial Moulton. Account reviews are performed more frequently when market conditions dictate.

### Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation.

### Content of Client Provided Reports and Frequency

Clients receive written account statements usually on a monthly basis, but no less than quarterly for managed accounts.

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## **Client Referrals and Other Compensation**

### Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

MWM does not receive any economic benefits from external sources.

### Advisory Firm Payments for Client Referrals

MWM does not compensate for Client referrals.

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## **Financial Information**

### Balance Sheet

A balance sheet is not required to be provided because MWM does not serve as a custodian for Client funds or securities and MWM does not require prepayment of fees of more than \$1,200 per Client and six months or more in advance.

### Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

MWM has no condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

### Bankruptcy Petitions during the Past Ten Years

MWM has not had any bankruptcy petitions in the last ten years.