

## Item 1: Cover Page

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### Form ADV Part 2A Investment Adviser Brochure

100 Market Street  
Suite 201  
Portsmouth, NH 03801  
Phone: (603) 379-8161  
Fax: (603) 379-8165  
[www.cmhwealth.com](http://www.cmhwealth.com)

February 2024

This Brochure provides information about the qualifications and business practices of CMH Wealth Management, LLC ("we," "us," "our"). If you have any questions about the contents of this Brochure, please contact Kristen L. Hanley, Chief Compliance Officer and Portfolio Manager, at (603) 379-8161 or [invest@cmhwealth.com](mailto:invest@cmhwealth.com).

Additional information about our Firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). 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.

We are a registered investment adviser. Please note that use of the term "registered investment advisor" and a description of the Firm and/or our employees as "registered" does not imply a certain level of skill or training. For more information on the qualifications of the Firm and our employees who advise you, we encourage you to review this Brochure and the Brochure Supplement(s).

## Item 2: Summary of Material Changes

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### **Annual Update**

In this Item of CMH Wealth Management, LLC's (CMH or the Firm) Form ADV Part 2, the Firm is required to discuss any material changes that have been made to Form ADV since the last Annual Amendment.

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

Since the last Annual Amendment filing on March 29, 2023, the Firm has the following Material Changes to report:

- This Form was updated to clarify our proxy voting policies. Please see Item 17 (Voting Client Securities)
- Effective December 2023, the Firm's new office location is 100 Market Street, Suite 201, Portsmouth, NH 03801

### **Full Brochure Available**

CMH's Form ADV Part 2 may be requested at any time, without charge, by contacting Kristen L. Hanley, Chief Compliance Officer and Portfolio Manager, at (603) 379-8161 or [invest@cmhwealth.com](mailto:invest@cmhwealth.com).

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## Item 4: Advisory Business

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CMH Wealth Management, LLC (CMH, the Firm, we, us, our) is an investment advisor providing discretionary investment management services to individuals, high net worth individuals, trusts, estates, charitable organizations, foundations, limited partnerships, corporations, and business entities. CMH offers its services for a fee based upon assets under management.

CMH was founded in 2009. It is organized as a limited liability company under the laws of the State of New Hampshire and is registered with the Securities and Exchange Commission (the "SEC") as an investment advisor. Registration with the SEC does not imply a certain level of skill or training.

CMH was founded by Brian P. Carolan, Karen R. McCloskey and Kristen L. Hanley. The Principals of the Firm are Brian P. Carolan and Karen R. McCloskey.

### **Investment Management Services**

We allocate client investment management assets, on a discretionary basis, among mutual funds, exchange traded funds, individual debt (bond) and equity (stock) securities in accordance with your individual investment objectives. We may only implement investment management recommendations after you have arranged for and furnished us with all information necessary to determine the most appropriate and suitable investment strategy. This strategy is documented in the Strategic Investment Allocation and validated by the Investment Policy Statement which is provided to you at outset of our relationship and reviewed and updated periodically. Clients must notify CMH should there be changes to their circumstances, including but not limited to, financial means, risk tolerance or other.

Wealth Management services are provided at the discretion of CMH and may not be appropriate for every client. Services may include, but are not limited to, providing advice and guidance in planning areas such as investment management, financial, retirement, estate, tax, insurance, and charitable planning. CMH does not serve as an attorney or accountant and no portion of our services should be construed as legal or accounting services. CMH **does not** prepare estate planning documents or tax returns.

### **Tailored Relationships**

We tailor investment management services to your individual needs. We accept any reasonable limitation or restriction on the account placed by you. All limitations and restrictions placed on accounts must be presented to us in writing.

### **Wrap Fee Programs**

We do not sponsor or recommend Wrap Fee Programs.

### **Fiduciary Statement**

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act, (“ERISA”) and/or the Internal Revenue Code, (“IRC”), as applicable, which are laws governing retirement accounts.

We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. We must take into consideration each client’s objectives and act in the best interests of the client. We are prohibited from engaging in any activity that is in conflict with the interests of the client. We have the following responsibilities when working with a client:

- To render impartial advice;
- To make appropriate recommendations based on the client’s needs, financial circumstances, and investment objectives;
- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner;
- To have a reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and
- Treat clients fairly and equitably.

Regulations prohibit us from:

- Employing any device, scheme, or artifice to defraud a client;
- Making any untrue statement of a material fact to a client or omitting to state a material fact when communicating with a client;
- Engaging in any act, practice, or course of business which operates or would operate as fraud or deceit upon a client; or
- Engaging in any manipulative act or practice with a client.

We will act with competence, dignity, integrity, and in an ethical manner, when working with clients. We will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

### **Client Assets**

As of January 05, 2024, we had \$695,111,412 in assets under management. All assets are managed on a discretionary basis.

## Item 5: Fees and Compensation

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### **Compensation – Investment Management Services**

Our annual fee for the services shall be a percentage of the market value of the assets under our management in accordance with the fee schedule below. The investment management fee shall be paid monthly, in arrears (after services rendered), based upon the market value of the assets, including cash and accrued interest, on the last day of the previous month as valued by the custodian.

If assets are deposited to or withdrawn from an existing account after the beginning of a month, the investment management fee will not be prorated based on the number of days remaining in the month. You may withdraw assets from the account after providing us with notice. All withdrawals are subject to customary securities settlement procedures. All accounts are subject to a minimum annual investment management fee as set forth on the fee schedule below. No portion of the investment management fee shall be based on capital gains or capital appreciation of the assets except as provided herein and provided for under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and state securities laws. No increase in the investment management fee shall be effective without prior written notification to you.

### **Fee Schedule:**

<b>Portfolio Value</b>	<b>Annual Fee</b>
First \$1,000,000	1.20%
Next \$2,000,000	0.90%
Next \$3,000,000	0.70%
Next \$4,000,000	0.50%
Above \$10,000,000	0.40%

Accounts are subject to a minimum annual investment management fee of \$8,000. Accordingly, clients with CMH account relationships totaling less than \$670,000 may pay investment management fees at an effective rate in excess of 1.20%.

### **Payment**

At your direction, we invoice the custodian monthly, to deduct the investment management fee due, from one or more of your accounts.

### **Agreement Terms**

Either party may terminate an agreement at any time by notifying the other. If you made a payment in arrears, we may collect any earned yet unpaid fees.

### **Cash Balances**

Some of your assets may be held as cash and remain uninvested. Holding a portion of your assets in cash and cash alternatives, i.e., money market fund shares, may be based on your

desire to have an allocation to cash as an asset class, to support a phased market entrance strategy, to facilitate transaction execution, to have available funds for withdrawal needs or to pay fees or to provide for asset protection during periods of volatile market conditions. Your cash and cash equivalents will be subject to our investment advisory fees unless otherwise agreed upon. You may experience negative performance on the cash portion of your portfolio if the investment advisory fees charged are higher than the returns you receive from your cash.

### **Retirement Plan Rollover Recommendations**

As part of our investment advisory services to our clients, we may recommend that clients roll assets from their employer's retirement plan, such as a 401(k), 457, or 403(b) plans (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an "IRA Account") that we will advise on the client's behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts.

If the client elects to roll the assets to an IRA that is subject to our advisement, we will charge the client an asset-based fee as set forth in the advisory agreement the client executed with our firm. This creates a potential conflict of interest because it creates a financial incentive for our firm to recommend the rollover to the client (i.e., receipt of additional fee-based compensation). Clients are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if clients do complete the rollover, clients are under no obligation to have the assets in an IRA advised on by our firm. Due to the potential conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in our clients' best interests and not put our interests ahead of our clients'.

Under this rule's provisions, we must:

- meet a professional standard of care when making investment recommendations (give prudent advice);
- never put our financial interests ahead of our clients' when making recommendations (give loyal advice);
- avoid misleading statements about conflicts of interest, fees, and investments;
- follow policies and procedures designed to ensure that we give advice that is in our clients' best interests;
- charge no more than a reasonable fee for our services; and
- give clients basic information about conflicts of interest.

Former employees typically have four options available when they separate from service:

1. leaving the funds in the employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

We will provide clients with an explanation of the advantages and disadvantages of both account types.

### **Margin**

You may choose to add a margin feature to your taxable account(s). Margin is borrowing against the value of your assets, which could create a 'negative' cash position and reduce the overall value of your account(s). Our investment advisory fees will be based on the entire invested value of your portfolio, regardless of any margin balance. We feel this allows us to focus on the underlying investment work we do for you and removes the potential conflict of interest related to recommendations we may make regarding your use of margin.

### **General Information on Compensation and Other Fees**

In certain circumstances, fees, account minimums and payment terms are negotiable depending on your unique situation – such as the size of the aggregate related party portfolio size, family holdings, low-cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation. As a result of these factors, similarly situated clients could pay different fees.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. In addition to our fees, you may also incur certain charges imposed by unaffiliated third parties. Such charges may include, but are not limited to, fees charged by Independent Manager(s), custodial fees, brokerage commissions, transaction fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the account which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), certain deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to our fee.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

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We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7: Types of Clients**

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We provide investment management services to individuals, high net worth individuals, trusts, estates, charitable organizations, foundations, corporations, limited partnerships, and business entities. Our discretionary investment management services may also be offered to pension



and profit-sharing plans.

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

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We develop, construct, and manage investment portfolios that are specific to the goals and objectives of our individual clients as outlined in their Investment Policy Statement. The Investment Policy Statement is a document created at the outset of the relationship and updated periodically to ensure that your goals, objectives, risk tolerances, time horizon, liquidity needs, and unique circumstances are captured in the construction of your portfolio.

The Investment Policy Statement is developed after an in-depth discussion with you. Through this process an investment strategy is established, and an asset allocation target is determined which identifies asset classes and ranges within those asset classes that we believe represent your risk profile and will help you to achieve your long-term financial goals. Our investment strategies and advice may vary depending on your individual specific financial circumstances. Restrictions and guidelines may affect the composition of your individual portfolios.

Our investment strategies are both driven and developed by the Investment Committee. The Investment Committee meets regularly to discuss the investment environment and incorporate any adjustments to both the Strategic (long-term) and the Tactical (short-term) market outlooks.

When building client portfolios, we may utilize a combination of investment security types (which may be U.S or non-U.S. based), to include, but not limited to; individual stocks and bonds, mutual funds, exchange traded funds (ETFs), and money market instruments, all of which involve the risk of loss of capital.

Our investment management process applies a combination of both Qualitative and Quantitative analysis to determine securities held in portfolios. Qualitative Analysis involves the gathering and processing of individual company data, such as financial statements, product line, management (tenure and expertise) and the outlook for the company's industry or market sector. This analysis incorporates financial, economic, and geo-political factors in the valuation of a particular security. Risks associated with qualitative analysis include but are not limited to; different inputs may lead to different outcomes, information obtained may be incorrect and therefore may lead to incorrect conclusions or predictions. As part of this process, we also have access to analyst reports from other broker dealer firms, referred to as "street research." Quantitative Analysis is a mathematical analysis of the measurable figures of a company such as the value of assets or projected sales. By itself, the risk to this type of analysis is that numbers and ratios do not always tell the whole story.

Investing in securities involves risk of loss that clients should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results or insulate clients from losses due to market corrections or declines. Past performance is not indicative of future performance.

## **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear.

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. Although we manage assets in a manner consistent with your investment objectives and risk tolerance, there can be no guarantee that our efforts will be successful. You should be prepared to bear the following risk of loss:

- **Market Risk:** Refers to general market fluctuations which cannot be diversified away.
- **Company-Specific Risk:** Refers to the financial uncertainty (i.e., operations and reputation) of a specific firm faced by an investor who holds that firm's securities.
- **Economic Risk:** The possibility that an economic downturn will negatively impact an investment.
- **Geo-Political Risk:** The risk that an investment's returns could suffer as a result of political changes or instability in a country.
- **Interest Rate Risk:** The risk that a security's value will change due to a change in interest rates. For example, a bond's price may fall as interest rates rise. So, the market value of an investment may be reduced when interest rates rise.
- **Credit Risk:** The risk that a borrower will be unable to make payment of interest or principal in a timely manner.
- **Inflation Risk:** The risk when any inflation exists, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Prepayment Risk:** The risk that a borrower will repay a loan before its maturity, depriving the lender (investor) of future interest payments.
- **Cybersecurity Risk:** A breach in cyber security refers to both intentional and unintentional events that may cause the loss of proprietary information. Cybersecurity Risk could result in an investment losing value depending on the severity of the event.
- **Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.
- **Custodial Risk:** This risk is the probability that a party to a transaction will be unable or unwilling to fulfill its contractual obligations either due to technological errors, control failures, malfeasance, or potential regulatory liabilities.

Our Fixed Income/Bond holdings may be US or Global, based on our strategies as outlined by our Investment Committee. Additionally, we may own investment grade bonds, which are defined by the S&P Ratings Agency as AAA (the best) to BBB (lowest investment grade rating). We may also own bonds referred to as *Junk Bonds*, which have ratings below BBB. Junk Bonds typically pay higher rates of interest to compensate investors for the higher risk of default, which is the inability to repay your principal.

Our Mutual Fund and Exchange Traded Fund (ETF) Analysis and Process will include but is not limited to a review of investment style, fund size, manager tenure, fees, diversification, investment discipline and philosophy and performance. Mutual Funds and/or ETFs we select will also be reflective of our firm's strategic (long-term) and tactical (short-term) views. Portfolios may be invested solely in Mutual Funds and ETFs or a combination of both individual stocks and bonds and mutual funds and ETFs. Mutual Funds are pooled investment vehicles that offer investors the advantages of diversification and professional management. Similarly, ETFs are pooled investment vehicles that offer investors the advantages of diversification, but unlike mutual funds they trade on national exchanges. In both cases, there are internal management and operating expenses within the Mutual Funds and ETFs which are separate and distinct from our wealth management fee.

## **Item 9: Disciplinary Information**

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management persons. There have been no disciplinary actions or events involving the Firm or our management persons.

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

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### **Financial Industry Activities**

We are neither registered as a broker-dealer, nor are our management persons registered representatives of a broker-dealer.

We are not registered and do not have an application pending as a securities broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor.

Neither the Firm nor any of our management persons have a material relationship or arrangement with any related person or financial industry entities.

### **Other Investment Advisors**

We do not recommend or select other investment advisors for our clients.

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

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### **Code of Ethics**

We have established and adopted a Code of Ethics and written policies and procedures. The policies within the Code reflect the firm's high standard of business conduct, and fiduciary duty to its clients. These policies and procedures are based on the principles of integrity, honesty,

and trustworthiness. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures and provisions requiring our employees to comply with applicable federal securities laws. Our employees must acknowledge and abide by the terms of the Code of Ethics annually. Clients may contact us to request a copy of our Code of Ethics.

#### **Participation or Interest in Client Transactions – Personal Securities Transactions**

Our employees are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, our employees may trade for their own accounts in securities which are recommended to and/or purchased for our clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with making decisions in the best interest of our clients and implementing such decisions while, at the same time, allowing our employees to invest for their own accounts. The Code requires employees to pre-clear IPOs and Private Placements with the Chief Compliance Officer and includes a quarterly review of employee transactions. Employees who have established personal portfolios with us can be included when block trading a security for clients' accounts and will receive the same total average price and pay same commission costs. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order. Nonetheless, because the Code of Ethics permits our employees to invest in the same securities as our clients, there is a possibility that employees might benefit from trading activity in accounts. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between us and our clients. Employees are also required to provide the Chief Compliance Officer with an annual holdings report disclosing all reportable accounts and assets.

#### **Participation or Interest in Client Transactions—Financial Interest and Principal/Agency Cross**

Neither we nor our employees recommend to clients or buy or sell for client accounts, securities in which they have a material financial interest.

We do not affect any principal or agency cross securities transactions for client accounts. We do not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer; we do not maintain such an affiliation.

## Item 12: Brokerage Practices

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### **Research and Other Soft Dollar Benefits**

We do not receive formal soft dollar benefits other than execution from broker/dealers in connection with client securities transactions. See disclosure below in “Other Economic Benefits.”

### **Brokerage for Client Referrals**

We do not receive client referrals from broker/dealers.

### **Client Directed Brokerage**

While not routine, the client may direct us to use a particular broker-dealer to execute some or all transactions for the client. This brokerage direction must be requested by the client in writing. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by us. By directing brokerage, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Not all advisers require or allow their clients to direct brokerage. Subject to our duty of best execution, we may decline a client’s request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

If the client requests that we arrange for the execution of securities brokerage transactions for the client’s account, we shall direct such transactions through broker-dealers that we reasonably believe will provide best execution. We periodically and systematically review our policies and procedures regarding recommending broker-dealers to our client in light of our duty to obtain best execution.

### **Directed Brokerage (Schwab)**

We generally recommend Charles Schwab & Co., Inc. (“Schwab”), a member FINRA/SIPC, an independent and unaffiliated broker-dealer. Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis and are not otherwise contingent upon our commitment to Schwab for any specific amount of business (assets in custody or trading). Schwab’s services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained there, Schwab is compensated through commissions or other transaction-related fees for securities trades that are executed through Schwab or that

settle into Schwab accounts. The brokerage commissions and/or transaction fees charged by Schwab or any other designated broker-dealer are exclusive of and in addition to our fees.

#### **Directed Brokerage – Other Economic Benefits (Schwab)**

We may receive from Schwab, at no cost to us, professional services, computer software and related systems support, enabling us to better monitor client accounts maintained at Schwab. We may receive this support without cost because of the portfolio management services rendered to clients that maintain assets at Schwab. The support provided may benefit us, but not our clients directly. In fulfilling our duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that our receipt of economic benefits from a broker-dealer may create a conflict of interest since these benefits may influence our choice of broker-dealer over another broker-dealer that does not furnish similar services, software and systems support.

The commissions paid by our clients shall comply with our duty to obtain “best execution.” However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client transactions.

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients’ accounts. Many of these products and services may be used to service all or some substantial number of our accounts, including accounts not maintained at Schwab.

Schwab’s products and services that assist us in managing and administering clients’ accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of our fees from our clients’ accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

#### **Trade Aggregation**

We may aggregate trades for multiple accounts. Orders for the same security entered on behalf of more than one client may be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. If the order is filled at different prices during the day, the prices are averaged for the day so that all participating accounts receive the same price. If an order has not been filled completely so that there are not enough shares to allocate among all the clients equally, shares will be allocated in good faith,

based on the following considerations: amount of cash in the account, existing asset allocation and industry exposure, risk profile, and type of security. If a partial execution is attained at the end of the trading day, we will generally allocate shares on a pro rata basis but may fill small orders entirely before applying the pro rata allocation. All clients participating in each aggregated order shall receive the average price and subject to minimum ticket charges, pay a pro-rata portion of commissions.

Our allocation procedure seeks to be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

Accounts for the Firm or our employees will be included in a block trade with client accounts.

## **Item 13: Review of Accounts**

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### **Reviews**

We review accounts regularly from both the individual security and asset allocation perspective. We monitor client portfolios as part of this ongoing process while regular account reviews are conducted at least annually. Such reviews are conducted by your Portfolio Manager. The review includes a review of your account's current asset allocation versus your targeted asset allocation as outlined in your Investment Policy Statement along with a review of securities to ensure compliance with our Investment Committee policy. All clients are encouraged to discuss their needs, goals, and objectives with their Advisor and to keep the Advisor informed of any changes thereto. We shall contact you at least annually to review and/or to discuss the impact resulting from any changes in your financial situation and/or investment objectives.

### **Reporting**

Unless otherwise agreed upon, you are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for your accounts on at least a quarterly basis.

You may also receive reports from us by mail or at in-person meetings. These reports may include such relevant account and/or market-related information such as: market values, an inventory of account holdings and account performance.

The account statements you receive directly from the account custodian are the official record of your account. We encourage you to compare and verify the information on materials provided by us with the information on your statements from the account custodian.

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

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### **Other Compensation**

We do not receive any economic benefits (other than normal compensation and benefits

described in Item 12) from any firm or individual for providing investment advice.

### **Compensation – Client Referrals**

We have been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees, and other similar sources. We do not compensate referring parties for these referrals.

## **Item 15: Custody**

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### **Custody – Fee Debiting**

We do not maintain physical custody of client funds or securities. You direct and authorize us to instruct the custodian to send you a statement, at least quarterly, which includes all amounts disbursed from your accounts including the wealth management fees paid. Clients enter into custodial arrangements with a third party who serves as the “qualified custodian.” Our clients work with Schwab Institutional as the “qualified custodian.”

### **Custody - Access to Client Funds and/or Securities**

We are deemed to have custody over certain client assets in the form of having login credentials for certain client accounts.

While this form of custody gives us access to client funds and securities, we have stringent internal controls and procedures over the custody function. In addition, we comply with the SEC’s Custody Rule, which requires an annual surprise examination conducted by an independent accountant.

You will also receive an independent monthly or quarterly statement from the custodian indicating all balances in your account.

### **Custody – Trusteeship/Executorship**

We are deemed to have custody over certain client assets as the Firm or a related person acts as trustee for client trusts or as executor for client estates. This form of custody is offered on a limited basis. We comply with the SEC’s Custody Rule with regard to the custody of the trust / estate assets; annually the Firm is subject to a Surprise Examination by an independent accountant.

### **Custody – Third Party Money Transfers**

Clients may provide CMH with a standing letter of authorization (or similar asset transfer authorization) which allows CMH to disburse funds on behalf of clients to third parties. CMH ensures the following conditions are in place when deemed to have custody via third party money movement:

1. The client provides a Written Authorization to the custodian that includes all



- appropriate information as to how the transfer should be directed;
2. The Written Authorization includes instruction to direct transfers to the third party either on a specified schedule or from time to time;
  3. Appropriate verification is performed by the custodian, along with a transfer of funds notice to the client promptly after each transfer;
  4. The client may terminate or change the instruction to the custodian;
  5. CMH has no authority or ability to designate or change any information about the third party contained in the instruction;
  6. CMH maintains records showing that the third party is not a related party of the Firm or located at the same address as the Firm; and
  7. The custodian sends the client a written initial notice confirming the instruction and an annual written confirmation thereafter.

### **Custody – Account Statements**

You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's account statements to the periodic statements/portfolio reports you may receive from us, as the custodial statements are the official account records. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or pricing valuation methodologies of certain securities.

## **Item 16: Investment Discretion**

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We receive discretionary authority from you at the outset of our relationship to select the identity and amount of securities to be bought and sold, as well as the broker or dealer to be used, and the commission rates to be paid, for securities transactions. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for your client account as outlined in your Investment Policy Statement. Should you impose any restrictions on the investment in any security or asset class, such restriction will be captured within your written Investment Policy Statement which is updated on a periodic basis.

## **Item 17: Voting Client Securities**

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### **Proxy Voting**

We vote proxies for securities over which we maintain discretionary authority. Our utmost concern is that all decisions be made solely in the client's best interest. We will act in a prudent and diligent manner intended to enhance the economic value of the assets of the client's portfolio. Although many proxy proposals can be voted in accordance with our established guidelines, we recognize that some proposals require special consideration, which may dictate that we make an exception to the guidelines. Clients may direct our vote; however, direction must be received in writing. Clients may contact us for information about proxy voting.

## Item 18: Financial Information

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Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about their financial condition.

We do not require prepayment of fees of both more than \$1,200 per client, **and** more than six months in advance, and therefore, are not required to provide a balance sheet to clients.

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients and have not been the subject of a bankruptcy proceeding.