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**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Del Mar Wealth Management Inc. If you have any questions about the contents of this brochure, contact us at 858-480-3818. 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 Del Mar Wealth Management Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Del Mar Wealth Management Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated January 27, 2023, we have no material changes to report.

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Item 4 Advisory Business

Description of Firm

Del Mar Wealth Management Inc. ("Del Mar Wealth Management") is a registered investment adviser primarily based in Del Mar, California. We are organized as a Corporation under the laws of the State of California. We have been providing investment advisory services since 2015. David A. Jackson is the owner of our firm.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Del Mar Wealth Management and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. Once we construct an investment portfolio for you we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. In our sole discretion, we may allow you to limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

As part of our portfolio management services, we may use one or more sub-advisers to manage your account, or we may use one or more of their model portfolios to manage your account. In some cases, you will pay the sub-adviser a separate fee in addition to the portfolio management fee you pay to us. You should read the sub-adviser's Form ADV disclosure brochure and related documents carefully to understand the full amount you are paying in fees.

Clients enrolled in one or more of our programs often have other assets that are not held at our recommended custodian. These assets may be included in the account value used to calculate our billing, if agreed upon in advance. Examples of these assets include illiquid private placements purchased previously. The Adviser will help the client liquidate these assets, if agreed to by the client, by monitoring the instructions and requirements of the general partner and coordinating the necessary steps for liquidation. We also monitor assets held in 529 plans or retirement accounts that are not custodied at Schwab. These assets will be added to your agreement with Del Mar Wealth Management. We obtain values and other important information about these assets from other sources available to us.

Financial Planning Services

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for Portfolio Management services, we will also work with you on your financial planning needs. We meet with you to gather information about your financial circumstances and objectives, and once we review and analyze the information you provide to our firm, we will deliver a written plan to you and/or the investment recommendations for which you engaged our firm. Financial plans and/or our recommendations are based on the financial information you provided to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services.

Pursuant to California Code of Regulations, 10 CCR Section 260.235.2, our firm hereby makes the following statement: a conflict exists between the interest of Del Mar Wealth Management and the interests of the client. Further, the client is under no obligation to act upon Del Mar Wealth Management's recommendations, and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through Del Mar Wealth Management.

Selection of Other Advisers

In certain circumstances, we may recommend that you use the services of a third-party money manager or sub-adviser (together "TPMM") to manage your investment portfolio as part of our portfolio management services. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendations may include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the TPMM's performance to ensure its management and investment style remains aligned with your investment goals and objectives.

Wrap Fee Programs

We do not participate in any wrap fee program.

IRA Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special 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 yours 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 your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

Types of Investments

We primarily offer advice on stocks, corporate bonds, mutual funds, and exchange traded funds (ETFs). We may also provide investment advice on deed trusts, promissory notes, structured notes, distressed real estate funds, or any other investment products that may be suitable for you based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Assets Under Management

As of December 31, 2023, we provide continuous management services for \$129,500,463 in client assets on a discretionary basis.

Item 5 Fees and Compensation

Portfolio Management Services

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following blended tiered fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$500,000	1.50%
\$500,001 - \$5,000,000	1.00%
Over \$5,000,000	0.90%

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last business day of the previous quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable depending on individual client circumstances. Upon client request, we reserve the right to negotiate other fee paying arrangements.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

Unless we agree to invoice you directly, in which case payment is due upon receipt of the invoice, we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you a fee statement showing the amount of the fee, the value of the assets on which the fee is based, the period covered by the fee, and the specific manner in which the fee was calculated.

- The qualified custodian agrees to send you at least a quarterly statement indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

You may terminate the portfolio management agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have prepaid advisory fees that we have not yet earned, you will receive a prorated refund of those fees. We encourage you to reconcile the statements you receive from our firm and the qualified custodian. If you find any inconsistent information within the statements, please call our main office number located on the cover page of this brochure.

Existing clients may be under a different fee schedule that was in existence at the time they joined our firm. Our fees are negotiable at our discretion.

How Our Fees are Calculated

If you have an account balance of \$750,000, you are billed 1.5% per year on the first \$500,000 and 1.0% per year on the remaining \$250,000. Here are the calculations for a sample account for a calendar quarter with 90 calendar days:

$\$500,000 \times 1.5\% / 365 = \$20.55 \times 90 \text{ days} = \1849.50

$\$250,000 \times 1\% / 365 = \$6.85 \times 90 \text{ days} = \616.50

The total Portfolio Management fee deducted for the quarter will be: $\$1849.50 + \$616.50 = \$2466.00$

Financial Planning Services

We do not charge separately for financial planning services for clients that engage us for Portfolio Management Services. It is included in your Portfolio Management Services' fee.

We charge either an hourly fee or fixed fee for financial planning and consulting services for clients not engaged in our Portfolio Management Services. Our hourly fee is billed at \$300, and our fixed fee may range up to \$10,000. These fees are negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship.

Our hourly fee is generally associated with general consulting or project-based services, and it is typically due upon services rendered. Our fixed fee, however, is typically associated with our on-going financial planning services where we prepare a customized financial plan for you and providing on-going financial planning and consulting assistance. The fixed fee payment is typically payable in monthly or quarterly installments. All terms of our engagement, including our advisory fee and payment arrangements, will be clearly stated in the advisory agreement that you sign with our firm.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees based on the work performed.

Selection of Other Advisers

We do not charge you a separate fee for the selection of other advisers. We do not share in the advisory fee you pay directly to the TPMM. The advisory fee you pay to the TPMM is established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure for information on its fees and services.

You may be required to sign an agreement directly with the recommended TPMM. You may terminate your relationship with the TPMM according to the terms of your agreement with the TPMM. You should review each TPMM's brochure for specific information on how you may terminate your advisory relationship with the TPMM. You should contact the TPMM directly for questions regarding your agreement with the TPMM.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange-traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange-traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities, depending on the custodian. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees or transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange-traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

Compensation for the Sale of Securities or Other Investment Products

Persons providing investment advice on behalf of our firm may be licensed as independent insurance agents. These persons may earn commission-based compensation for selling insurance products. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because these persons may have a financial incentive to recommend insurance products to you. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

State of California Required Disclosures

While our firm endeavors at all times to offer clients specialized services at reasonable costs, the fees charged by other investments advisers for comparable services may be lower than the fees charged by our firm.

Item 6 Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer investment advisory services to individuals, high net worth individuals, corporations or other businesses.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Our Methods of Analysis and Investment Strategies

We will use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Modern Portfolio Theory (MPT) - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

Risk: Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

We primarily offer advice on equity securities, corporate debt securities, mutual funds, exchange traded funds (ETFs). We may also provide investment advice on First Trust Deed Funds, Promissory Notes, Distressed Real Estate Funds, or any other type of investment that is suitable for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Equity Securities (Stocks): There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common), the health of the market sector of the issuing company, and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Mutual Funds and ETFs: Mutual funds and exchange traded funds (ETFs) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly

increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

We do not have any financial industry activities, affiliations or relationships that are material to our advisory business or to our advisory clients except as listed below.

Licensed Insurance Agent

Investment Adviser Representatives of our firm may be licensed insurance agents. These individuals may earn commission-based compensation for selling insurance products, and such compensation is separate and in apart from our advisory fees. This practice presents a conflict of interest because these individuals may have a financial incentive to recommend insurance products to you. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Conflicts of Interest

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

The Custodians and Brokers we Use

We do not maintain custody of your assets, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 Custody). Your assets must be maintained in an account at a qualified custodian, as defined by the SEC, generally a broker-dealer or bank. We require that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we or you instruct them to. While we require that you use Schwab as your custodian, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them with our assistance. Conflicts of interest associated with this arrangement are described below as well as in Item 14 Client Referrals and Other Compensation. You should consider these conflicts of interest when deciding whether to work with us.

We do not open the account for you, although we are happy to assist you in doing so. If you do not wish to place your assets with Schwab, we may not be able to manage your account. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, on occasion Schwab may still use other brokers to execute trades for your account as described below. We anticipate that most trades will be executed through Schwab. (See "Your Brokerage and Custody Costs".)

How We Select Our Custodians

We use Schwab to hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to buy and sell securities for your account
- Capability to facilitate transfers and payments to and from your account (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products such as stocks, bonds, mutual funds, and ETFs
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services provided to you and to us
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation and financial strength, security and stability
- Prior service to us and our clients

- Services delivered or paid for by Schwab for you and us
- Availability of other products and services that benefit us, as discussed below. (See "Products and Services Available to Us from Schwab")

Your Brokerage and Custody Costs

Schwab generally does not charge our clients separately for custody services but is compensated by charging you commissions or other fees (together "Transaction Fees") on trades that it executes or that settle into your Schwab account. Our arrangement with Schwab means clients do not pay for ETF transactions but clients do pay \$19 for mutual fund transactions. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. This commitment to Schwab benefits you because the overall fees you pay are lower than they would be otherwise. In addition to minimal commissions charged by Schwab for the buying or selling of individual stocks, Schwab will charge you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that is executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. We do not request that Schwab use a particular broker other than Schwab, so trading away at a prime broker would be a very rare occurrence. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account, although we do have the option and may utilize a prime broker if we feel better investments or costs are available elsewhere.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek best execution of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above. (See "How We Select Our Custodians"). By using another broker or dealer you may pay lower or higher Transaction Fees.

Products and Services Available to Us from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may receive institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (meaning we do not have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

Services that benefit you. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that do not directly benefit you. Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, which can include accounts not maintained at Schwab (for example financial planning clients or retirement accounts). In addition to investment research, Schwab also makes available software and other technology that:

- Provides access to client account data (such as duplicate trade confirmations and account statements)
- Facilitates trade execution and allocate aggregated trade orders for multiple client accounts
- Provides pricing and other market data
- Facilitates payment of our fees from our clients' accounts
- Assists with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and compliance related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself and in other cases, Schwab arranges for third-party vendors to provide the services. Schwab discounts or waives its fees for some or all of these services or pays all or a part of a third party vendor's fees. If you did not maintain your account with Schwab, we would be required to pay for those services from our own resources.

These are educational opportunities that we do utilize. The opportunities provide us with the chance to learn industry practices and compliance requirements to grow our business and stay within the regulatory restrictions. Although helpful to our firm, we do not feel that the benefits are excessive or provide a material conflict of interest that harms our clients. In contrast, these help us stay abreast of providing important services to our clients.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services. Schwab has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to require the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our selection of Schwab as custodian is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we Select Brokers/Custodians") and not Schwab's services that benefit only us. The selection of more than one custodian for a firm of our size would require operational resources outside the scope of our capabilities.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements but do receive economic benefits through our relationship with Schwab as described throughout Item 12 Brokerage Practices.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Recommendation of Prime Broker

In some circumstances, where a client has not previously made custodial arrangements, we may suggest that the client use a particular broker-dealer to act as custodian for the funds and securities we manage. In those cases, we generally only recommend broker-dealers capable of acting as a "prime broker." Under "prime broker" arrangements, the firm may, on a transaction-by-transaction basis, either use the "prime broker"/custodian or select other broker-dealers, who will execute transactions for settlement into the client's "prime brokerage" account. In making suggestions as to "prime broker"/custodians, we will consider, among other things, the clearance and settlement capabilities of the broker-dealer where other broker-dealers execute transactions, the broker-dealer's ability to provide effective and efficient reporting to the client and our firm, the broker-dealer's reliability and financial stability, and the likelihood that the broker-dealer will often be chosen as executing broker-dealer on the basis of the considerations described above, including the prospects that the broker-dealer will provide valuable research services and products. Schwab has the capabilities to act as a prime broker.

Directed Brokerage

Clients may direct us to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. When a client directs brokerage we may be unable to achieve most favorable execution of client transactions, and this practice may cost clients more money and result in a certain degree of delay in executing trades for their account and otherwise adversely impact management of their account. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

Aggregated Trades

We do combine multiple orders for shares of the same ETFs purchased for advisory accounts we manage as there are advantages to these "aggregate" or "block" trades. We do not use block trading for most mutual fund transactions since it offers no advantage to our clients. Therefore, we implement client transactions separately for each account for mutual funds. Consequently, in the few instances that we do use individual stocks, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients who purchase individual stocks may not receive volume discounts available to advisers who block client trades.

Mutual Fund Share Classes

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. Typically we purchase "no load" mutual funds for our clients which have lower internal costs than many other share classes. Internal fees (costs) impact your rate of return. Higher internal fees have a negative effect on your investment's rate of return over time. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges. Please see Item 5 Fees and Compensation, Additional Fees and Expenses for additional details.

Item 13 Review of Accounts

David Jackson, President, will monitor your accounts on an ongoing basis and will conduct account reviews at least semi-annually to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to: contributions and withdrawals, year-end tax planning, market moving events, security specific events, and/or, changes in your risk/return objectives. Such account reviews will be reviewed with the client, and not typically in the form of a written report unless specifically negotiated with the client.

You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Item 14 Client Referrals and Other Compensation

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We do not compensate individuals and/or entities (together "Solicitors") for client referrals.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

We will also provide statements to you reflecting the amount of the advisory fee deducted from your account. You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts. Further, we do not require the prepayment of more than \$1200 in fees six or more months in advance, nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.