

**Firm Brochure** (Part 2A of Form ADV)  
Item 1 – Cover Page



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[www.bowerswealth.com](http://www.bowerswealth.com)

This brochure provides information about the qualifications and business practices of Bowers Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at: (775) 409-3712, or by email at: [service@bowerswealth.com](mailto:service@bowerswealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Bowers Wealth Management, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD # 145476.

## Item 2 Summary of Material Changes

This Item will discuss only specific material changes that are made to Bowers Wealth Management, Inc's Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

**Since our last annual amendment filed on 01.11.2023, our firm does not have any material changes to report.**

We will further provide you with a new Brochure, free of charge, as necessary based on changes or new information, at any time.

The Brochure may be requested, free of charge, by contacting Jack Bowers, Chief Compliance Officer at (775) 409-3712 or [jack.bowers@bowerswealth.com](mailto:jack.bowers@bowerswealth.com). Our Brochure is also available on our web site [www.bowerswealth.com](http://www.bowerswealth.com).

Additional information about Bowers Wealth Management, Inc. is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). (Important notice: **There are currently two Bowers Wealth Management, Inc. firms listed. Please note that our firm is the Glenbrook, Nevada based Advisor with the IARD/CRD number: 145476.**)

The SEC's web site also provides information about any persons affiliated with Bowers Wealth Management, Inc. who are registered, or are required to be registered, as investment adviser representatives of Bowers Wealth Management, Inc.

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## Item 4 Advisory Business

- A. Bowers Wealth Management, Inc. ("BWM") is a SEC registered investment adviser located in State of Nevada.

BWM is majority owned by John ("Jack") Bowers, President. Karsten Dornseif, Secretary, is a minority owner. BWM has been registered as an investment adviser since January of 2008.

- B. BWM provides continuous investment management services for client accounts. BWM specializes in analyzing Fidelity Investments' Mutual Funds and creating investment portfolios optimized to satisfy different risk levels, using Fidelity mutual funds. BWM limits its investment advice to Fidelity Mutual funds and BWM managed accounts are invested in portfolios made up of Fidelity mutual funds.
- C. The investment management of a client's account(s) is based on the development of a personalized investment policy. When a client opens an account with BWM, he or she completes an "Investment Questionnaire" which provides personal financial information and also describes the investment goals which the client seeks to achieve. By using the information in the "Investment Questionnaire" and through personal discussions with the client, BWM portfolio managers along with Jack Bowers recommends a personalized investment strategy using BWM's "Portfolio Strategies".

Each BWM "Portfolio Strategy" is documented and sets forth the investment strategies which will be used by BWM in the client's account for the purpose of achieving the agreed upon investment objectives. Clients may impose restrictions on investing in certain security types or market sectors through the BWM Portfolio Strategy they agree upon. Periodically BWM reviews the current investment strategy with the client and will make revisions based on their changing circumstances.

- D. BWM does not participate in or manage any wrap fee programs or accounts.
- E. All client accounts are managed on a discretionary basis, using a limited trading authorization agreement which each client signs and approves when an account is opened or when clients add BWM as an Advisor to an existing Fidelity Investments, Inc. account.

As of December 31<sup>st</sup>, 2023, BWM had a total of \$178,167,780 of assets under management on a discretionary basis. BWM has no non-discretionary basis accounts under management.

## Item 5 Fees & Compensation

- A. BWM is a fee-based advisor. Fees are based on a percentage of the dollar value of the assets under management. BWM's detailed fee schedule follows:

On an annualized basis, BWM's fees for continuous and regular investment advice and portfolio management services are as follows:

1.2% for the first \$100,000  
1.0% for the next \$100,000  
0.8% for the next \$100,000  
0.6% for the next \$100,000  
0.4% for amounts above \$400,000

Fees for managed investment accounts may be negotiated at a lower rate than the published fee schedule above for individual accounts with assets of \$5 million or more, or a group of related accounts totaling \$5 million or more in assets under management.

- B. BWM's clients typically authorize the account custodian to debit their client account for the amount of BWM's investment advisory fee and to directly remit that management fee to BWM. Clients may also choose to be billed for fees incurred, instead of deducting fees from their assets under management. Unless indicated otherwise in writing, BWM bills on cash.

BWM invoices client accounts in advance, at the beginning of each calendar quarter, based on the value of the assets held in the account as of the last business day of the previous quarter. If a client has multiple accounts under management, each account will be charged fees based on its asset value.

- C. In addition to BWM's investment advisory fee, clients will also incur, relative to mutual fund investments, normal expenses and advisory fees imposed by the mutual funds held in the account (expense ratios are listed in each fund's annual report). Some mutual funds impose fees if they are sold prior to their short-term holding periods. Short-term trading fees are detailed in each mutual fund's prospectus. Item 12 further describes the factors that BWM considers in selecting broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

BWM's recommended custodian, Fidelity, eliminated transaction fees for U.S. listed equities and exchange traded funds for clients who opt into electronic delivery of statements or maintain at least \$1 million in assets at Fidelity. Clients who do not meet either criteria will be subject to transaction fees charged by Fidelity for U.S. listed equities and exchange traded funds, but not for Fidelity mutual funds which do not see transaction fees regardless of the size of the account.

- D. Either party may terminate the investment management agreement at any time and without penalty by sending a written or electronic notice to the other party. Since BWM's fees must be paid in advance, BWM's investment advisory fee will be prorated through the date of termination, and any remaining balance paid in advance will be refunded to the client.

The prorated refund is determined by verifying the date of termination and how many days are in the current billing quarter. The fraction of prepaid quarterly fees to be refunded is calculated with the following formula:

$$\frac{\text{Number of days left in current quarter}}{\text{Total number of days in the current quarter}} \times \$\text{Fees Paid} = \$\text{Refund}$$

- E. BWM and its employees don't receive any compensation for the sale of securities or other investment products, including mutual funds.

## Item 6 Performance-Based Fees & Side-By-Side Management

BWM does 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

BWM provides investment advice to individuals, high net worth individuals, trusts, estates, charitable organizations and corporations. BWM does not advise pension plans, but will manage fund selection for individuals whose 403b and 401k plan administrators use mutual fund plans managed by Fidelity Investments that allow adding an advisor to such an account.

Jack Bowers specializes in tracking and analyzing Fidelity Investments' mutual funds and in building portfolio strategies made up of Fidelity mutual funds. BWM is not affiliated in any way

with Fidelity Investments, but Fidelity Brokerage Services serves as the broker-dealer for all fund transactions and as the custodian for all securities and cash held in client accounts.

To open a BWM managed account, there is a minimum opening balance of \$100,000. Under certain circumstances at BWM's discretion, this minimum requirement may be waived.

Clients who opt into electronic delivery of statements or maintain at least \$1 million in assets at Fidelity will not be charged transaction fees for U.S. listed equities and exchange traded funds. Regardless of account size, Fidelity does not charge transaction fees on Fidelity mutual funds.

## Item 8 Methods of Analysis, Investment Strategies & Risk of Loss

A. Mr. Bowers looks for funds that have over weighted positions in industry groups that are being recognized for their long-term potential, while at the same time avoiding funds that carry heavy exposure to sectors that may carry more risk than usual. For some portfolios he attempts to invest in industry groups that may benefit from long-term changes in the economy, and in areas that benefit most from Fidelity research. Such sectors are identified through the study of long-term trends, valuation levels, other fundamentals, and by comparing fund performance and risk to underlying benchmarks. Other factors he considers include the impact of technology disruption within each sector position, historical performance, overall volatility, stylebox position, industry sector weighting, cash level, foreign exposure, expense ratio, and manager history.

B. BWM specializes in building managed portfolios of Fidelity Investments' mutual funds to meet our clients Risk/Return objectives. BWM's strategies emphasize long-term growth. BWM doesn't participate in market timing or short term trading. BWM utilizes Fidelity's No-Load funds, so there are no trading costs associated with long-term trades. Our long-term approach minimizes the chance of incurring short term fees that some Fidelity Funds impose.

Portfolios address four strategic areas: Conservative Income portfolios, Diversified Stock Fund and Asset Allocation Portfolios without dedicated sector funds (Fidelity Selects), and Diversified Stock Fund, Asset Allocation Portfolios that include dedicated sector funds and Tax Efficient Portfolios. BWM's portfolios provide a way to invest with a wide range of risk levels that best match each client's goals and financial situation.

C. The portfolios typically hold actively managed funds, but may invest in index funds during periods of uncertainty or when we believe indexing has the potential to reduce portfolio risk.

**As always, investing in securities involves risk of loss that clients should be prepared to bear.**

## Item 9 Disciplinary Information

9.A, 9.B, and 9.C:

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BWM or the integrity of BWM's management. BWM and its management have no legal or disciplinary events to report.

## Item 10 Other Financial Industry Activities & Affiliations

A. BWM and its management are not registered as a broker-dealer and do not have any applications pending to register as a broker-dealer or as representative of a broker-dealer.

- B. BWM and its management are not registered as a futures commission merchant and do not have any applications pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.
- C. Mr. Bowers serves as Chief Investment Strategist for Weber Asset Management, Inc. (WAM), an independent SEC Registered Investment Adviser based in Lake Success, New York. Mr. Bowers receives compensation for his services through a profit sharing agreement. WAM also specializes in Fidelity Investments Mutual Funds, utilizing Mr. Bowers' portfolio strategies. Mr. Bowers provides WAM with daily updates on portfolio performance and strategic changes. This usually provides BWM and WAM with the ability to make the same portfolio investments/changes on the same trading day, for the same closing NAV price on the day of trade execution.
- D. BWM and WAM have an informal agreement that clients in New York and certain other states will be referred to WAM for asset management. Investment strategies will be the same for clients of either firm, but fee schedules are independent and may differ between the two firms, for the same amount of assets under management.

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

- A. BWM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at BWM must acknowledge the terms of the Code of Ethics annually, or as amended. As any of the following situations may represent a conflict of interest, BWM has established the following restrictions in order to ensure its fiduciary responsibilities:
- BWM emphasizes the unrestricted right of the client to specify investment objectives, guidelines, and/or conditions on the overall management of their account.
  - No associates of BWM or their immediate family members may buy or sell securities for their personal portfolio(s) if their decision is derived in whole or in part, by reason of the associated person's employment, unless the information is publically available.
  - No associate of the Firm will put his or her own interests ahead of their client.
  - BWM and its associates generally may not purchase or sell individual stocks, bonds, or closed-end mutual funds being considered for, or held by client accounts, without pre-clearance of the Firm's Compliance Officer.
  - BWM and its employees generally may not participate in private placements or initial public offerings (IPOs) without pre-clearance from the Firm's Compliance Officer.
  - The Firm requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
  - Records will be maintained of all non-exempt securities bought or sold by the Firm, associated persons of the Firm, and related entities. Jack Bowers (Chief Compliance Officer) will review these records on a regular basis.
  - In accordance with Section 204-A of the Investment Advisers Act of 1940, BWM also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by BWM or any person associated with the Firm.

Any individual not in observance of the above may be subject to termination.

BWM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Jack Bowers ([service@bowerswealth.com](mailto:service@bowerswealth.com)).



- B. BWM and our employees don't recommend, buy or sell any securities for our client's accounts in which we have a material financial interest.
- C. BWM, our employees and related persons are allowed to invest in the same mutual funds that are recommended, bought and sold for our client's accounts. There are no conflicts of interest created by this practice, due to the way open-ended mutual funds operate.
- D. BWM and its employees are allowed to buy and sell mutual funds for client's accounts and their own accounts at the same time. This doesn't create a conflict of interest, since all orders are traded for the same closing NAV price on the day of trade execution. All parties will receive the same execution pricing on these transactions.

## **Item 12 Brokerage Practices**

- A. BWM establishes investment management accounts with Fidelity Institutional Wealth Services ("FIWS") through Fidelity Brokerage Services ("FBS"), an unaffiliated service provider (or is added as an advisor to existing FIWS accounts). Factors which BWM considers in choosing FBS for client's accounts include its financial strength, reputation, execution, pricing, reporting, research, and service. BWM, at its discretion, buys and sells Fidelity mutual funds in various amounts.

### **1) Research & Other Soft Dollar Benefits:**

- a. BWM receives research, sponsored seminars and execution related services from FIWS or FBS to assist BWM in managing its accounts. These services and products include financial publications, pricing information, periodic phone conferences on market topics, periodic seminars. Such research and execution related services are offered to all investment advisers who utilize these firms.

The combination of FIWS/FBS and BWM's no-load mutual fund portfolio strategy eliminates commissions and trading fees for the majority of our transactions. Fidelity Brokerage Services' commissions for bond trades are in line with industry rates and are only incurred when bringing a new client's account (holding non-mutual fund securities) into alignment with a mutual fund portfolio.

Further trading of Fidelity mutual funds is free of commissions and will occur at the close of market NAV.

- b. The commissions charged by FBS as broker-dealer may be higher (on non-mutual fund trades) than those charged by a broker-dealer who does not provide the aforementioned research and execution related services.
- c. BWM's mutual fund portfolio strategy significantly reduces trading expenses, as well as best execution and front running risks for our clients. Soft dollar benefits received by BWM very rarely result in clients paying a FBS trading cost higher than those charged by other broker-dealers.
- d. BWM uses these soft dollar benefits equally to manage all of its client accounts. FIWS and FBS provide BWM with all of these soft dollar benefits regardless of commission trading volume.
- e. Examples of soft dollar benefits BWM received within its last fiscal year are Fidelity Webinars and phone conferences including: Quarterly Outlooks on U.S. and International Financial Markets, Overview of Today's Fixed-Income Markets, Fidelity Weekly Market Updates and other similar presentations.

2) Brokerage for Client Referrals:

BWM doesn't receive client referrals from FIWS or FBS. BWM doesn't consider obtaining referrals as a criterion in its selection of a broker-dealer.

3) Directed Brokerage:

BWM doesn't permit clients to direct brokerage through a specific broker-dealer. FBS serves as the broker-dealer for all fund transactions and as the custodian for all securities and cash held in client accounts. BWM's discretion is based upon a "limited trading authorization agreement" that the client approves when the client's account is opened, or when BWM is added as Advisor to an existing Fidelity account. All existing or newly opened accounts are registered in the name of the client.

B. Aggregation of the Purchase or Sale of Securities:

BWM doesn't aggregate trades of securities. Mutual fund buy and sell orders execute at the end of each trading day, receiving the closing NAV of the funds. Because of BWM's mutual fund strategy, there are no benefits or opportunity costs created for BWM clients by order aggregation.

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

- A. BWM President, John (Jack) Bowers, along with the client's Account Executive, will review all client accounts at least quarterly. Annually, the current investment strategy will be reviewed with each client, and revisions will be made, if needed, based on a client's changing circumstances. This review is conducted by the client's account executive and/or Mr. Bowers.
- B. More frequent reviews may be requested by the client, or be suggested by Mr. Bowers, based on factors such as the general economy, market conditions, changes in client circumstances, etc. Requests for reviews may be made by phone call, mail, or email. Requested reviews will be performed by the client's account executive and/or Mr. Bowers.
- C. Clients will be given written quarterly billing statements and performance reports for each account they hold with BWM as their advisor. The performance report includes a statement of: Contributions, Withdrawals, Realized Gains, Unrealized Gains, Interest, Dividends, Management Fees, the Portfolio Value as of the date of the report, the Total Gain after Fees and the IRR for the period.

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

FIWS or FBS pays for a BWM representative's airfare and hotel to attend FIWS's annual conference, which focuses on industry best practices, fund manager's selection of stocks, and software for advisers. BWM does not pay for, or provide any other forms of compensation for client referrals.

In accordance with Rule 206 (4)-1 of the Investment Advisers Act of 1940, BWM does not provide cash or non-cash compensation directly or indirectly to unaffiliated persons for testimonials or endorsements (which include client referrals).

### **Item 15 Custody**

Clients should receive at least quarterly statements from FIWS/FBS (the qualified custodian that holds and maintains client's investment assets). BWM urges its clients to carefully review such statements and compare such official custodial records to the account statements that we provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain non-mutual fund securities.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards. As such, our firm has adopted the following safeguarding procedures in conjunction with our custodian, Fidelity:

- Fidelity's forms, used to establish a standing letter of authorization, include the name and account number on the receiving account and must be signed by the client.
- Fidelity's SLOA forms currently require client's signature.
- Fidelity performs verification on all SLOA forms and sends a transfer of notice to the client promptly following the transaction.
- Clients always have the ability to terminate (or amend) an SLOA in writing.
- Our firm has no authority, or ability, to amend the third party designated on a standing instruction.
- Our firm maintains records showing the third party is not a related party of our firm or located at our firm.
- Fidelity notifies the client in writing when a new standing instruction is set up. Clients also receive an annual mailing reconfirming the existence of the standing instruction.

## **Item 16 Investment Discretion**

BWM receives discretionary authority from the client at the outset of the advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client's account.

When selecting securities and determining amounts, BWM observes the investment policies, limitations and restrictions of the clients for which it advises. Investment limitations and restrictions must be provided to BWM in writing.

## **Item 17 Voting Client Securities**

As a matter of firm policy and practice, BWM does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. BWM may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Bowers Wealth Management, Inc.'s financial condition. BWM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.