

ITEM 1 COVER PAGE  
PART 2A OF FORM ADV: FIRM BROCHURE

# M Wealth Management, LLC

January 2024



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This brochure provides information about the qualifications and business practices of M Wealth Management, LLC. If clients have any questions about the contents of this brochure, please contact us at (855) 635-2763 or [info@melbrod.com](mailto:info@melbrod.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 our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #281532.

Please note that the use of the term "registered investment adviser" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

## ITEM 2 MATERIAL CHANGES

M Wealth Management, LLC is required to make clients aware of information that has changed since the last annual update to the Firm Brochure ("Brochure") and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

Since the last annual amendment filed on 01/27/2023, the following changes have been made:

- Pursuant to the merger of Charles Schwab & Co, Inc. ("Schwab") and TD Ameritrade, Inc., Client's that previously custodied assets with TD will now be custodied under Schwab. Please see Item 12 and 14 of our firm brochure for more information on Schwab's brokerage practices.

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## ITEM 4 ADVISORY BUSINESS

Our firm is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed under the laws of the State of California in 2015 and has been in business as an investment adviser since that time. Our firm is owned by Anastasia Melbrod (33.4%), Scott Melbrod (33.3%), and Wesley Melbrod (33.3%).

The purpose of this Brochure is to disclose the conflicts of interest associated with the investment transactions, compensation and any other matters related to investment decisions made by our firm or its representatives. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished in part by knowing our client. Our firm has established a service-oriented advisory practice with open lines of communication for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

### Types of Advisory Services Offered

#### ASSET MANAGEMENT SERVICES

As part of our Asset Management Service, a portfolio is created, consisting of individual stocks, bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Portfolios will be designed to meet a particular investment goal, determined to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client's individual needs, stated goals and objectives.

#### FINANCIAL PLANNING SERVICES

MWM may provide its clients with comprehensive financial planning services. Generally, such services are provided for on an hourly or flat fee, as described under Item 5, below. MWM's financial planning services typically include, but are not limited to, providing advice or recommendations regarding asset allocation; risk management; portfolio analysis; and evaluation and review of investment accounts. MWM's approach to financial planning starts with gathering information about the clients' current financial position and objectives. This process involves the collection, organization, and assessment of all relevant client data including information concerning the client's lifestyle, risk tolerance, current assets and cash flow, as well as identification of the client's financial concerns, goals, and objectives. Also taken into account and

computed for the client is their human capital and for comparison sake their human capital to financial capital ratio. This allows a client to have a more complete “Total Wealth” view of their financial position. The primary objective of this process is to allow MWM to assist the client in developing a strategy for the successful management of income, assets, and liabilities in order to meet the client’s individual financial goals and objectives.

Clients have the option of having a complete financial plan developed for them or also just doing a compartmentalized portion of the entire plan developed depending on their specific needs. Types of compartmentalized plans include but are not limited to a(n):

- Accumulation Plan
- Retirement Income/Distribution Plan
- Liability/Mortgage Plan
- Education Financing Plan
- Insurance/Risk Management Plan
- Estate Plan

## Tailoring of Advisory Services

### INDIVIDUAL TAILORING OF ADVICE TO CLIENTS

Our firm offers individualized investment advice to our Asset Management clients. General investment advice will be offered to our Financial Planning & Consulting clients.

Each Asset Management client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

## Participation in a Wrap Fee Program

Our firm does not currently offer or sponsor a Wrap Fee Program service. However, we have some Legacy Clients currently enrolled in our Wrap Program that are being transitioned into our Asset Management service.

# Assets Under Management

MWM has \$152,927,494 in discretionary assets under management as of December 31, 2023.

## ITEM 5 FEES AND COMPENSATION

### Compensation for Our Advisory Services

#### ASSET MANAGEMENT SERVICES

The maximum annual fee charged for this service will not exceed \$50,000 or 2.00%. Fees to be assessed will be outlined in the advisory agreement to be signed by the Client. Our firm bills on cash unless indicated otherwise in writing. Annualized fees are either charged on a flat monthly or quarterly fee based on the complexity of managing the account, or billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day of the previous quarter. All fees are negotiable and will be deducted from Client account(s) by MWM.

Accounts charged on a flat fee basis will not be assessed an adjustment for deposits and withdrawals in the month or quarter. Adjustments will be made for deposits and withdrawals during the quarter for accounts charged on a pro-rata basis. Deposits of cash or securities in excess of \$10,000 in an account after the beginning of a calendar quarter shall be immediately subject to a pro-rated fee based on the applicable fee schedule. Clients are entitled to a pro-rated refund of advisory fees for withdrawals of cash or securities in excess of \$10,000 after the beginning of a calendar quarter.

Should a client open an account during the quarter, management fees will be prorated for assets held for a partial quarter based on the number of days that the account was open during the quarter. In the event that MWM's services are terminated mid-quarter, the annual fee shall be prorated through the date of termination as defined in the Agreement and any earned, unpaid balance will be immediately due and payable by client, and any pre-paid unearned fees will be promptly refunded to the client.

In rare cases, our firm will agree to directly invoice. As part of this process, Clients understand the following:

- The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;

- Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- If our firm sends a copy of our invoice to the client, legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

## FINANCIAL PLANNING SERVICES

Our firm charges on an hourly, flat, or ongoing fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client.

- The maximum hourly fee to be charged will not exceed \$400
- Flat fees range from \$750 to \$10,000
- Ongoing fees range from \$199 to 499 per month

The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months.

## Other Fees & Expenses

Clients will incur transaction charges for trades executed by their chosen custodian. These transaction fees are separate from our firm's advisory fees and will be disclosed by the chosen custodian. Clients may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Our firm does not receive a portion of these fees. Charles Schwab & Co., Inc. ("Schwab") does not charge transaction fees for U.S. listed equities and exchange traded funds.

## Termination & Refunds

Either party may terminate the advisory agreement signed with our firm for **Asset Management** service in writing at any time. Upon notice of termination our firm will process a pro-rata refund of the unearned portion of the advisory fees charged in advance.

**Financial Planning & Consulting** clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

## Commissionable Securities Sales

Our firm and representatives do not sell securities for a commission in advisory accounts.

### ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Our firm does not charge performance-based fees.

### ITEM 7 TYPES OF CLIENTS & ACCOUNT REQUIREMENTS

MWM provides personalized investment advisory services to individuals, high net worth clients, and businesses.

MWM reserves the right to accept or decline a potential client for any reason in its sole discretion. MWM requires a minimum initial investment of \$25,000 to open an account, or group of related accounts. In certain cases, account minimums may be waived at the sole discretion of MWM. Prior to engaging MWM to provide any of the investment advisory services described in this Brochure, the client will be required to enter into a written Agreement with MWM setting forth the terms and conditions under which MWM shall render its services.



## ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

### Methods of Analysis & Investment Strategies We Use

MWM's advisers may rely on a number of tools to assist in recommending or selecting an investment strategy to clients, including asset allocation and portfolio modeling software that assists with their analysis of investment options when recommending or purchasing investments for a client's portfolio. MWM's advisory services are generally designed for long-term investing (also referred to as "strategic" investing) developed with the specific clients risk tolerance and time frame in mind, coinciding with a financial plan which lays out the goals of the client and helps to act as a road map thru the process. Investment returns, particularly over shorter time periods, are highly dependent on the value of securities within an investment portfolio which are impacted by trends in the various investment markets. As a result, our investment advisory services are generally more suited for investors seeking long-term investment objectives or strategies, rather than for short-term trading purposes.

MWM was started to be a true evidence based wealth management firm. MWM's planning and investment process is based on empirical evidence done in academia and also by long time industry professionals in order to deliver our clients a structured experience that helps eliminate guesswork. MWM believes in the phrase "Trust but Verify." MWM's main objective is to add value for our clients. We attempt to achieve this by focusing on what we can actually control in the investment management process. This involves not trying to predict markets (market timing) or pick individual stocks (securities selection) due to numerous academic studies which all lead to the conclusion that both of those strategies actually subtract (negative alpha) from value. Because of this, MWM's main focus of the financial planning/investment management process is to "Control what you can control." MWM views the following as main actions that investors can control in the process:

- Creating an investment plan to fit the specific client's needs and risk tolerance
- Structuring a portfolio around the dimensions of returns (small cap vs large cap, value vs growth) and diversified return streams (Trend, Momentum, Carry and Defensive)
- Diversifying the portfolio broadly, in the following ways
  - By Asset Class
  - By Return Stream

- Globally
- Reducing Expenses and turnover
- Minimizing Taxes

Other ways we intend to add value are listed below and are derived from 2 main papers/studies:

## VANGUARD'S ADVISOR'S ALPHA

Build a customized investment plan aimed at achieving goals and meeting constraints for risk tolerance and risk capacity

- Suitable asset allocation with broadly diversified investments
- Focus on low-cost investments (low expense ratios)
- Locating assets properly in taxable and tax-advantaged accounts
- Focusing on total return investment instead of income investing

Minimize risks and tax impacts

- Rebalancing to the strategic asset allocation
- Tax Loss Harvesting when applicable
- Dynamic Withdrawal Strategies: Deciding where to draw assets from (tax-deferred or taxable) to meet spending needs.

Behavioral coaching

- Providing support to stay the course in times of market stress

## M WEALTH MANAGEMENT VALUE ADDED SERVICES:

MWM believes they can also support further wealth enhancement through estate planning guidance, insurance selection (life, long-term care, etc.), and other types of tax minimization strategies.

MWM's client portfolios are typically invested in: individual equities, ETF's, ETN's, mutual funds, warrants, corporate debt securities, commercial paper, CDs, municipal securities and U.S. Government securities, and/or money market instruments. MWM allocates client's assets among these various investments, taking into consideration the objectives of the client. Portfolio weighting between market sectors will be determined by each client's individual needs and circumstances. MWM maintains a long-term perspective, but will implement strategies and select securities that aim to limit volatility and add value for our clients with an emphasis on absolute return. Clients also may be permitted to place reasonable restrictions on the types of investments in their portfolios. MWM implements, or make recommendations with respect to, changes to client accounts based on market, economic and political circumstances, and the individual characteristics of securities. Portfolios are rebalanced on a discretionary basis. MWM believes that successful investment management involves developing a strategy that meets the client's investment goals, using risk management throughout the investment strategies' life, and communicating with the client to ensure that they understand the first two points.

MWM compartmentalizes its investment strategies into sub-portfolios of asset classes and diversifies those sub-asset classes to create targeted levels of risk and return that MWM can use to implement the financial plan for specific clients.

MWM uses many types of investment strategies in the implementing the asset allocation for a client. When choosing to use a strategy/asset class MWM looks at the following:

- Invested Strategies must be backed by empirical academic research (Evidence-Based Investing Strategies-EBIS). These strategies should be based on evidence that is persistent
- Whether the strategy/asset class has a projected positive return over cash/risk free return (Risk Premia)
  - Tries to eliminate/reduce the chances of taking risks that have no expected return
- Whether the strategy/asset class has a distinct and different return stream (Diversification) than the other assets of the portfolio and when added, adds to the Risk Adjusted Return (e Ratio). Diversification:
  - Helps capture what the Global Markets offer
  - May prevent you from missing opportunities (Helps keep you invested over the long run)
  - Smooth out Risk over time

- Whether the strategy/asset class can be implemented at an all-in cost (after taxes if in taxable accounts and trading costs) that still adds to the Risk Adjusted Return (Sharpe Ratio)

## Risk of Loss

Investing in securities involves a significant risk of loss which clients should be prepared to bear. MWM's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made.

Generally, the market value of stocks will fluctuate with market conditions, and small-stock prices generally will fluctuate more than large-stock prices. The market value of fixed income securities will generally fluctuate inversely with interest rates and other market conditions prior to maturity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations and inflation-linked fixed income securities. The value of longer duration fixed income securities will generally fluctuate more than shorter duration fixed income securities. Investments in overseas markets also pose special risks, including currency fluctuation and political risks, and it may be more volatile than that of a U.S. only investment. Such risks are generally intensified for investments in emerging markets. Small-cap stocks may be subject to a higher degree of risk than more established companies' securities. The illiquidity of the small-cap market may adversely affect the value of these investments. In addition, there is no assurance that a mutual fund or ETF will achieve its investment objective. Past performance of investments is no guarantee of future results.

Additional risks involved in the securities recommended by MWM may include, among others:

- **Stock market risk**, which is the chance that stock prices overall will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.

- **Sector risk**, which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- **Issuer risk**, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services.
- **Non-diversification risk**, which is the risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.
- **Value investing risk**, which is the risk that value stocks may not increase in price, may not issue the anticipated stock dividends, or may decline in price, either because the market fails to recognize the stock's intrinsic value, or because the expected value was misgauged. If the market does not recognize that the securities are undervalued, the prices of those securities might not appreciate as anticipated. They also may decline in price even though in theory they are already undervalued. Value stocks are typically less volatile than growth stocks, but may lag behind growth stocks in an up market.
- **Smaller company risk**, which is the risk that the value of securities issued by a smaller company may go up or down, sometimes rapidly and unpredictably as compared to more widely held securities. Investments in smaller companies are subject to greater levels of credit, market and issuer risk.
- **Foreign (non-U.S.) investment risk**, which is the risk that investing in foreign securities may result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Investments in emerging markets are generally more volatile than investments in developed foreign markets.
- **Interest rate risk**, which is the chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- **Credit risk**, which is the chance that an issuer of a fixed income security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that fixed income security to decline.
- **Exchange Traded Fund (ETF) risk**, which is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not

correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.

- **Interval Funds**, are a type of closed-end fund that allow withdrawals only at set times, usually once a quarter. Since repurchase is done on a pro rata basis, there is no guarantee all shares can be redeemed during the redemption window. Although yields are higher, so are fees and the fund is illiquid. The minimum investment is low compared to other private equity investments, but still high compared to open-end mutual funds. There is also a transparency and conflict-of-interest issue if the portfolio manager is allowed to invest in other funds of the fund sponsor.
- **Options risk**, is when a financial derivative that represents a contract is sold by one party (the option writer) to another party (the option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). Options are extremely versatile securities. Traders use options to speculate, which is a relatively risky practice, while hedgers use options to reduce the risk of holding an asset. In terms of speculation, option buyers and writers have conflicting views regarding the outlook on the performance of:
  - *Call Option*: Call options give the option to buy at certain price, so the buyer would want the stock to go up. Conversely, the option writer needs to provide the underlying shares in the event that the stock's market price exceeds the strike due to the contractual obligation. An option writer who sells a call option believes that the underlying stock's price will drop relative to the option's strike price during the life of the option, as that is how he will reap maximum profit. This is exactly the opposite outlook of the option buyer. The buyer believes that the underlying stock will rise; if this happens, the buyer will be able to acquire the stock for a lower price and then sell it for a profit. However, if the underlying stock does not close above the strike price on the expiration date, the option buyer would lose the premium paid for the call option.
  - *Put Option*: Put options give the option to sell at a certain price, so the buyer would want the stock to go down. The opposite is true for put option writers. For example, a put option buyer is bearish on the underlying stock and believes its market price will fall below the specified strike price on or before a specified date. On the other hand, an

option writer who shorts a put option believes the underlying stock's price will increase about a specified price on or before the expiration date. If the underlying stock's price closes above the specified strike price on the expiration date, the put option writer's maximum profit is achieved. Conversely, a put option holder would only benefit from a fall in the underlying stock's price below the strike price. If the underlying stock's price falls below the strike price, the put option writer is obligated to purchase shares of the underlying stock at the strike price.

The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) Prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options.

- **Management risk**, which is the risk that the investment techniques and risk analyses applied by MWM may not produce the desired results and that legislative, regulatory, or tax developments, may affect the investment techniques available to MWM. There is no guarantee that a client's investment objectives will be achieved.
- **Real Estate Investment Trusts ("REITs")**, primarily invest in real estate or real estate-related loans. Equity REITs own real estate properties, while mortgage REITs hold construction, development and/or long-term mortgage loans. Changes in the value of the underlying property of the trusts, the creditworthiness of the issuer, property taxes, interest rates, tax laws, and regulatory requirements, such as those relating to the environment all can affect the values of REITs. Both types of REITs are dependent upon management skill, the cash flows generated by their holdings, the real estate market in general, and the possibility of failing to qualify for any applicable pass-through tax treatment or failing to maintain any applicable exemptive status afforded under relevant laws.
- **Margin Transactions Risk**, Our firm may purchase stocks, mutual funds, and/or other securities for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings. Margin accounts and transactions are risky and not necessarily appropriate for every client. The potential risks associated with these transactions are (1) You can lose more funds than are deposited into the margin account; (2) the forced sale of securities or other assets in your account; (3) the sale of securities or other assets without contacting you; and (4) you may not be entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.

Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk. Consequently, the value of an account may at any time be worth more or less than the amount invested.

## Description of Material, Significant or Unusual Risks

Our firm generally invests client cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments.

Ultimately, our firm tries to achieve the highest return on client cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to our Asset Management service, as applicable.

## ITEM 9 DISCIPLINARY INFORMATION

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

## ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

Tax planning and preparation services are provided through Melbrod Tax Services, a DBA of M Wealth Management, LLC. These services are independent of our investment advisory and financial planning services, and are governed under a separate agreement. Clients may be solicited to utilize these services, however, they are under no obligation to do so.

Scott Melbrod is the owner of Taxable LLC. In addition, Scott Melbrod is registered as an investment adviser representative ("IAR") with Taxable LLC. A conflict of interest may arise as a result of being an owner & IAR with multiple RIAs. To mitigate this conflict, Mr. Melbrod will act in the client's best interest. Furthermore, any services that may be offered through other RIAs will remain separate from our firm's advisory services and governed under separate agreements.



## ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

### Code of Ethics Summary

MWM has adopted a Code of Ethics (“Code”) which establishes standards of conduct for MWM’s supervised persons and includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It contains written policies reasonably designed to prevent the unlawful use of material non-public information by MWM or any of its associated persons. The Code also requires that certain of MWM’s personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Unless specifically permitted in the Code, none of MWM’s Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of MWM’s clients.

The Code also requires supervised persons to report any violations of the Code promptly to MWM’s Chief Compliance Officer (“CCO”). Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code during that year.

MWM will provide a copy of its Code of Ethics to any client or prospective client upon request by contacting MWM at (855) 635-2763.

### Participation or Interest in Client Transactions

It is MWM’s policy not to enter into any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

MWM does not recommend that clients buy or sell any security in which MWA or a related person has a material financial interest.

MWM or individuals associated with MWM may buy or sell for their personal account(s) securities or investment products identical to those recommended to or already owned by clients. Alternatively, MWM may cause clients to buy a security in which MWM or such individuals have an ownership position. Such recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Nevertheless, such practices present potential conflicts of interest. To mitigate these conflicts, MWM has adopted a Code of Ethics, which outlines the procedures regarding personal trading that must be followed (see details below). Additionally, as part of MWM's fiduciary duty to clients, MWM and its associated persons will endeavor at all times to put the interests of the clients first and at all times are required to adhere to MWM's Code of Ethics.

## Personal Trading

MWM and its officers, directors, agents, and employees ("Associated Persons") may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. MWM understands that this could create a conflict of interest, where the employee's interest may be at odds with the interest of MWM's clients. To help mitigate these conflicts of interest, MWM's Code of Ethics sets forth certain standards of business and professional conduct regarding the personal trading activities of its Associated Persons. The following summarizes our procedures for the purchase and or sales of securities held within personal accounts.

- MWM requires quarterly reporting of all personal securities transactions with the exception of certain exempt transactions and securities (such as government securities and money market funds). Associated Persons or those members with a beneficial interest, such as immediate family members, may not buy or sell securities for their personal portfolio(s) where their decision is derived in whole or in part, by material non-public information.
- Investment opportunities must be offered first to clients before MWM or Associated Persons may participate in such transactions. Furthermore, security holdings and financial circumstances of clients must be kept confidential.
- MWM and its Associated Persons may not participate in private placements or initial public offerings (IPOs) without pre-clearance from MWM's Chief Compliance Officer.
- Records will be maintained of all securities bought or sold by MWM, Associated Persons of MWM, and related entities and shall be reviewed periodically by designated Firm personnel.
- Any individual not in observance of the above may be subject to termination.

MWM and its Associated Persons may also buy or sell specific securities for their own accounts based on personal investment considerations, which MWM does not deem appropriate to buy or sell for clients.

## ITEM 12 BROKERAGE PRACTICES

### Custodian & Brokers Used

Our firm does not maintain custody of client assets (although our firm may be deemed to have custody of client assets if give the authority to withdraw assets from client accounts. See Item 15 Custody, below). Client assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. Our firm recommends that clients use MG Trust Company and the Schwab Advisor Services division of Charles Schwab & Co. Inc., as the qualified custodians. Charles Schwab & Co. Inc. (“Schwab”) is a FINRA-registered broker-dealer, member SIPC. Our firm is independently owned and operated, and not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when instructed. While our firm recommends that clients use Schwab as custodian/broker, clients will decide whether to do so and open an account with Schwab by entering into an account agreement directly with them. Our firm does not open the account. Even though the account is maintained at Schwab, our firm can still use other brokers to execute trades, as described in the next paragraph.

### How Brokers/Custodians Are Selected

Our firm seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. A wide range of factors are considered, including, but not limited to:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)

- availability of investment research and tools that assist in making investment decisions quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- prior service to our firm and our other clients
- availability of other products and services that benefit our firm, as discussed below (see “Products & Services Available from Schwab”)

## Custody & Brokerage Costs

Schwab generally does not charge a separate fee for custody services, but is compensated by charging commissions or other fees to clients on trades that are executed or that settle into the Schwab account. In addition to commissions, Schwab charges a flat dollar amount as a “prime broker” or “trade away” fee for each trade that our firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab account. These fees are in addition to the commissions or other compensation paid to the executing broker-dealer. Because of this, in order to minimize client trading costs, our firm has Schwab execute most trades for the accounts.

## Products & Services Available from Schwab

Schwab Advisor Services is Schwab’s business serving independent investment advisory firms like our firm. They provide our firm and clients, with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help manage or administer our client accounts while others help manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (our firm does not have to request them) and at no charge to our firm. The availability of Schwab’s products and services is not based on the provision of particular investment advice, such as purchasing particular securities for clients. Here is a more detailed description of Schwab’s support services:

## Services that Benefit Clients

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 our firm might not otherwise have access or that would require a significantly higher minimum initial investment by firm clients. Schwab's services described in this paragraph generally benefit clients and their accounts.

## Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

## Services That May Not Directly Benefit Clients

Schwab also makes available other products and services that benefit our firm but may not directly benefit clients or their accounts. These products and services assist in managing and administering our client accounts. They include investment research, both Schwab's and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at Schwab. 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; and
- assists with back-office functions, recordkeeping and client reporting.

## Services That Generally Benefit Only Our Firm

Schwab also offers other services intended to help manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, Schwab will arrange for third-party vendors to provide the services to our firm. Schwab may also discount or waive fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide our firm with other benefits, such as occasional business entertainment for our personnel.

Irrespective of direct or indirect benefits to our client through Schwab, our firm strives to enhance the client experience, help clients reach their goals and put client interests before that of our firm or associated persons.

## Our Interest In Schwab Services

The availability of these services from Schwab benefits our firm because our firm does not have to produce or purchase them. Our firm does not have to pay for these services, and they are not contingent upon committing any specific amount of business to Schwab in trading commissions or assets in custody.

In light of our arrangements with Schwab, a conflict of interest exists as our firm may have incentive to require that clients maintain their accounts with Schwab based on our interest in receiving Schwab's services that benefit our firm rather than based on client interest in receiving the best value in custody services and the most favorable execution of transactions. As part of our fiduciary duty to our clients, our firm will endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm's choice of Schwab as a custodial recommendation. Our firm examined this potential conflict of interest when our firm chose to recommend Schwab and have determined that the

recommendation is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

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 the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions. Our firm believes that the selection of Schwab as a custodian and broker is the best interest of our clients. It is primarily supported by the scope, quality and price of Schwab's services, and not Schwab's services that only benefit our firm.

## Aggregation of Purchase or Sale

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

## ITEM 13 REVIEW OF ACCOUNTS

### Periodic Reviews

Our management personnel and investment adviser representatives review accounts on at least an annual basis for our Asset Management clients. Accounts are monitored on an ongoing basis, which includes detailed periodic reviews. The frequency of reviews is at the discretion of MWM. Accounts are reviewed for performance, consistency with the investment strategy, and other account parameters in order to determine if any adjustments need to be made. MWM generally provides quarterly performance reports to its clientele, but may provide such reports more frequently depending on the needs of the clients. Clients are urged to compare the statements received from MWM to those received from the account custodian.

In addition to the periodic reviews described above, reviews may be triggered by changes in an account holder's personal, tax or financial status. Account holdings also are reviewed when changing market conditions warrant such review. Clients are encouraged to notify MWM of any changes in his/her personal financial situation that might affect his/her investment needs, objectives, or time horizon.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We meet with clients enrolled in ongoing financial planning services clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately engage our firm for a post-financial plan meeting or update to their initial written financial plan.

## ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

### Economic Benefits Received

Our firm receives economic benefit from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab's products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

### Referral Fees

In accordance with Rule 206 (4)-1 of the Investment Advisers Act of 1940, our firm 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

Our firm does not have custody of client funds or securities. All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If our firm decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.



## Third Party Money Movement

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 in conjunction with our custodians:

- The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client’s qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## ITEM 16 INVESTMENT DISCRETION

### Discretionary Authority

Our firm manages accounts on a discretionary basis. After you sign an agreement with our firm, we’re allowed to buy and sell investments in your account without asking you in advance. Any limitation will be described in the signed advisory agreement. We will have discretion until the advisory agreement is terminated by you or our firm.

## ITEM 17 VOTING CLIENT SECURITIES

Our firm does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, our firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

## ITEM 18 FINANCIAL INFORMATION

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

Our firm has never been the subject of a bankruptcy proceeding.