

**Item 1 – Cover Page**

**Part 2A Appendix 1  
Wrap Fee Program Brochure**

**Yoder Wealth Management, Inc.**

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Date of Disclosure Brochure: January 2024

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of Yoder Wealth Management, Inc. (also referred to as we, us and Yoder Wealth Management throughout this disclosure brochure). If you have any questions about the contents of this brochure, please contact Michael D. Yoder at 925-691-5600 or [michael@yoderwm.com](mailto:michael@yoderwm.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 Yoder Wealth Management is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for our firm's CRD number 291826.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Since our latest required annual amendment to our ADV Part 2 Disclosure Brochure was filed in January 2023, the following material changes have been made to our disclosure brochure:

- TD Ameritrade, Inc. no longer serves as one of our preferred custodians. Our sole preferred custodian is Charles Schwab & Co., Inc. ("Schwab"), member SIPC.

We will ensure that you receive a summary of any material changes to this and subsequent Wrap Fee Program Disclosure Brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current Wrap Fee Program Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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#### Item 4 – Services, Fees and Compensation

Yoder Wealth Management is an investment adviser registered with the U.S. Securities and Exchange Commission and is a subchapter S corporation formed under the laws of the State of California.

Yoder Wealth Management offers asset management services through a wrap fee management program. In our wrap fee management program, the fee for advisory services (including asset management) and transaction costs (including ticket charges) are “wrapped” into one fee. Our Asset Management Services are considered a wrap fee program. Whenever a fee is charged for services described in this Wrap Fee Program Brochure, we will receive all or a portion of the fee charged.

When making the determination of whether one of the advisory programs available through Yoder Wealth Management is appropriate for your needs, you should bear in mind that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. The specific fee and terms will be outlined in the agreement between you and Yoder Wealth Management.

You should discuss the advantages and disadvantages of fee-based and commission-based accounts with your adviser representative and you should read this Wrap Fee Disclosure Brochure carefully as it explains, in detail, our Asset Management Services.

##### **Asset Management Services**

Yoder Wealth Management offers asset management services, which involves Yoder Wealth Management providing you with ongoing supervision over your specified accounts. It may also include advice regarding personal financial matters such as estate planning, income tax planning, equity compensation planning, charitable giving, wealth protection, retirement income planning, cash flow and liquidity management, etc. Our Asset Management services do not require the delivery of a formal written financial plan. The scope of engagement will be mutually determined with each client prior to entering into a formal relationship.

Under the program, Yoder Wealth Management is appointed to act as your investment adviser of record on specified accounts. Your account will consist only of separate account(s) held by the qualified custodian(s) under your name. In other words, your accounts will not be pooled with other investors.

**Yoder Wealth Management does not act as custodian and does not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization.** The qualified custodian(s) will maintain physical custody of all funds and securities of your Account, and you will retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) for your Account.

Our recommendations will be based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide ongoing advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. Outside of our regular meetings, we will also make ourselves reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Except as noted below, Yoder Wealth Management recommends clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab"). Schwab is an independent (and unaffiliated) SEC-registered broker-dealer and is recommended by Yoder Wealth Management to maintain custody of clients' assets and to effect trades for their accounts. Managed Variable Annuity accounts are held directly with the issuing Insurance Company.

There are two instances in which we may recommend establishing accounts outside of Schwab:

- 1) To accommodate certain special situations, we have also established a custodial relationship with Interactive Brokers LLC, member FINRA/NYSE/SIPC. Some of these situations may include:
  - a. Margin use
  - b. Higher-frequency trading
  - c. Foreign assets
- 2) When we are advising on variable subaccounts, these accounts will be held directly with the insurance company sponsoring the annuity.

Under the wrap fee program, Yoder Wealth Management will be provided with trading authorization on your account. The two types of trading authorization are **discretionary** and **non-discretionary**.

We will recommend you authorize our use of **discretionary** trading authority, which allows us to buy, sell or hold securities, cash or other investments in your managed account without consulting with you before making any transactions. You must provide us with written authorization to exercise this discretionary

authority, and you can place reasonable restrictions and limitations on our discretionary authority. Currently 100% of the assets under our Asset Management Services are managed on a discretionary basis.

You also have the option grant trading authorization on a **non-discretionary** basis, under which we are required to contact you prior to implementing changes in your account. Before placing any trades, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon for a given trade, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price. We therefore recommend working together on a discretionary basis rather than non-discretionary.

Fees charged for our Asset Management Services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a quarterly basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, the prorated fee for that billing period is based on the value of the Account when services commence and is due immediately and will be deducted from Account shortly after services commence.

The annual fee for Asset Management Services will range up to a maximum of 1.25%. The annual fee for your accounts will be specified in a written Asset Management Agreement.

Fees charged for our Asset Management Services are based primarily upon the scope of engagement and anticipated complexity of your situation, and are negotiated and set prior to entering into a formal relationship. Yoder Wealth Management strives to ensure that fees are substantially similar for clients of comparable scope of engagement and degree of complexity. The percentage of assets under management fee for your engagement will be specified in your Asset Management Agreement.

Yoder Wealth Management believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The only compensation received by Yoder Wealth Management for Asset Management Services is the annual fee as specified in the client's Asset Management Agreement.

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. Any fees deducted will be visible on the account statements provided by the qualified custodian(s). You should review your account statements received from the

qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Not all accounts will be subject to an annual fee for Asset Management Services. For example, cash-only accounts will generally be exempt. The accounts subject to the annual fee for Asset Management Services will be outlined in an addendum to the signed Asset Management Agreement. Accounts may be added to the addendum without executing a new Asset Management Agreement provided that the accounts are established with the qualified custodian(s) and that Client provides written authorization to the qualified custodian(s) to deduct management fees. Yoder Wealth Management will provide written notice to Client confirming the addition of any accounts to the addendum.

Yoder Wealth Management may reduce the annual fee outlined above without executing a new Asset Management Agreement, provided that written confirmation is provided to the Client. However, the annual fee may not be increased without executing a new Asset Management Agreement. In the event of a fee reduction, Yoder Wealth Management will specify the accounts or positions to which the reduction applies.

Under our Asset Management Services, Yoder Wealth Management will bear the expense of all trading costs. As a result, we have a financial incentive to limit orders for wrap fee accounts because trades increase our transaction costs. Therefore, an incentive exists to trade less frequently in a wrap fee program.

In addition, the trading costs Yoder Wealth Management incurs vary according security type, creating an incentive to recommend certain types over others. For example, most of the individual stocks and exchange-traded funds (ETFs) in our portfolios can be purchased and sold on a no-transaction-fee (NTF) basis. By contrast, we face transaction costs when purchasing and selling many mutual funds. However, our custodians allow many mutual funds to be purchased on a no-transaction-fee (NTF) basis, which presents an incentive to recommend those funds. You can find more information at:

<https://www.interactivebrokers.com/en/index.php?f=13654>.  
<https://www.schwab.com/legal/financial-and-other-relationships>

You may incur certain charges imposed by third parties other than Yoder Wealth Management in connection with investments made through your account including, but not limited to, 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 and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees (such as a commission or mark-up) for trades executed away from a custodian, wire transfer fees, variable annuity fees and surrender charges, and other fees and taxes on brokerage accounts and securities transactions. While cost is not the only factor in our recommendations, in all instances Yoder Wealth Management will make a good faith effort to reduce or eliminate outside expenses to the extent it can be done without compromising the integrity of the advice.

The Asset Management Services continue in effect until terminated by either party by providing written notice of termination to the other party. Any prepaid, unearned fees will be promptly refunded by Yoder Wealth Management. Fee refunds will be granted on a pro rata basis using the number of days services are provided during the final billing period.

## **Block Trading**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Yoder Wealth Management believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Yoder Wealth Management uses the average price allocation method for transaction allocation.

Under this procedure Yoder Wealth Management will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Yoder Wealth Management or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

## **Suitability and Investment Strategy**

Yoder Wealth Management will assist clients in determining their objective(s), investment strategy, and investment suitability, prior and subsequent to opening an Asset Management account. Clients must contact us to notify of any changes in their investment objective(s) and/or financial situation. Investment strategies used to implement investment advice include, but are not necessarily limited to, long term purchases (investments held at least a year); short term purchases (investments sold within a year); margin transactions; and option writing, including cover options, uncovered options or spreading strategies.

## **Variable Sub-Account Management Services**

Under our sub-account management services, Yoder Wealth Management manages your fee only variable annuity contract by selecting, monitoring and exchanging as necessary between sub-accounts available from the insurance company issuing the variable annuity contract.

Under this program, we assist you in completing a questionnaire which details your financial goals, risk tolerance and time horizon. You will have the opportunity to list on your investment advisory agreement with our firm any reasonable restrictions on the sub-accounts that may be utilized by Yoder Wealth Management. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives.

Once you have provided us with the necessary information and made the appropriate authorizations, Yoder Wealth Management utilizes limited discretionary authority to select or exchange among the sub-accounts available under your variable annuity contract in accordance with your disclosed investment objective and risk tolerance. Yoder Wealth Management may utilize signal providers for guidance regarding investment strategies, asset allocations and timing of exchanges. Yoder Wealth Management



will monitor your sub-accounts and exchange sub-accounts as necessary and in accordance with your investment objective and risk tolerance.

Under this program, you will incur an annual investment advisory fee, which is based upon a percentage of the market value of your variable annuity and variable life contract under the management of Yoder Wealth Management. The exact annual fee charged by Yoder Wealth Management will be agreed upon prior to commencing services and stated in the client agreement.

The annual fee for our variable sub-account management services will range up to a maximum of 1.25%. Yoder Wealth Management may reduce the annual fee outlined above without executing a new client agreement, provided that written confirmation is provided to the Client. However, the annual fee may not be increased without executing a new client agreement. In the event of a fee reduction, Yoder Wealth Management will specify the contracts to which the reduction applies.

The annual fee is paid quarterly in advance and is calculated and due based upon the total value of your variable annuities and variable life contracts under management as of March 31, June 30, September 30 and December 31. The quarterly fee payments for the first and last billing periods are pro-rated to reflect the actual days that your variable annuities contracts were subject to management by Yoder Wealth Management.

The investment advisory fee will be automatically deducted from your variable annuity and/or variable life contract by your insurance company and paid to Yoder Wealth Management.

Under this program, Yoder Wealth Management will cover all transaction costs related to variable sub-account exchanges. However, the insurance company issuing your variable annuities contract may assess certain charges in addition to the investment advisory fee charged by Yoder Wealth Management. Common examples include contract fees, mortality & expense charges, and rider fees in the event client chooses an optional contract rider. In addition, your variable annuity contract may be subject to exchange fees and surrender charges. Yoder Wealth Management does not share in these fees charged by your insurance company. Please refer to the prospectus of your variable annuity contract for more details about the insurance company's management expenses and any exchange or surrender fees.

Investment advisory fees charged by Yoder Wealth Management are separate and distinct from the fees and expenses charged by the sub-accounts that may be recommended to you. A description of these fees and expenses are available in the prospectus of your variable annuity contract.

You or Yoder Wealth Management may terminate this service for any reason by providing the other party with written notice, which will be effective five (5) days after receipt or at a later date as specified in the notice.

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

### **Minimum Account Size**

Although there are no formal minimum investment amounts or conditions required for establishing an account managed by Yoder Wealth Management, we are selective in terms of entering into Asset Management Services relationships with those for whom we believe our services would be a good fit, as mutually defined. A written agreement for services is required in order to establish a client arrangement

with Yoder Wealth Management and/or the third-party money manager or the sponsor of third-party money manager platforms.

### **Types of Accounts**

Yoder Wealth Management generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Pension and profit sharing plans

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

Yoder Wealth Management and its Investment Adviser Representatives act as the portfolio manager(s) for accounts receiving our asset management services. As stated previously our asset management service are considered a wrap fee program. For this service, we do not allow the use of portfolio managers that are not associated with Yoder Wealth Management. In other words, the only portfolio managers selected for managing client assets for our wrap account program are Investment Adviser Representatives of Yoder Wealth Management. Therefore, conflicts of interest present in other wrap fee programs that make available both affiliated and unaffiliated portfolio managers are not present in our wrap fee program. Because our wrap fee program does not provide for outside portfolio managers, we do not have procedures designed to select or review the performance of outside portfolio managers. Since each client has a unique portfolio, no third parties are utilized to formally review the collective performance of the firm's Investment Advisor Representatives.

### **Limits Advice to Certain Types of Investments**

Yoder Wealth Management provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities, including over-the-counter (OTC) securities
- Digital Currencies
- Foreign Issues
- Corporate Debt Securities, Commercial Paper and Certificates of Deposit
- Municipal & US Government Securities
- Options Contracts on Securities
- Securities Properly Exempted from Registration
- Variable Annuities (fee only)

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

Although it is not our typical investment strategy to attempt to time the market, we generally adjust asset class weightings (including cash holdings) as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

### **Tailor Advisory Services to Individual Needs of Clients**

Yoder Wealth Management's advisory services are provided based on your individual needs. This means, for example, that when we provide Asset Management Services, you have the ability to impose restrictions on the accounts we manage for you, including specific holdings, sectors, asset classes, etc. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Performance-Based Fees and Side-By-Side Management**

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. Yoder Wealth Management does **not charge or accept performance-based fees**.

### **Methods of Analysis**

Yoder Wealth Management uses the following methods of analysis in formulating investment advice:

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in

question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

There are risks involved in using any analysis method.

To conduct analysis, Yoder Wealth Management gathers information from financial publications, inspection of corporate activities, research materials prepared by third parties, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, company press releases, and any other sources deemed relevant.

### **Investment Strategies**

Yoder Wealth Management may use the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest of the purchase price from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Yoder Wealth Management.

Option writing including cover options, uncovered options or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

Tactical asset allocation. Allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a "buy and hold" strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client's

goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

## **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds.

- **Management Risk** – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Margin Risk** - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and Yoder Wealth Management and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.
- The account custodian or clearing firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
- The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

### **Voting Client Securities**

Yoder Wealth Management does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client

proxies, if you have a question about a particular proxy feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

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

Only Investment Adviser Representatives of Yoder Wealth Management serve as portfolio managers for our Asset Management Services Program. Our associated Investment Adviser Representatives are responsible for gathering all information provided by you. We will interview and work with you to gather all information needed relative to your investment objectives and needs in order to provide management services through our Asset Management Services Program. You are responsible for promptly contacting your Investment Adviser Representative to notify us of any changes to your financial situation that will impact or materially influence the way we manage your accounts. Since we do not use any outside portfolio managers, we do not share your information with any outside portfolio managers.

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

Only Investment Adviser Representatives of Yoder Wealth Management serve as portfolio managers for our Asset Management Services Program. There are no restrictions placed on your ability to contact and consult with your Investment Adviser Representative. It is the policy of Yoder Wealth Management to provide for open communications between the Investment Adviser Representatives and clients. You are encouraged to contact your Investment Adviser Representative whenever you have questions about the management of your account(s).

### **Item 9 - Additional Information**

#### **Disciplinary Information**

We have no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or the integrity of our management.

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

Yoder Wealth Management is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with Yoder Wealth Management.

### **Interest in Client Transactions and Code of Ethics**

As an investment adviser Yoder Wealth Management is considered a fiduciary and has a fiduciary duty to all clients, generally defined as a legal obligation to place clients' interests ahead of its own. Yoder Wealth Management has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. Yoder Wealth Management's Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. Yoder Wealth Management requires its supervised persons to consistently act in your best interest in all advisory activities. Yoder Wealth Management imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Yoder Wealth Management. Our full Code of Ethics will be made available upon request.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Yoder Wealth Management or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a conflict of interest. It is the express policy of Yoder Wealth Management that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. Yoder Wealth Management and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Yoder Wealth Management.

Any associated person not observing our policies is subject to sanctions up to and including termination.



**Account Reviews**

Managed accounts are reviewed internally at least quarterly. They are also reviewed concurrent with each client meeting. Additional reviews can be conducted at your request. Account reviews will include a review of your investment strategy and objectives. Changes may be recommended if either have changed, or as market conditions dictate. Reviews are conducted by Anat Yoder and/or Michael Yoder, with reviews performed in accordance with your investment goals and objectives.

**Account Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian. Additionally, Yoder Wealth Management may provide customized position or performance reports upon request.

You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

**Client Referrals and Other Compensation**

Yoder Wealth Management does not directly or indirectly compensate any person for client referrals.

However, Yoder Wealth Management receives economic benefits from Schwab that may not be available to retail investors. The benefits of our custodial relationships include, but are not necessarily limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.

Schwab also makes available to us other products and services that benefit our firm but may not directly benefit clients' accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); provide research, pricing information and other market data; facilitate payment of the firm's fees from its clients' accounts; and assist with back-office functions; record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at a recommended custodian. Schwab also provides other services intended to help our firm manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing.

**Financial Information**

Yoder Wealth Management does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Yoder Wealth Management has not been the subject of a bankruptcy petition at any time.

## Item 11 - Customer Privacy Policy Notice

We are a registered investment advisor in the business of providing investment advisory services to clients. We are committed to safeguarding the confidential information of our clients and hold all personal information provided to us in the strictest confidence. Except as required or permitted by law, we do not share confidential information about clients with non-affiliated third parties. In the unlikely event there were to be a change in this fundamental policy that would permit additional disclosures of the client's confidential information, we provide written notice to the client, and the client is given an opportunity to direct us as to whether such disclosure is permissible.

### AN IMPORTANT NOTICE CONCERNING CLIENTS' PRIVACY

**Customer Information Collected.** We collect and develop personal information about clients, and some of that information is non-public personal information (Customer Information). The essential purpose for collecting Customer Information is to provide and service the financial products and services the client obtains from us. The categories of Customer Information collected by us depend upon the scope of the engagement with us and are generally described below. As an investment advisor, we collect and develop Customer Information about the client in order to provide investment advisory services.

Customer Information collected includes:

- Information received from the client on financial inventories through consultation with our associated persons. This Customer Information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account and other records concerning the client's financial condition and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Information developed as part of financial plans, analyses or investment advisory services.
- Information concerning investment advisory account transactions, such as wrap account transactions.
- Information about the client's financial products and services transactions with us.

**Data Security.** We restrict access to Customer Information to associated persons and employees who need the information to perform their job responsibilities within the firm. We maintain agreements, as well as physical, electronic and procedural securities measures, that comply with federal regulations to safeguard Customer Information about the client.

**Use and Disclosure of Customer Information to Provide Customer Service to Client Accounts.** To administer and service client accounts, process transactions and provide related services for client accounts, it is necessary for us to provide access to Customer Information within the firm and to non-affiliated companies such as other investment advisors, other broker/dealers, trust companies, and custodians. We may also provide Customer Information outside of the firm as permitted by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.

**Former Clients.** If the client closes an account with us, we continue to operate in accordance with the principles stated in the Notice.

**Requirements of Federal Law.** In November of 1999, Congress enacted the *Gramm-Leach-Bliley Act (GLBA)*. The *GLBA* requires certain financial institutions, including broker/dealers and investment advisors, to protect the privacy of Customer Information. To the extent a financial institution discloses Customer Information to non-affiliated third parties other than as permitted or required by law, clients must be given the opportunity and means to opt out (or prevent) such disclosure. Please note that we do not disclose Customer Information to non-affiliated third parties, except as permitted or required by law (e.g., disclosures to service client's account or to respond to subpoenas).

State law prohibits us from sharing any of your personal information with a third party without your permission. You must check the "yes" box below if you consent to our sharing such information. You must then complete, sign and return the form to our firm. If you do not wish to provide such consent, no action is needed.

Consent granted:    ☐ Yes            ☐ No

Signature: \_\_\_\_\_

Printed name: \_\_\_\_\_

Date: \_\_\_\_\_