

**Item 1. Cover Page**

**FORM ADV PART 2A DISCLOSURE BROCHURE**

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March 5, 2024

This Form ADV Part 2A Disclosure Brochure ("Brochure") provides information about the qualifications and business practices of Certus Wealth Management LLC (hereinafter "Certus Wealth Management," the "Firm," "we," "us," "or similar designations). If you have any questions about the contents of the Brochure, please contact Certus Wealth Management (CRD 318830) at (650) 232-2023. The information in the Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

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

Registration with the SEC or any state securities authority does not imply any level of skill or training.

## **Item 2. Material Changes**

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

The last annual update of our Firm Brochure occurred on March 20, 2023.

As part of this annual update, this Brochure was revised to reflect the following material changes:

In June 2023, Certus Wealth Management transitioned to SEC registration.

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## **Item 4. Advisory Business**

### **Description of Certus Wealth Management**

Certus Wealth Management was launched in December 2021 and is principally owned by Joel Van Hofwegen.

Certus Wealth Management offers a variety of advisory services to clients, which include financial planning and investment management services. Prior to Certus Wealth Management rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with the Firm setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

While this Brochure generally describes the business of Certus Wealth Management, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees, and other persons who provide investment advice on the Firm’s behalf and are subject to the Firm’s supervision or control.

### **Description of Services**

The Firm offers a broad range of financial planning and investment management services as described below in more detail.

#### Financial Planning and Consulting Services

Certus Wealth Management offers clients a broad range of financial planning services, which can include any or all of the following services:

- Retirement planning
- Cash flow planning
- Trust and estate planning
- Insurance planning
- Education planning
- Risk management
- Tax planning
- Charitable giving
- Distribution planning

While each of these services is available on a stand-alone basis, certain basic financial planning services can be provided in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below). In performing these services, Certus Wealth Management is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants) and is expressly authorized to rely on such information. Certus Wealth Management recommends certain clients engage the Firm for additional related services and/or other professionals to implement its recommendations. Clients

are advised that a conflict of interest exists for the Firm to recommend that clients engage the Firm to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Certus Wealth Management under a financial planning engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Firm's recommendations and/or services.

### Investment Management and Wealth Management Services

Certus Wealth Management manages client investment portfolios on a discretionary or non-discretionary basis. Discretionary investment management services allow the Firm to implement its recommendations without prior consent from the client. Non-discretionary investment management services require the Firm to obtain prior consent from the client before implementing its recommendations.

Certus Wealth Management also offers clients wealth management services as part of a comprehensive arrangement which includes financial planning services as well as discretionary and/or non-discretionary management of investment portfolios.

Certus Wealth Management primarily allocates client assets among various exchange-traded funds ("ETFs") but also has the authority to invest client assets in a broad range of securities, which could include mutual funds, individual debt and/or equity securities.

Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios. Clients can engage Certus Wealth Management to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Certus Wealth Management directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's sponsor.

Certus Wealth Management tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. The Firm consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints, and other factors relevant to the management of their portfolios. Clients are advised to promptly notify the Firm if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if the Firm determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

## Retirement Plan Services

Certus Wealth Management offers investment management services to qualified employee benefit plans and their fiduciaries. Such services are provided by Certus Wealth Management as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of Certus Wealth Management's fiduciary status, the specific services to be rendered, and all direct and indirect compensation the Firm reasonably expects under the engagement.

## **State of California Required Disclosures**

Pursuant to California Code of Regulations, Certus Wealth Management hereby makes the following statement: a conflict exists between the interest of Certus Wealth Management and the interests of the client. Further, the client is under no obligation to act upon Certus Wealth Management recommendations, and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through Certus Wealth Management. All material conflicts of interest are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

While Certus Wealth Management endeavors at all times to offer clients specialized services at reasonable costs, the same or different services may be offered by other firms at the same, higher, or lower fees.

## **Wrap Fee Programs**

Certus Wealth Management does not provide services through a wrap fee program.

## **Assets Under Management**

As of December 31, 2023, Certus Wealth Management manages \$12,603,659 in client assets on a non-discretionary basis and \$123,718,742 in client assets on a discretionary basis for a total assets under management of \$136,322,401.

## **Item 5. Fees & Compensation**

Certus Wealth Management offers services on a fee basis, which includes fixed fees and fees based upon assets under management.

### **Financial Planning and Consulting Fees**

Clients that are receiving financial planning services only are charged a one-time fixed fee ranging from \$1,500 to \$10,000, depending on the complexity of a client's plan and services provided. The fee for financial planning services will be billed in accordance with the agreement with the client, and may be billed in periodic installments until final delivery of the financial plan or otherwise fully payable upon delivery of the financial plan. Actual fees charged are clearly outlined in the financial planning agreement and clients receive invoices reflecting the amount of the fee due and payable.

This service may be terminated by the client at any time with thirty days prior written notice. The Firm may terminate this Agreement at any time immediately upon prior written notice to the client.

Upon termination of this service, client will pay to the Firm any outstanding fees and the Firm will refund to the client any unearned fees.

### **Investment Management and Wealth Management Fees**

Certus Wealth Management offers investment management and Wealth Management services for an annual fee based on the amount of assets under the Firm's management based on the following straight tier fee schedule.

| Assets Under Management   | Fee Rate   |
|---------------------------|------------|
| Up to \$250,000           | 1.25%      |
| \$250,001–\$2,500,000     | 1.00%      |
| \$2,500,001–\$5,000,000   | 0.80%      |
| \$5,000,001–\$10,000,000  | 0.75%      |
| \$10,000,001–\$10,000,000 | 0.70%      |
| \$20,000,001–\$30,000,000 | 0.65%      |
| \$30,000,001–\$40,000,000 | 0.60%      |
| Above \$40,000,000        | Negotiable |

Certain legacy clients that the Firm will have may have fee arrangements that vary from the above schedule.

The investment management/wealth management fee is prorated and charged quarterly in advance based upon the market value of the assets being managed as of the first day of the quarter.

If more than \$25,000 in funds are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value.

For the initial period of an engagement, the fee is calculated on a pro-rata basis based on the number of days for which services are provided. In the event the advisory agreement is terminated, the fee for the final billing period is prorated for the number of days for which services are rendered through the effective date of the termination, and the unearned portion of the fee is refunded to the client, as appropriate.

Additionally, for certain consulting services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments), the Firm may negotiate a lower fee rate that differs from the range set forth above or a waiver of all fees with respect to such accounts.

### **Retirement Plan Service Fees**

Certus Wealth Management charges an asset-based fee for its retirement plan investment management services. This fee is negotiated with the plan sponsor and is memorialized in the Advisory Agreement with the client. Fees based on a percentage of managed plan assets will not exceed 1.25%. Fees are charged quarterly in advance based on the market value of the plan assets. The Firm will invoice the client directly for services.

Notwithstanding the foregoing, Certus Wealth Management and the client may choose to negotiate an annual advisory fee that varies from above. Factors upon which a different annual advisory fee may be based include, but are not limited to, the size and nature of the relationship, the services rendered, the nature and complexity of the products and investments involved, time commitments, and travel requirements. The advisory fee charged by the Firm will apply to all of the client's assets under management, unless specifically excluded in the client agreement. Although Certus Wealth Management believes that its fees are competitive, clients should understand that lower fees for comparable services may be available from other sources and firms.

The investment advisory agreement between Certus Wealth Management and the client may be terminated at will by either Certus Wealth Management or the client upon written notice. Certus Wealth Management does not impose termination fees when the client terminates the investment advisory relationship, except when agreed upon in advance. In the event the advisory agreement is terminated, the fee for the final billing period is prorated for the number of days for which services are rendered through the effective date of the termination, and the unearned portion of the fee is refunded to the client, as appropriate.

### **Fee Discretion**

Certus Wealth Management may, in its sole discretion, negotiate to charge lesser fees based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, and pro bono activities.

### **Additional Fees and Expenses**

In addition to the advisory fees paid to Certus Wealth Management, clients also incur certain charges imposed by third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively "Financial Institutions"). These additional charges include securities brokerage commissions; transaction fees; custodial fees; reporting charges; charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses); deferred sales charges; odd-lot differentials; transfer taxes; wire transfer and electronic fund fees; and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12 below.

Neither Certus Wealth Management nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds



## **Direct Fee Debit**

Clients provide the Firm with the authority to directly debit their accounts for payment of the investment management fees and wealth management fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Certus Wealth Management. For stand-alone financial planning services, in certain circumstances, the Firm is authorized by the client to deduct its fees from other accounts managed by the Firm. In other circumstances, the Firm will directly invoice the client for financial planning services.

## **Item 6. Performance-Based Fees & Side-by-Side Management**

Certus Wealth Management does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets) and therefore does not have concerns related to side-by-side management.

## **Item 7. Types of Clients**

### **Types of Clients**

Certus Wealth Management offers investment management services to individuals (including high-net-worth individuals), trusts and estates, and pension and profit-sharing plans.

### **Minimum Account Requirements**

Certus Wealth Management does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship with the Firm.

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

Investing in securities involves a risk of loss that clients should be prepared to bear. There is no guarantee that any specific investment or strategy will be profitable for a particular client.

### **Methods of Analysis and Investment Strategies**

Certus Wealth Management's investment methodology begins with strategic allocation of client assets. The strategic component is the portion of the strategy that remains static for each asset class. The strategic allocation aligns with the client's overall investment objective. Where appropriate and agreed with the client, Certus Wealth Management will engage in tactical allocation of assets to express client preferences. This tactical allocation component is the segment of the strategy allowed to shift based on Certus Wealth Management's investment recommendations. Adjusting these two components creates multiple sub-strategies that can be catered to the client's needs. Strategies with a higher tactical component are designed to be less correlated with the overall market direction, particularly during bear markets.

Asset allocation is expressed principally through the use of model portfolios primarily comprised of ETFs sourced and recommended by Certus Wealth Management.

## **Risk of Loss**

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to Certus Wealth Management's investment management activities.

Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

## **Market Risks**

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Certus Wealth Management's recommendations and/or investment decisions will depend to a great extent upon correctly assessing the future course of price movements of equity securities and other investments. In addition, investments can be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that Certus Wealth Management will be able to predict these price movements accurately or capitalize on any such assumptions.

## **Volatility Risks**

The prices and values of investments can be highly volatile and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

## **Cash-Management Risks**

The Firm is authorized to invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

## **Equity-Related Securities and Instruments**

The Firm will take positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization, and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

### Fixed Income Securities

Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations. Additionally, the value of fixed-income securities is impacted by factors such as interest rates as well as market and economic factors.

### Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for index-based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro-rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### Management through Similarly Managed "Model" Accounts

In general, Certus Wealth Management manages accounts through the use of similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various securities on a discretionary basis using one or more of its proprietary investment strategies.

The strategy used to manage a model portfolio may involve an above-average portfolio turnover that could negatively impact clients' net after-tax gains. While the Firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

### Interest-Rate Risks

Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by clients.

### Cybersecurity Risks

The information and technology systems of Certus Wealth Management and key service providers to the Firm and its clients may be vulnerable to potential damage or interruption from computer viruses; network failures; computer and telecommunication failures; infiltration by unauthorized persons and security breaches; usage errors by their respective professionals; power outages; and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. Although the Firm has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time, or cease to function properly, it may be necessary for the Firm to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Firm or its clients' accounts and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information.

## **Item 9. Disciplinary Information**

Neither the Firm nor any member of its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon the Firm's advisory business or the integrity of the Firm.

## **Item 10. Other Financial Industry Activities & Affiliations**

The Firm's policies require it and its personnel to conduct business activities in a manner that avoid actual or potential conflicts of interest between the Firm, employees and clients, or that may otherwise be contrary to law. The Firm will provide disclosure to its client prior to and throughout the term of an engagement of any conflicts of interest which will or may reasonably compromise its impartiality or independence. Certus Wealth Management and its associates are engaged for fee-only advisory services. As such, neither the Firm, management, nor its associates are registered or have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) introducing broker, or as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. Further, neither the Firm nor a member of its management is, or has a material relationship with any of the following types of entities:

- broker-dealer, municipal securities dealer, or government securities dealer or broker
- 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)
- other investment adviser or financial planner
- futures commission merchant, commodity pool operator, or commodity trading advisor
- banking or thrift institution
- accountant or accounting firm
- lawyer or law firm
- insurance company or agency

- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships.

Upon your request, you may be provided a referral to various professionals, such as an accountant, banker, insurance agent or an attorney. While these referrals are based on our best information, we do not guarantee the quality or adequacy of the work provided by these referred professionals. We do not have an agreement with or receive fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by the Firm.

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

Certus Wealth Management has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Certus Wealth Management's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material nonpublic information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Certus Wealth Management's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

Neither Certus Wealth Management nor any related person are authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a related person has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments; (iii) shares issued by money market funds; and (iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact Certus Wealth Management to request a copy of its Code of Ethics.

## **Item 12. Brokerage Practices**

### **Recommendation of Broker-Dealers and Custodians for Client Transactions**

Certus Wealth Management generally recommends that clients utilize the custody, brokerage and clearing services of Charles Schwab & Co, Inc. through its Schwab Advisor Services division ("Schwab") or another custodian or broker-dealer as appropriate. Schwab provides Certus Wealth Management with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to advisors. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including in the form of advice, analyses, and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Factors which Certus Wealth Management considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, and service. Schwab enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. Brokerage commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.

The Firm conducts reviews to ensure that commissions paid by the firm's clients to Schwab comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where the Firm determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. The Firm seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions are directed to Schwab or another broker-dealer in return for investment research products and/or other products and services that assist the Firm in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services, as well as the allocation of the benefit of such investment research products and/or

services, poses a conflict of interest because the Firm does not have to produce or pay for the products or services.

The Firm periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

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 the Firm might not otherwise have access or that would require a significantly higher minimum initial investment by the Firm's clients. Schwab's services described in this section generally benefit clients or their account(s).

Schwab also makes available to the Firm other products and services that benefit the Firm but may not directly benefit the client or the client's account(s). These products and services assist the Firm in managing and administering its clients' accounts. They include investment research, both Schwab's own and that of third parties. The Firm may use this research to service all or a certain number of the Firm's clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

Schwab also offers other services intended to help the Firm manage and further develop its business. These services include:

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

Schwab also provides the Firm access to national, regional, or Firm-specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits to the Firm could include occasional business entertainment of personnel of Certus Wealth Management by Schwab Advisor Services personnel, including meals; invitations to sporting events, including golf tournaments; and other forms of entertainment, some of which may accompany educational opportunities.

In certain cases, Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to the Firm. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

While, as a fiduciary, Certus Wealth Management endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to the Firm of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab, which creates potential conflicts of interest. Additionally, because the amount of financial and other support from Schwab in obtaining these services is contingent on Certus Wealth Management retaining a certain amount of assets on the Schwab custodial platform, the Firm has an incentive to recommend Schwab as a custodian for its clients. Regardless of direct or indirect benefits to our clients through Schwab, we strive to enhance the client's experience, help clients reach their goals, and put their interests before that of our firm or its supervised persons.

### **Client Referrals from Brokers**

Certus Wealth Management does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the broker-dealer.

### **Directed Brokerage**

The client, with agreement of Certus Wealth Management, may direct Certus Wealth Management in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Certus Wealth Management (as described above). As a result, the client may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Certus Wealth Management may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Trade Aggregation**

Transactions for each client will be effected independently, unless Certus Wealth Management decides to purchase or sell the same securities for several clients at approximately the same time. Certus Wealth Management may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Certus Wealth Management's clients pro rata in relation to the purchase and sale orders placed for each client on any given day. Certus Wealth Management does not receive any additional compensation or remuneration as a result of the aggregation.



## **Item 13. Reviews of Accounts**

### **Account Reviews**

Joel Van Hofwegen conducts ongoing reviews of each client's portfolio as part of the Firm's investment management services. An investment adviser representative will conduct a review of each client's accounts at least annually to ensure that the Firm's investment recommendations continue to be suitable for the client, given the client's investment objectives and financial circumstances.

Reviews may also be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **Account Statements and Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Certus Wealth Management and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients also may be granted viewing access to their account information through the Firm's performance reporting system.

## **Item 14. Client Referrals & Other Compensation**

### **Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

Please see a description of economic benefits received by the Firm in Item 12 above.

### **Compensation for Client Referrals**

Certus Wealth Management does not currently compensate third parties for client referrals.

## **Item 15. Custody**

Clients will receive account statements at least quarterly directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their account. Clients should carefully review the account statements from custodians for accuracy. The Firm has custody of funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee. Certus Wealth Management's agreement with clients and/or the clients' separate agreements with the custodian may authorize Certus Wealth Management through such custodian to debit the clients' accounts for the amount of Certus Wealth Management's fee. Each time a fee is directly deducted from a client account, the Firm will:

- Send the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and

- Send the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.
- Certus Wealth Management will notify the Commissioner in writing that the investment adviser intends to use the safeguards provided in this paragraph. Such notification is required to be given on Form ADV.

The Firm encourages clients to review the official statements provided by the custodian, and to compare such statements with any reports or other statements received from Certus Wealth Management.

## **Item 16. Investment Discretion**

Clients have the option of providing Certus Wealth Management with investment discretion on their behalf, pursuant to a grant of a limited power of attorney contained in Certus Wealth Management's client agreement. By granting Certus Wealth Management investment discretion, a client authorizes Certus Wealth Management to direct securities transactions in the account without receiving prior permission. Clients may impose reasonable limitations in the form of specific constraints on any of these areas of discretion with the consent and written acknowledgement of Certus Wealth Management if Certus Wealth Management determines, in its sole discretion, that the conditions would not materially impact the performance of a management strategy or prove overly burdensome for Certus Wealth Management.

## **Item 17. Voting Client Securities (Proxy Voting)**

Certus Wealth Management does not take responsibility with respect to voting proxies on behalf of its clients. Proxy materials will be sent directly by the custodian to the client, and Certus Wealth Management will not be responsible for answering questions pertaining to the voting of proxies.

## **Item 18. Financial Information**

Certus Wealth Management does not have any financial condition or impairment that would prevent the Firm from meeting its contractual commitments to clients. The Firm does not take physical custody of client funds or securities or serve as trustee or signatory for client accounts, and it does not require the prepayment of more than \$500 in fees six or more months in advance.

The Firm has not filed a bankruptcy petition at any time in the past ten years.