

## Item 1 – Cover Page



### **Form ADV Part 2A – Appendix 1, Wrap Brochure**

March 06, 2024

This Brochure provides information about the qualifications and business practices of BKM Wealth Management, LLC. You should review this brochure to understand your relationship with BKM and help you determine to hire or retain BKM as your investment advisor. If you have any questions about the contents of this brochure, please contact BKM at (262) 955-7150. The information in this Brochure has not been approved or verified by the United States of America Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about BKM Wealth Management also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). You can search this site by firm name or by using a unique identifying number, known as a CRD number. The CRD number for BKM Wealth Management is 323928.

BKM Wealth Management is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training.

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## Item 2 – Material Changes

This section of the brochure discusses specific material changes that have been made to the brochure since the firm's last annual update.

Item 6 has been updated to include information on the FICA® | For Advisors cash management program sponsored by StoneCastle Network, LLC ('StoneCastle'). (05/22/2023)

Item 6 has been updated to disclose certain exceptions to the BKM Proxy Voting Policy. (05/22/2023)

Items 4, 6 and 9 have been updated to reflect an Insurance Consulting service offered through DPL Financial Partners, LLC. (10/16/2023)

Item 6 has been updated to introduce the use of Pontera, a third-party platform that allows BKM to access and manage assets not held directly with BKM custodians. (10/16/2023)

Item 9 has been updated to reflect that certain supervised persons maintain insurance licenses. (02/05/24)

(Brochure Date: 03/06/2024)

(Date of Last Annual Updating Amendment: 03/06/2024)

We will provide you with a Summary of Material Changes made to this brochure annually at no cost. You may receive an updated copy of this brochure at any time by contacting BKM at (262) 955-7150.

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## Item 4 – Services, Fees and Compensation

### Our Services

BKM Wealth Management, LLC (“BKM”) is a registered investment advisor that provides financial planning, investment management and financial advisory services to individuals, high net worth individuals, business owners and corporations to help them achieve their financial needs and goals. BKM has been a registered investment advisor since 2022. The sole shareholders of the firm are Casey Berrall, Matthew Kons, Steven Manders and William Manders.

BKM takes pride in providing personalized service to clients and acknowledges that it is held to a fiduciary standard of care.

BKM offers portfolio management services through a wrap fee program. A bundled or “wrap fee” program is an advisory fee program under which you pay one bundled fee to compensate BKM for portfolio management, transaction costs and custodial services. A wrap fee program may not be the lowest cost option if you would like to restrict your investments to open-end mutual funds or other long-term investment products.

### Fees and Compensation

Fees for investment and wealth management services are generally billed in advance each calendar quarter based on the market value of the assets under management/advisement on the last day of the previous calendar quarter. The maximum fee for BKM’s program is as follows:

Maximum Annual Advisory Fee
1.5%

Fees may be based on cumulative household assets under management. However, certain ERISA rules prevent householding corporate plans with personal assets for fee reductions. Existing clients will be grandfathered and charged according to their existing fee rate. You should refer to your advisory agreement for your specific fee rate(s).

For investment and portfolio management services BKM provides to certain clients or for specific client holdings (e.g., held-away assets, 529 plans, etc.), we may negotiate a fee rate that differs from BKM’s standard fee.

### Selection of Other Independent Managers

Fees for other Independent Managers used to manage all or a portion of a client’s account are set forth by the Independent Manager and may be included or in addition to BKM’s fees. You should refer to the Independent Manager’s Form ADV Part 2A Brochure for information on their fees and compensation.

### Programs Offered Through Wells Fargo Advisors

Fees for advisory programs offered through Wells Fargo Advisors are inclusive of BKM's and Wells Fargo Advisors' advisory fees and are as follows:

Program	Program Type	Maximum Annual Advisory Fee
Private Advisor Network	Separately Managed Account	\$0 - \$500,000: 1.75% Next \$500,000: 1.50% Next \$4,000,000: 1.25% Above \$5,000,000: Negotiable
Personalized Unified Managed Account	Unified Managed Account	1.75%
FundSource®	Mutual Fund Advisory Program	1.25%

You should refer to your advisory agreement for your specific fee rate(s). Advisory fees for the third-party manager utilized through the Private Advisor Network Program are not included in the above program fee. You pay for the services of the third-party manager separately. You should refer to your advisory agreement for your specific fee rate(s).

Wells Fargo Advisors will calculate and directly debit advisory fees from the clients' accounts for assets within their programs. The value of assets held in any Wells Fargo Advisor program are included in the amount of total household assets used to determine BKM's advisory fees for other assets of a client that are managed by BKM.

### **Costs of BKM's Program**

Fees for BKM's portfolio management services may be higher than fees charged by other advisers who sponsor similar programs, or if you paid separately for investment advice and other services. Fees for BKM's wrap fee program include brokerage, clearing and custodial costs as well as BKM's portfolio management fee. You may be charged different fees than similarly situated clients for the same services. Your specific wrap fee is described in your investment management agreement. You should carefully review this brochure to understand the fees and other sources of compensation we receive prior to entering into an investment advisory contract with BKM.

### **Other Types of Fees You May Incur**

You may incur additional charges imposed by custodians, broker-dealers, investment companies and other third parties, such as fees charged by Independent Managers, account maintenance fees, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on securities transactions. Such

charges and fees are exclusive of and in addition to BKM's fees. You are responsible for payment of any and all taxes that may be due as a result of any transactions in your account.

In addition to advisory fees, you are responsible for paying any management and other fund-related expenses for any mutual funds in which your account assets are invested. This includes redemption fees imposed by the mutual fund or custodian as a result of a transaction-related request you initiate (such as a partial or complete liquidation of your account). Distribution or "12b-1" fees paid by any mutual funds in which your account assets are invested are credited back to your account for your benefit.

For providing platform services to RIAs, DPL receives service fees from the insurers that offer their fee-based products through the platform. These service fees are based on the insurance premiums received by the insurers. As product costs vary, services offered through DPL will independently disclose fees associated with any product offered.

### **BKM Compensation for Your Participation in the Program**

BKM generally acts as both the sponsor and portfolio manager of the wrap fee program but may engage a third-party money manager to act as portfolio manager for all or a portion of an account. This means we receive compensation as a result of your participation in the program, which gives BKM an incentive to recommend the program over other programs or services. The amount of this compensation may be more than what we would receive if you paid separately for investment advice, brokerage, and other services. We encourage you to consider your anticipated level of trading activity and compare the costs you may incur in the program versus an unbundled portfolio management program.

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

BKM provides investment advisory services to individuals, high net worth individuals, retirement plans, trusts, estates, family entities and businesses/corporations.

BKM generally requires a minimum initial investment of \$250,000 for investment management services. The firm, in its sole discretion, will accept clients based upon each client's particular circumstances.

Certain Independent Managers may impose more restrictive account requirements than BKM. In such instances, BKM may alter its corresponding account requirements to accommodate those of the Independent Managers.

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

### **Selection and Review of Portfolio Managers**

BKM generally acts as both the sponsor and portfolio manager of the wrap fee program. We may also utilize a third-party money manager to manage all or a portion of a client's account.

In an effort to mitigate any potential conflicts of interest, we have the ability to effect a large amount of trades within the wrap program with institutional pricing. This mitigates the incentive to recommend fewer trades in your account. The cost of trading is not material to BKM's investment recommendations. It is BKM's policy to always act in the best interests of clients.

### **Types of Advisory Services We Offer**

BKM's primary focus is on a rigorous Financial Planning process and its integral role in overall Wealth Management. They offer a variety of investment advisory services to individuals, high net worth individuals, retirement plans, trusts, estates, family entities and businesses/corporations. While each of these services are available on a stand-alone basis, Wealth Management led by a financial plan and incorporating portfolio management is BKM's primary service offering. These services include:

- Wealth Management
  - Financial Planning and Consulting Services
  - Investment and Portfolio Management
    - Selection of Independent Managers
    - Wrap Fee Program
- Fiduciary and Non-Fiduciary Services for Plan Sponsors
- Insurance Consulting Relationships

We work with clients to determine their investment objectives and risk profile and develop and execute a customized investment plan based on their individual needs and goals. BKM will utilize the financial information provided by the client to analyze and develop strategies and solutions to assist the client in meeting their financial goals. Prior to BKM rendering any of the foregoing services, clients are required to enter into one or more written advisory agreements with BKM setting forth the relevant terms and conditions of the advisory relationship.

BKM may recommend other professionals to implement BKM's recommendations or for other types of services, such as accounting firms, law firms, business consultants and bankers. These additional services offered by another professional are provided at an additional cost to you and are separate and distinct from BKM's advisory services. In some cases, this creates a conflict of interest because we will have an incentive to recommend additional services based on the prospect of cross-referrals of clients from the other professional or his or her firm.

BKM will act solely in the capacity as a registered investment adviser and does not provide any legal, accounting or tax advice. You should seek the counsel of a qualified accountant and/or attorney when necessary. As part of BKM's advisory services, we may assist clients with tax loss harvesting and will work with the client's tax specialist to answer any questions related to the client's portfolio. Any incidental tax discussions on topics, such as required minimum distributions, retirement plan contributions, etc. should be verified with your tax advisor.

## **Wealth Management**

Wealth Management at BKM includes the Financial Planning process with ongoing consultation as well as investment and portfolio management services on a discretionary or non-discretionary basis. BKM works with clients to determine their investment objectives and risk profile and develop and execute a customized Financial Plan based on their individual needs and goals. BKM will utilize the financial information provided by the client to analyze and develop an integrative investment and portfolio management strategy leading to solutions to assist the client in meeting their financial goals. Prior to BKM rendering any of the foregoing services, clients are required to enter into one or more written advisory agreements with BKM setting forth the relevant terms and conditions of the advisory relationship.

As a part of the Wealth Management offering, BKM will recommend other professionals to implement recommendations, or for other types of services, such as accounting firms, law firms, business consultants, and bankers. These additional services offered by another professional are provided at an additional cost to you and are separate and distinct from BKM's advisory services. In some cases, this creates a conflict of interest because we will have an incentive to recommend additional services based on the prospect of cross-referrals of clients from the other professional or his or her firm.

## **Financial Planning and Consulting Services**

BKM develops a Financial Plan for all Wealth Management clients at no additional cost. Both integrated and stand-alone financial planning and consulting services help clients identify, prioritize and work towards their goals and objectives. Consulting services give clients the ability to receive a broad range of financial advice and services, including specific security recommendations, for the duration of the advisory agreement.

The process starts with an extensive review of a client's life goals, family situation, which includes assets and liabilities, as well as estate, tax, and insurance needs. We then employ a risk tolerance and risk capacity-focused simulation to get a detailed cash flow analysis and proposed asset allocation. Together, this information is analyzed to develop a proposed financial plan; designed to be dynamic in nature and evolving with life changes, variations in cash flow needs, risk tolerance, time horizon, or investment objectives.

BKM's financial planning and consulting services can include any of the following topics:

- Cash Flow Analysis and Forecasting
- Risk Management
- Trust & Estate Planning
- Charitable Giving
- Education Planning
- Business Planning
- Retirement Planning
- Liability Management
- Investment Consulting
- Distribution Planning
- Tax Planning
- Insurance Review
- Next Generation Family
- Retirement Plan Consulting and Employee Benefits Analysis



In performing these services as a stand-alone offering, BKM is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.), and is expressly authorized to rely on such information. BKM may recommend clients engage the firm for additional related services, such as investment management services. While included in the firm's Wealth Management offering, these additional services are provided at an additional cost to you, which is based on the nature, extent, complexity, and other characteristics of the services. This creates a conflict of interest because we will have an incentive to recommend additional advisory services based on the compensation received, rather than solely based on your needs.

Implementation of financial planning recommendations is entirely at your discretion. You have complete freedom in selecting a financial advisor to assist you with implementing the recommendations made in your financial plan and are under no obligation to act on the advice of BKM. Financial planning recommendations are of a generic nature and are not limited to any specific product or service offered by a broker dealer or insurance company. Should you choose to implement the recommendations contained in the plan, BKM suggests you work closely with your attorney, accountant and/or insurance agent.

BKM will act solely in the capacity as a registered investment advisor and does not provide any legal, accounting or tax advice. You should seek the counsel of a qualified accountant and/or attorney when necessary. As part of BKM's advisory services, we may assist clients with tax loss harvesting and will work with the client's tax specialist to answer any questions related to the client's portfolio. Any incidental tax discussions on topics such as required minimum distributions, retirement plan contributions, etc., should be verified with your tax advisor.

### **Investment and Portfolio Management Services**

BKM manages clients' portfolios on a discretionary and non-discretionary basis; integrated with the Wealth Management offering or as a stand-alone service. Investment and portfolio management services are included in the Wealth Management offering at no additional cost. Investment and portfolio management services are tailored to the needs of clients and are based on a comprehensive understanding of each client's current situation, past experiences, and future goals. With this acquired knowledge BKM will create, analyze, strategize for, and implement goal-oriented investment solutions. These solutions become the clients' investment policy.

Client assets are primarily allocated among individual equity and debt securities, exchange-traded funds ("ETFs"), mutual funds, and independent investment managers ("Investment Managers") in accordance with the client's stated investment objective and risk/volatility parameters. Where appropriate, BKM may also provide advice about many types of legacy positions or other investments held in client portfolios. Clients may also engage BKM 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, typically BKM will direct or make recommendations on a non-discretionary basis for 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 custodian for the plan trustee or administrator and clients retain responsibility for effecting trades in these accounts.

BKM consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. You should promptly notify BKM if there are changes in your financial situation or if you wish to place any limitations on the management of your account. You may impose reasonable restrictions or mandates on the management of your account if BKM determines, at their sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the firm's management efforts.

To the extent a client's assets are managed by an Independent Manager or are invested in a particular fund, those managers and funds will have their own investment practices. Those investment practices are described in each manager's Form ADV or fund's prospectus, or in its offering or other disclosure documents. In addition, selected money managers or funds typically have discretion to determine the type, and amount, of securities to be purchased or sold for the portion of the assets managed by the money manager or fund.

BKM makes available to certain eligible clients the FICA® | For Advisors cash management program sponsored by StoneCastle Network, LLC ('StoneCastle'), an affiliate of StoneCastle Cash Management, LLC. The Federally Insured Cash Account ("FICA") program offered by StoneCastle allows customers the ability to place their money in deposit accounts at banks, savings institutions and credit unions in a manner that maintains full insurance of the funds by the Federal Deposit Insurance Corporation ("FDIC") or National Credit Union Administration ("NCUA"), whichever is applicable. Funds will be deposited within StoneCastle's network of insured depositories ("Deposit Network"). StoneCastle requires a \$100,000 minimum deposit to open a FICA Program account. BKM will receive between 0-15bps on participating client assets in this program. BKM will assist clients in signing up for this program and facilitating the transfer of funds between the client's like-named accounts. Clients participating in this program will receive a copy of the StoneCastle Form ADV. Directing client assets into the FICA Program is a conflict of interest for BKM since BKM, at times, earns a fee from participating client assets in the program.

#### *Pontera*

We utilize a third-party platform to facilitate the management of held-away assets in which we will have discretionary authority to implement tax-efficient asset allocation and opportunistic rebalancing strategies on behalf of the client. These are primarily 401(k) accounts, 529 Plans, HSAs and other assets which are held at third-party custodians. We regularly review the available investment options in these accounts, monitor and rebalance and implement our strategies in the same way we do other accounts, though using different tools as necessary. BKM is limited by the universe of investments offered by the custodian(s) for these held-away accounts.

We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the client allowing them to connect a held-away account(s) to the platform. Once the client's account is connected to the platform, BKM will review the current account allocations. We seek to align the client's held-away account(s) with their overall investment time horizon, risk tolerance, and investment goals. When deemed necessary, BKM will rebalance the account considering client's investment profile, as well as changes in economic and market trends.

### *Selection of Independent Managers*

As part of investment and portfolio management services, BKM uses a multitude of criteria in selecting Independent Managers, including:

- Manager due diligence
- Manager search and recommendations
- Monitoring of manager risk and performance

BKM may select certain Independent Managers to actively manage all or a portion of its clients' assets. Pursuant to the terms of the investment advisory agreement, BKM shall have the discretion to appoint and terminate these third-party advisors. The specific terms and conditions under which a client engages an Independent Manager may also be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients will also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets. Certain Independent Managers require a separate investment advisory agreement with the Independent Manager, while others do not.

BKM evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, BKM seeks to assess the Independent Managers' investment strategies, past performance, and risk profile in relation to its clients' individual portfolio allocations and desired risk exposure. BKM also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing, and research capabilities, among other factors. Currently, BKM utilizes the Unified Managed Account managers and mutual fund advisory program available through Wells Fargo Advisors.

BKM provides services relating to the selection of Investment Managers in discretionary and non-discretionary relationships. On an ongoing basis, BKM monitors the performance of those accounts being managed by Independent Managers. BKM seeks to ensure the Independent Managers' strategies and target allocations remain aligned with clients' investment objectives and overall best interest.

When utilizing Wells Fargo Advisors, the Independent Manager or managers available through a program offered by Wells Fargo Advisors, portfolio services can be provided via a Customized Portfolio Program (separately managed account), personalized Unified Managed Account program, Private Advisor Network or the FundSource® Program.

BKM continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, BKM monitors the performance of those accounts being managed by Independent Managers. BKM seeks to ensure the Independent Managers' strategies and target allocations remain aligned with clients' investment objectives and overall best interests.

### **Portfolio Management Services for Wrap Fee Program**

BKM offers portfolio management services through a wrap fee program. A bundled or “wrap fee” program is an advisory fee program under which you pay one bundled fee to compensate BKM for portfolio management, transaction costs and custodial services. A wrap fee program may not be the lowest cost option if you would like to restrict your investments to open-end mutual funds or other long-term investment products.

### **Fiduciary and Non-Fiduciary Services for Plan Sponsors**

Retirement plan sponsors may retain BKM to provide advisory and consulting services for plan assets. Fiduciary services available to plan sponsors include:

- Reviewing and assisting in the establishment of investment policies and objectives on behalf of the plan
- Assistance with development of an Investment Policy Statement
- Recommending core investments to be offered to plan participants for selection by the plan sponsor
- Monitoring of the plan's investments or investment managers in accordance with the plan's Investment Policy Statement or other relevant guidelines
- Assistance with plan design strategies and implementation of new plan design capabilities and their potential impact on the plan and plan participants

Non-fiduciary consulting services available to plan sponsors include:

- Educating plan participants on investment options available within the plan
- Preparation of periodic performance reports for the plan's investments
- Assistance with monitoring the reasonableness of the fees and expenses of the plan's investments or investment managers in accordance with the plan's Investment Policy Statement or other relevant guidelines

Benchmarking existing plan service providers to industry peers, and, where appropriate, conducting a search for new providers for the plan sponsor's consideration and providing BKM's recommendation.

### **Insurance Consulting**

BKM has a relationship with DPL Financial Partners, LLC (“DPL”). By working with DPL, BKM may provide insurance reviews/analyses, education, and insurance solutions in a conflict free manner. DPL is a third-

party provider of a platform of insurance consultancy services to SEC-registered investment advisers (“RIAs”) that have clients with a current or future need for insurance products.

DPL offers RIAs memberships to its platform for a fixed annual fee and, through its licensed insurance agents who are also registered representatives of The Leaders Group, Inc. (“The Leaders Group”), an unaffiliated SEC-registered broker-dealer and FINRA member, offers members a variety of services relating to fee-based insurance products. These services include, among others, providing members with analyses of their current methodology for evaluating client insurance needs, educating and acting as a resource to members regarding insurance products generally and specific insurance products owned by their clients or that their clients are considering purchasing, and providing members access to and product marketing support regarding fee-based products that insurers have agreed to offer to members’ clients through DPL’s platform.

DPL is licensed as an insurance producer in Kentucky and other jurisdictions where required to perform the platform services. Its representatives are also licensed as insurance producers, appointed as insurance agents of the insurers offering their products through the platform, and registered representatives of The Leaders Group.

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

BKM does not charge any performance-based fees or participate in side-by-side management.

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

BKM carefully constructs a risk-adjusted, tax-efficient, and cost-effective asset allocation strategy based on a client’s unique risk profile, time horizon, cash flow needs and stated return, among other considerations. Security selection is based on qualitative, quantitative, technical, and relative strength metrics. Portfolio holdings are constantly monitored and adjusted as market conditions and clients’ circumstances dictate. Clients may hold or retain other types of assets as well and BKM may offer advice regarding those various assets as part of BKM’s services. Advice regarding such assets generally will not involve asset management services.

BKM predominantly utilizes a combination of active and passive strategies to allocate client assets primarily among publicly traded securities, such as stocks, bonds, ETFs, mutual funds and/or separately managed portfolios. Nevertheless, individual client circumstances may dictate the use of other types of securities, options, or actively managed portfolios. Depending upon the client’s financial needs, strategies implemented might include long term purchases (securities held at least a year), short term purchases (securities sold within a year), margin transactions, and other securities transactions.

### **Risk of Loss**

***Investing in securities involves risk of loss that you should be prepared to bear.*** All investments present the risk of loss of principal – the risk that the value of securities (e.g., stocks, mutual funds, ETFs, bonds,

etc.), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment. There is no guarantee that investment recommendations made by BKM will be successful. We cannot assure that your account will increase, preserve capital, or generate income, nor can we assure that your investment objectives will be realized. Although all investments involve risk, BKM's investment advice seeks to limit risk through diversification among various asset classes.

We may recommend a variety of security types for your account in an effort to achieve your individual needs and goals. This may include, but is not limited to, stocks, bonds, ETFs, open-end and closed-end mutual funds, options, advisory accounts or real estate investment trusts.

Described below are the material risks associated with investing in the types of securities we generally use in client accounts:

### **Equity Securities**

In general, prices of equity securities (common, convertible preferred stocks and other securities whose values are tied to the price of stocks, such as rights, warrants and convertible debt securities) are more volatile than those of fixed-income securities. The prices of equity securities could decline in value if the issuer's financial condition declines or in response to overall market and economic conditions.

Investments in smaller companies and mid-size companies may involve greater risk and price volatility than investments in larger, more mature companies.

### **Fixed-Income Securities**

The return and principal value of bonds fluctuate with changes in market conditions. Fixed-income securities are subject to interest rate risk and credit quality risk. The market value of fixed-income securities generally declines when interest rates rise, and an issuer of fixed-income securities could default on its payment obligations. Changes in interest rates generally have a greater effect on bonds with longer maturities than on those with shorter maturities. If bonds are not held to maturity, they may be worth more or less than their original value. Credit risk refers to the possibility that the issuer of a bond will not be able to make principal and/or interest payments. High yield bonds, also known as "junk bonds," carry higher risk of loss of principal and income than higher rated investment grade bonds.

### **Exchange-Traded Funds (ETFs)**

ETFs are typically investment companies that are legally classified as open-end mutual funds or unit investment trusts. ETFs differ from traditional mutual funds in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity. It is generally lower if the ETF has high trading

volume and market liquidity and higher if the ETF has low trading volume and market liquidity. Liquidity risks are higher for ETFs with a large spread. ETFs may be closed and liquidated at the discretion of the issuing company.

## **Mutual Funds**

Mutual funds may invest in different types of securities, such as value or growth stocks, real estate investment trusts, corporate bonds, or U.S. government bonds. There are risks associated with each asset class.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund. Redemption is at the current net asset value, which may be more or less than the original cost. Aggressive growth funds are most suitable for investors willing to accept price per share volatility since many companies that demonstrate high growth potential can also be high risk. Income from tax-free mutual funds may be subject to local, state and/or the alternative minimum tax.

Because each mutual fund owns different types of investments, performance will be affected by a variety of factors. The value of your investment in a mutual fund will vary from day to day as the values of the underlying investments in a fund vary. Such variations generally reflect changes in interest rates, market conditions and other company and economic news. These risks may become magnified depending on how much a fund invests or uses certain strategies. A fund's principal market segment(s), such as large-cap, mid-cap or small-cap stocks, or growth or value stocks may underperform other market segments or the equity markets as a whole. You can find additional information regarding these risks in the fund's prospectus.

## **Options**

Certain types of options are utilized as appropriate, such as covered options, uncovered options or spreads. There are additional risks with using options. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. The risks of covered call writing include the potential for the market to rise sharply, which would likely cause the security to be called away and no longer be held in the account. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold. The writer of a put option bears a risk of loss if the value of the underlying interest declines below the exercise price, and such loss could be substantial if the decline is significant. The obligation of a writer of a put that is not cash-secured to meet margin requirements creates additional risks. Combination transactions, such as option spreads, are more complex than buying or writing a single option and carry additional risks.

You can find additional information regarding the risks associated with options trading on the Options Industry Council website, [www.optionseducation.org](http://www.optionseducation.org).

## **International Investing**

The risks of investing in foreign securities include loss of value as a result of political or economic instability; nationalization, expropriation, or confiscatory taxation; changes in foreign exchange rates and foreign exchange restrictions; settlement delays; and limited government regulation (including less stringent reporting, accounting, and disclosure standards than are required of U.S. companies). These risks may be greater with investments in emerging markets. Certain investments utilized by BKM may also contain international securities.

## **Cash and Cash Equivalents**

A portion of your assets may be invested in cash or cash equivalents to achieve your investment objective, provide ongoing distributions, and/or take a defensive position. Cash holdings may result in a loss of market exposure.

## **Voting Client Securities**

As a matter of firm policy and practice, BKM does not accept the authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. BKM, however, may provide advice to clients regarding the clients' voting of proxies.

In limited circumstances, BKM has retained proxy voting authority by direction of the client. In such cases, BKM will follow the proxy voting guidelines outlined in our Proxy Voting Policies and Procedures. You may request a copy of these procedures and/or a record of ballots voted upon by emailing [steven.je.manders@bkmwm.com](mailto:steven.je.manders@bkmwm.com). In certain situations, the Independent Manager is responsible for the voting of client proxies.

**Class Actions, Bankruptcies and Other Legal Proceedings:** Clients should note that BKM will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct BKM to transmit copies of class action notices to the client or a third party. Upon such direction, BKM will make commercially reasonable efforts to forward such notices in a timely manner.

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

If an Independent Manager is used to manage all or a portion of your account, BKM will share certain information needed by the third-party portfolio manager to effectively manage your account, such as your risk tolerance, investment objectives or other investment policy information.



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

BKM is your primary contact for account-related questions. You may contact BKM directly to discuss your account.

## **Item 9 – Additional information**

### **Disciplinary Information**

As a registered investment advisor, BKM is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the firm or the integrity of BKM's management. BKM has no disciplinary information to report.

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

BKM maintains a non-exclusive agreement with DPL Financial Partners, LLC to offer insurance consulting services to BKM Clients. BKM pays an annual fee to have access to these services for clients and, because of that fee, BKM may be more likely to recommend DPL for insurance or annuities over other companies that offer the same products or services. BKM has executed a review of the DPL offering and believes that the collection of products available is consistent with industry standard and DPL offers client services that complement BKM's fiduciary duty to clients. Clients of BKM are not required to choose DPL for insurance or annuity products and have the option to purchase these products through other agents that are not affiliated with BKM.

Certain Supervised persons of BKM are licensed insurance agents with the ability to receive commissions for the sale of fixed insurance products, and in some instances, ongoing compensation called trail commissions. This compensation gives these financial professionals incentive to recommend insurance products in addition to advisory services. We address this conflict of interest by uploading our fiduciary duty to provide investment advice that is in your best interest and disclosing the conflict to you before or at the time you enter into an investment advisory contract with our firm.

Clients are advised that the fees paid to BKM for investment advisory services are separate and distinct from any fees and compensation earned, whether directly or indirectly, in connection with the sale or maintenance of insurance products. You have the option to purchase insurance that your investment advisor representative recommends through other agents that are not affiliated with BKM.

### **Code of Ethics, Participation in Client Transactions and Personal Trading**

#### **Our Code of Ethics**

BKM is committed to providing investment advice with the utmost professionalism and integrity. The firm strives to identify, manage, and/or mitigate conflicts of interest and has adopted policies,

procedures, and oversight mechanisms to address conflicts of interest. We have adopted a Code of Ethics that emphasizes the fiduciary obligation to put client interests first. It is designed to ensure personal securities transactions, activities, and interests of employees will not interfere with the responsibility to make decisions in the best interest of clients. All supervised persons of BKM must acknowledge and comply with the Code of Ethics. We will provide a copy of the Code of Ethics to any client or prospective client upon request by contacting BKM at the number on the cover page.

### **Participation in Client Transactions**

BKM does not affect principal or agency cross securities transactions for client accounts. BKM also does not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells a security to an advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

### **Employee Personal Trading**

Supervised persons of BKM may purchase or sell the same security that we recommend for investment in client accounts. This creates a conflict of interest as there is a possibility that employees of BKM might benefit from market activity by a client in a security held by the employee. the Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of BKM will not interfere with making decisions in the best interest of advisory clients and implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of BKM's clients. the Code of Ethics also places restrictions on BKM's employees' personal trading activities. These restrictions include, but are not limited to, a prohibition on trading based on non-public information and pre-clearance requirements for certain types of transactions. Employee trading is continually monitored under the Code of Ethics in an effort to prevent conflicts of interest between BKM and clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with BKM's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. BKM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

## **Review of Accounts**

Accounts at BKM are reviewed on a periodic basis. This informal review includes assessing client goals and objectives, monitoring the account, and addressing the need to rebalance, as necessary. Individual securities held in client accounts are periodically monitored by the firm, while any selected third-party managers are monitored on a quarterly basis. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes to a client's individual circumstances, market conditions, tax law changes or the political or economic environment.

BKM may also review tax-planning needs, cash-flow needs, as well as charitable giving, insurance, and estate planning as part of ongoing client reviews. Reviews are tailored to the services we provide to you, as well as your individual needs and goals. We encourage you to discuss your needs, goals, and objectives with BKM and keep BKM informed of any changes. If you engage BKM for ongoing investment advisory services, we will contact you at least annually to determine whether there have been any changes to your financial situation or investment objectives and whether you wish to impose any reasonable restrictions on the management of your account or reasonably modify any existing restrictions. At this time, we will advise you of any account changes we feel are necessary to help you stay on track with meeting your financial goals and consider whether the current services provided by BKM continue to be suitable for your needs.

As a convenience to BKM's clients, in addition to reporting on clients' financial assets, at a client's request we may prepare a performance report for the client's accounts or a global consolidated report that may also include certain non-financial assets (e.g., real assets). In such instances, BKM relies on the client to provide current and accurate price or other valuation information for those assets to be included in the client's consolidated account report. In no instance are non-financial assets included in any performance reporting. BKM does not independently verify, and expressly disclaims responsibility for, the accuracy of any non-financial asset values clients provided to BKM to include in their reporting.

## **Client Referrals and Other Compensation**

### **Other Compensation Arrangements**

BKM receives compensation from the broker-dealer used for your account and your account custodian in the form of access to electronic systems that assist BKM in the management of client accounts, as well as research, software and other technology that provide access to client account data (such as trade confirmations and account statements), pricing information and other market data, facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), and client reporting capabilities. Your account custodian also offers BKM discounts for products and services offered by vendors and third-party service providers, such as software and technology solutions. These economic benefits create a conflict of interest in that it gives BKM an incentive to recommend one broker-dealer or custodian over another that does not provide similar electronic systems, support, or services. We address this conflict of interest by disclosing to BKM's clients the types of compensation that BKM

receives so clients can consider this when evaluating BKM. It is important that you consider the fees, level of service and investment strategies, among other factors, when selecting an investment manager.

### **Client Referrals**

BKM does not pay any referral fees to other individuals for referring clients to BKM.

### **Financial Information**

As a registered investment advisor, BKM is required to provide you with certain financial information about the firm.

### **Prepayment of Fees**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

### **Our Financial Condition**

We do not have any financial commitment that is reasonably likely to impair BKM's contractual commitments to BKM's clients, nor has BKM ever been the subject of a bankruptcy proceeding.