



COMPASS WEALTH MANAGEMENT LLC
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March 24

This brochure updated March 2024, provides information about the qualifications and business practices of Compass Wealth Management., LLC. If you have any questions about the contents of this brochure, please contact us at 203-453-7000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities industry. Compass Wealth Management LLC is a Registered Investment Adviser. "Registration of" and "Investment Adviser" does not imply any level of skill or training. The oral and written communications of an Adviser provide you with the information about which you determine to hire or retain an Adviser.

Additional information about Compass Wealth Management., LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

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3. Material Changes

Since the filing of our last annual updating amendment, dated March 17, 2023 we have no material changes to report.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information at any time without charge. Currently, our Brochure may be requested by contacting our office at 203-453-7000. Additional information about Compass Wealth Management LLC is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Compass Wealth Management LLC who are registered, or are required to be registered, as Investment Advisers of Compass Wealth Management LLC.

4. Advisory Business

Compass Wealth Management, LLC was formed in February 1997 by William L. Matthes and Carolyn A. Matthes, and is currently owned by Jason Bear. Compass Wealth Management LLC is the name under which Jason Bear and his associates conduct business as Investment Advisers to individuals, corporations and pension plans.

The investment advisory services provided by Compass Wealth Management LLC generally include: listed and over-the-counter securities, corporate, municipal and government bonds including agencies, mortgaged backed securities, certificates of deposit and exchange traded/index funds.

An investment policy statement developed with the client's participation determines the asset allocation of accounts and portfolio style. All clients are required to sign a written investment policy statement. The policy statement summarizes the client's assets, goals and desired asset allocation. It then specifically describes the style of asset management to be used, prohibited transactions if any and criteria to be used in evaluating account performance. Compass Wealth Management LLC generally requires total assets of at least \$50,000 to open a managed account.

Mr. Bear is a Certified Financial Analyst, Portfolio Manager, and Investment Advisor. Mr. Radford Brogden, a Certified Financial Planner, joined the Firm in Q4 2020 and is an Investment Advisor Representative. Mr. Brogden assists with financial planning and other advisory services as directed. Emily Clare Cafasso joined the firm in Q3 2023 and is an Investment Advisor Representative. Ms. Cafasso assists with financial planning and other advisory services as directed. From time-to-time other investment advisors may be added of equally high caliber and strong credentials.

As of December 31, 2023, Compass Wealth Management's accounts totaled \$542,113,404 all in discretionary management.

5. Fees

Advisory Services Compensation:

Most clients pay a quarterly fee based on assets under management with all transaction costs being borne by the manager. We believe that this a preferred management style for most clients because it collapses all expenses into one, predictable fee. Compass Wealth Management bases its fees on a percentage of assets under management per annum and our fee schedule is below.

| Tier | Rate |
|---------------------------|-------|
| First \$999,999 | 1.00% |
| \$1,000,000 - \$4,999,999 | 0.80% |

| | |
|-----------------------------|-------|
| \$5,000,000 - \$19,999,999 | 0.70% |
| \$20,000,000 - \$49,999,999 | 0.60% |
| \$50mm+ | 0.50% |

All fees are negotiable and there are no minimum fees. Fees are paid quarterly in advance. Initial fees may be prorated to cover the part of the quarter the account was under management. However, the prorated amount may be waived in the sole discretion of Compass Wealth Management. Thereafter the fee will be based on the account value at the last business day before the beginning of the new quarter. Upon termination of the account, management fees will be credited back to the client's account based on the days remaining in the quarter.

We also offer a flat fee advisory service in which the client pays an annual fee for investment/allocation advice. These are typically accounts with very low turnover and a large percentage of fixed income investments, that do not require the degree of portfolio management we provide other managed accounts.

We are required to state that where the Investment Adviser absorbs the cost of all transactions it is possible that a conflict of interest could arise in which the Adviser may be hesitant to conduct trades that could be in the client's best interest because of the cost of the trades to the adviser. However, this type of account is generally low turnover and trade cost to the advisor is minimal, and Compass does not hesitate to place trades for its clients. The transaction charge from the clearing firm is generally expressed as a single "ticket charge" plus exchange fees or handling cost.

In the course of developing an investment portfolio for a client, Compass will invest the client's money in a mutual fund or an ETF. These investment vehicles may carry separately incurred expenses, which we do not receive any part of, such as: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

Financial Planning Compensation Description:

We also offer standalone financial planning that has its own fee structure. Financial planning fees range from \$0.00 to \$10,000.00 and may be charged in addition to any fees charged for financial advisory services. In exchange for its receipt of the compensation as detailed above, Compass will provide the Client financial planning services. These services will include gathering personal financial information, either in person or via electronic means, and delivery of a financial plan consistent with Client's financial goals and objectives. This plan will rely solely on information provided to Compass by the Client.

Personal Financial Plan Depending on the Client's situation and financial goals, the personal financial plan may include the following applicable analyses:

Cash Flow Analysis: Compass will analyze Client's current income and expenses and recommend specific courses of action to facilitate the funding of Client's financial goals and objectives.

Investment and Portfolio Analysis: Compass will evaluate Client's investment goals, risk profile, current portfolio, and determine the potential of the current investment strategy to meet financial goals. Compass will prepare an asset allocation analysis and create a strategy consistent with Client's risk tolerance and will coordinate the implementation of Client's investment portfolio.

Executive Benefit Analysis: Compass will analyze 457(b) plans, collateral assignment split dollars, savings plans, stock options, retirement plans, payout alternatives, and payout timing choices and will coordinate employee benefits with Client's overall asset allocation and financial goals.

Retirement Income Analysis: Compass will determine, based upon currently available data and assumptions, the savings and investments necessary to achieve Client's retirement income goals. Compass will also analyze the sensitivity of financial goals to inflation and expected rates of return and assist with coordination of Client's savings plan, asset allocation, and investment strategy.

Insurance Review: Compass will review Client's insurance policies including life, disability, long-term care, homeowners, and auto and will provide recommendations to help ensure Client's insurance program minimizes the financial risk to assets and indemnifies Client for insurable losses.

Income Tax Review: Compass will review Client's recent income tax returns, as well as current taxable income and expenses to incorporate projected tax liabilities into the personal financial plan. Compass can coordinate with Client's CPA to provide information for tax planning purposes, as well as review the tax consequences of transactions or investments. Compass is not a tax advisor and does not provide specific tax advice.

Estate Plan Review: Compass will coordinate with Client's estate planning attorney to review Client's current estate planning documents and help determine whether estate planning documents are consistent with Client's current intentions.

6. Performance Based Fees

Compass Wealth Management LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of assets of a client).

7. Clients

Compass Wealth Management LLC's provides investment advice to many different types of clients. These clients generally include individuals, pension and profit-sharing plans, or charitable organizations. Compass Wealth Management LLC generally requires total assets of at least \$50,000 to open a managed account. The minimum account size may be waived by Compass Wealth Management LLC in its sole discretion.

8. Methods of Analysis, Investment Strategies and Risk of Loss:

Compass Wealth Management LLC generally relies on fundamental research which is available from corporate publications and annual reports, publications, newsletters, brokerage reports, electronic dissemination through Reuters, Bloomberg and Value Line.

Investment strategies range from conservative to aggressive depending on the requirements of the client which are detailed in a written investment policy statement. These strategies are generally concentrated in listed equities and liquid fixed income securities, but may at times involve some small, illiquid stocks and lower quality, illiquid bonds if approved by the client in advance and judged to be suitable to the client's risk tolerance and objectives. Investing in securities involves risk of loss that clients should be prepared to bear.

Compass offers a flexible investment style of equity management to meet the needs of a wide range of clients. Generally, portfolios consist of large to medium capitalization companies, selling at reasonable valuations, diversified by industry group which Compass believes offers the opportunity for long term capital appreciation. In general, we prefer companies believed to be selling at a discount to their historic valuations.

Fixed income accounts are managed for taxable and tax-free income. Compass generally diversifies fixed income accounts by maturity and avoids concentration in one maturity year which could lead to reinvestment risk or volatility from an excessively long maturity schedule. Municipal bonds of the state of residence of the client are used when appropriate for taxable accounts. Tax free accounts generally concentrate on corporate bonds which will be blended with government, agency and mortgaged backed securities as the relative yields present investment opportunities. Where appropriate, bonds of less than investment grade may be used as stipulated in the client's investment policy statement.

Exchange Traded/Index Funds are recommended by the Adviser on a fee for service basis using a variety of investment styles. For aggressive investors willing to take on the added risk associated with sector funds. For less aggressive investors, the Adviser uses a balanced portfolio of funds selected on the basis of their long term past performance, diversified by investment sector, with periodic rebalancing.

Risks

Please note, investing in securities involves risk of loss that clients should be prepared to bear. There are different types of investments that involve varying degrees of risk, and it should not be assumed that future performance

of any specific investment or investment strategy will be profitable or equal any specific performance level(s). Past performance is not indicative of future results.

Our methods of analysis and investment strategies do not represent any significant or unusual risks, however all strategies have inherent risks and performance limitations such as:

- **Market Risk** - the risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk** - the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk** - the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Mutual Funds** - Investing in mutual funds carries the risk of capital loss and thus an investor may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned below).
- **Equity** - investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.
- **Fixed Income** - investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.
- **Exchange Traded Funds (ETFs)** - An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

9. Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Compass Wealth Management LLC. Compass Wealth Management LLC has no legal or disciplinary events.

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each person providing investment advice.

There are none.

10. Other Financial Industry Activities and Affiliations

Compass Wealth Management LLC is a fully independent investment adviser solely operated by Jason Bear. Compass Wealth Management LLC and its representatives do not engage in any other financial industry activities or affiliations.

11. Code of Ethics

Compass Wealth Management LLC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients.

The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, rumor mongering, restrictions of acceptance of significant gifts, and personal trading procedures, among other things.

Compass Wealth Management LLC maintains a written "Code of Ethics" and will provide copies upon request.

12. Brokerage Practices, Best Execution and Soft Dollars

All client funds and securities are held at Pershing Advisor Solutions (PAS). Clients receive monthly statements from Pershing Advisor Solutions. We encourage all clients to carefully review such statements and compare such official custodial records to the account statement we may provide you. Our statements may vary from custodial statements based on certain accounting procedures, reporting dates or valuation methodologies of certain securities.

All trades will be directed to a registered broker-dealer deemed appropriate by the Advisor unless the client directs us otherwise. It is believed that this will be in the best interest of the clients because it allows the advisor to offer the lowest cost brokerage service available to the advisor, while offering a system of order execution and account management that is familiar to the advisor and uniform for all advisory clients. Accounts custodied at PAS will have the benefit of the best possible order execution available to the Investment Advisor at that time.

Client Directed Brokerage

While not routine, a client may direct us to use a broker-dealer to execute some or all transactions for the client. This brokerage direction must be requested by the client in writing. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by us. By directing brokerage, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Not all advisers require or allow their clients to direct brokerage. Subject to our duty of best execution, we

may decline a client's request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

If the client requests us to arrange for the execution of securities brokerage transactions for the client's account, we shall direct such transactions through broker-dealers that we reasonably believe will provide best execution. We shall periodically and systematically review our policies and procedures regarding recommending broker-dealers to our client in light of our duty to obtain best execution.

Brokerage Selection

We generally recommend Pershing, LLC (Pershing), member of FINRA/SIPC (selected Broker/Dealer). Pershing is a widely recognized independent, and unaffiliated FINRA member broker-dealer. Pershing offers independent investment advisers program services which include custody of securities, trade execution, clearance and settlement of transactions.

The primary factors considered in our decision to recommend Pershing include financial strength and the quality of the products and services offered to clients.

We have determined that Pershing currently offers the best overall value to us and our clients for the customer service, brokerage, research services and technology they provide. We believe these qualities make this firm superior to most non-service oriented, deep-discount and internet/web-based brokers that may otherwise be available to the public.

Economic Benefits

We receive support services from PAS and Pershing which assist us to better monitor and service program accounts maintained at Pershing. We receive some non-soft dollar benefits from Pershing. It is not the result of soft dollar arrangements or any other express arrangements with Pershing that involves the execution of client transactions as a condition to the receipt of services. These support services are provided to us based on the overall relationship between us and Pershing. These support services may include the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products and services used by us in furtherance of our investment advisory business operations

We will continue to receive the services regardless of the volume of client transactions executed with Pershing. Although the non-soft benefits will generally be used to service all our clients, a specific client may benefit more or less than another. As a result of receiving the services we may have an incentive to continue to use or expand the use of a particular custodian. We examined this potential conflict of interest when we chose to enter into the relationship with Pershing and we have determined that this relationship is in the best interest of our clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Some of the products and services made available by the selected Broker/Dealer may benefit us but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts. Other services made available by the selected Broker/Dealer is intended to help us manage and further develop our business enterprise.

The benefits received by us or employees are not dependent on the amount of brokerage transactions directed to the selected Broker/Dealer. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or our employees in and of itself creates a potential conflict of interest and may indirectly influence our choice the selected Broker/Dealer for custody and brokerage services.

As explained in Item 5, Clients pay a quarterly fee based on assets under management with all transaction costs being borne by the manager. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. While we will seek competitive rates, this is not applicable to Clients since transaction costs are not paid by the Client.

Trade Aggregation

Trade aggregation is the act of trading a large block of a security in a single order. Shares of a purchased security are then allocated to the appropriate accounts in the appropriate proportion. The main purposes of order aggregation are (i) for ease of trading and (ii) to obtain a lower transaction cost associated with trading a larger quantity.

We will sometimes place trades on a block trade basis, but will typically trade portfolio securities on an individual basis based on the client's profile, needs and objectives.

In a situation where we do not aggregate trades, clients purchasing securities around the same time may receive a less favorable price than other clients.

Accounts for us or our employees may be included in a block trade with client accounts.

13. Review of Accounts

All accounts are reviewed by Compass Wealth Management LLC at least quarterly. This review includes but is not limited to performance relative to an appropriate index, risk exposure relative to the client's stated risk tolerance and investment objectives, and asset allocation relative to the client's stated investment objectives.

Most clients will receive monthly account statements of their positions and account balances. If there is no account activity in a given month, at minimum, clients will receive quarterly statements. Statements are prepared by an independent custodian; Pershing Adviser Solutions/Pershing LLC. Most clients receive quarterly, and on demand, performance reports which include: inception to date, quarterly and initiation to date performance relative to an appropriate index.

Compass Wealth Management LLC provides quarterly reports which are prepared by its staff using third party software. Generally, the reports are not audited by a third party and are intended as an informational supplement to the client's monthly, independently prepared account statement from the custodian. Compass will arrange for a third-party audit of the performance reports and separately bill the client at cost for this service upon request. Compass will also provide the raw data necessary for the client's agent to perform an independent audit at no charge to the client. All clients are encouraged to personally contact their advisor as often as they would like to.

Other reports are available from software resources which may be helpful to the client and the advisor in understanding the client's asset positioning. The scope of additional reporting will vary depending on the client's requests, complexity of the account and any restrictions placed on the account.

14. Client Referrals and Other Compensation

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

15. Custody

Custody means holding, directly or indirectly, client funds or securities or having any authority to obtain possession of them.

Compass Wealth Management LLC does not have direct custody of any client funds and/or securities. Compass Wealth Management LLC will not maintain physical possession of client funds and securities. Instead, clients' funds and securities are held by a qualified custodian.

While Compass Wealth Management LLC does not have physical custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to the client's account application.

In certain jurisdictions, the ability of Compass Wealth Management LLC to withdraw its management fees from the client's account may be deemed custody. Prior to permitting direct debit of fees, each client provides written authorization permitting fees to be paid directly from the custodian.

As part of the billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. The custodian does not calculate the amount of

the fee to be deducted and does not verify the accuracy of Compass Wealth Management LLC's advisory calculation. Therefore, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation. Clients should contact Compass Wealth Management LLC directly if they believe that there may be an error in their statement.

The current custodian Compass currently utilizes is Pershing Advisor Solutions (PAS).

16. Investment Discretion

Compass Wealth Management LLC receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. However, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, Compass Wealth Management LLC observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Compass Wealth Management LLC in writing.

17. Voting Client Securities

As a matter of firm policy and practice, Compass Wealth Management LLC 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. Compass Wealth Management LLC may provide advice to clients regarding the clients' voting of proxies.

18. Financial Information

The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

19. Retirement Rollovers-Potential for Conflict of Interest

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If we recommend that a client roll over their retirement plan assets into an account that we will manage, such a recommendation creates a conflict of interest if we will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account that we will manage. Our Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.