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FORM ADV PART 2A FIRM BROCHURE

This brochure provides information about the qualifications and business practices of Professional Wealth Management Services LLC. If you have any questions about the contents of this brochure, please contact us at 704-872-0022. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Professional Wealth Management Services LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Professional Wealth Management Services LLC is 150266.

Professional Wealth Management Services LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Summary of Material Changes: Since the last update to FORM ADV Part 2A on February 7, 2023, PWMS has no material changes to report.

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Advisory Business

Form ADV Part 2A, Item 4

Professional Wealth Management Services LLC ("PWMS") is a Registered Investment Adviser (RIA) and was founded in April 2007 by John Stevenson, who remains a managing member. Shawn Fleming is also a managing member. PWMS provides the following advisory services:

- 1) fee-only financial planning coupled with non-discretionary or discretionary investment advisory services to individuals and trusts where clients pay for trading costs (formally referred to as "PWMS Portfolio Management"), and
- 2) fee-only financial planning coupled with discretionary investment advisory services to individuals and trusts as part of a bundled, wrap fee program where clients do not pay for trading costs (formally referred to as "PWMS Wrap Fee Program"), and
- 3) one-time, flat/fixed fee financial planning services (formally referred to as "PWMS Financial Planning").

The PWMS Portfolio Management service includes all PWMS Financial Planning services in addition to portfolio management on a discretionary or non-discretionary basis.

The PWMS Wrap Fee Program bundles the services of PWMS Financial Planning and PWMS Portfolio Management to include asset allocation, portfolio management, trade execution, and any related administrative activities.

The PWMS Financial planning service may include discussion, analysis, and review of a specific or multiple aspects of financial planning and, therefore, may or may not include a one-time, written diagnostic plan depending on the needs and desires of the client.

All PWMS advisory services are tailored to the individual needs of the client based on thorough initial interviewing and periodic communication. PWMS Portfolio Management accounts and PWMS Wrap Fee Program accounts are managed based on the specific needs and risk tolerance of the client as derived from the client interview and risk assessment processes as well as ongoing communication. A client may impose restrictions based on quantitative factors such as tax management or qualitative factors such as social concerns.

As of January 1, 2024, PWMS manages \$118,982,199.67 on a discretionary basis and no assets on a non-discretionary basis.

Fees and Compensation

Form ADV Part 2A, Item 5

PWMS is a fee-only investment adviser compensated only through asset management fees calculated as a percentage of assets under management and/or fixed/flat rate fees. As such, PWMS does not accept commissions in any scenario. PWMS does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Mutual funds and exchange traded funds have internal expense ratios, but PWMS does not receive any part of these or any other fees, such as 12b-1 service/distribution fees, from mutual fund or exchange traded fund companies.

For PWMS Portfolio Management and PWMS Wrap Fee Program participants, clients provide written authorization to their qualified custodian to deduct fees from their accounts to pay for investment advisory services. Fees for these two types of service are charged as a percent of assets under management. The qualified custodian calculates and deducts the advisory fee quarterly in advance based on normal, calendar year quarters. The qualified custodian bases the fee calculation on account balances at the end of the quarter and also pro-rates and adds or subtracts to the fee for any contributions or withdrawals made to accounts during the quarter. If the advisory agreement is terminated before the end of the quarterly period, the client is entitled to a pro-rated refund of any pre-paid quarterly advisory fee based on the number of days remaining in the quarter after the termination date. The maximum fee for advisory services is 0.99% of managed assets on an annual basis and is customized as well as negotiable based on a client's specific situation. Fees are generally decreased as a client's assets under PWMS management cross sustainably above breakpoints at \$500,000.00, \$1MM, and \$3MM.

PWMS Portfolio Management clients are responsible for paying any trade execution charges (also known as transaction charges). These are also debited directly from client accounts by the qualified custodian upon trade execution. As of 3/7/24, the qualified custodian, LPL Financial, charges a maximum of \$26.50 for mutual fund trades (less in some instances), \$0 for fixed income trades, and \$7.00 for equity trades.

PWMS Wrap Fee Program clients do not pay trade execution charges. All advisory related services are included in a single, asset-based wrap fee. As stated previously, this fee does not exceed 0.99% of managed assets on an annual basis and is customized as well as negotiable based on a client's specific situation.

Both PWMS Portfolio Management and PWMS Wrap Fee Program clients are charged, by the qualified custodian, an annual maintenance fee for IRAs for custodial and tax reporting services provided by the custodian (as of 3/7/24, this charge is \$40.00 per year). This fee is not charged by PWMS and PWMS does not receive any portion of this fee.

PWMS has an obligation to act in our clients' best interest and put our clients' interest ahead of the firm's. At the same time, due to the structure of fees in the PWMS Wrap Fee Program and the PWMS Portfolio Management service, some conflicts of interest exist that PWMS wants you to be aware of. One is related to the fact that, generally, the more assets you have in your advisory account, the more you will pay PWMS on a dollar basis based on the percentage we charge to manage your account. PWMS, therefore, has an incentive to increase the assets in your advisory account. Another is that, within our PWMS Wrap Fee Program, we pay the broker-dealer's transaction fees charged for each transaction, except for exchanges between mutual funds in the same company of funds and individual fixed income transactions, which do not have transaction fees. As a result, an incentive exists to recommend these asset types or trades without transaction fees in order to reduce the amount of the broker-dealer's transaction fees that we will have to pay on your behalf. A

related conflict of interest also exists to minimize the number of total transactions where PWMS pays the broker-dealer charges on our clients' behalf.

PWMS Financial Planning clients are billed directly a maximum, one-time, fixed/flat fee of \$500.00 payable 50% in advance and balance upon completion.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

PWMS does not accept performance-based fees such as a share of capital gains or capital appreciation. PWMS does not participate in side-by-side management.

Types of Clients

Form ADV Part 2A, Item 7

PWMS provides investment advice to individuals, corporations, and trusts. PWMS does not require a minimum account size but instead relies on determination of suitability in opening and maintaining accounts.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

PWMS utilizes an extensive initial interviewing process, including multiple investor risk tolerance assessments, to help formulate an individualized financial plan as needed for a client. This financial planning process incorporates software to help derive the long-term investment strategy. Execution of any financial plan or strategy is focused on diversification, asset class and sector allocation, and individual security selection. The risk tolerance assessments, educational theory, and simulation tools remind clients that investing in securities always involves volatility and the risk of loss. Additional financial software can be used to subsequently analyze, monitor, and provide feedback regarding ongoing risk and asset management.

In addition to the risk of loss in principal value, there are other risks associated with long-term investing that PWMS encourages clients to consider. These include inflation, taxes, and unexpected events.

Disciplinary Information

Form ADV Part 2A, Item 9

Neither PWMS nor its members or employees have ever been the subject of any legal or disciplinary event.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

PWMS as a firm is not associated with any other financial industry activities or affiliations. However, while PWMS is not associated with any other financial industry activities or affiliations, members or employees of PWMS may be licensed and/or appointed independently with insurance companies or insurance brokers as an outside business activity under a separate business or employment. Currently, both John Stevenson and Shawn Fleming are independently licensed in Life, Accident, and Health insurance. John is also licensed in Long Term Care and Medicare Supplement insurance. In the course of providing comprehensive financial planning, John and Shawn may identify gaps in a client's insurance coverage and recommend that the client consider various types of insurance coverage as part of the client's personal risk management and contingency planning. If the client wants additional insurance coverage but does not have a personal insurance agent, John and Shawn will make themselves available to help the client as independent insurance agents. In doing so, John and Shawn will encourage the client to make personal risk evaluations and cost-benefit analyses with regard to potential insurance companies, insurance products, and insurance providers within the marketplace before committing to an insurance purchase. John and Shawn disclose to the client the importance of such comparisons by the client as a consumer in addition to explaining their representation and compensation as agents of specific insurance companies. These disclosures emphasize that (1) PWMS clients are under no obligation to work with any specific insurance provider or agents, including John or Shawn (2) working with John or Shawn separately for insurance purposes does not impact and is in no way required to maintain a financial planning, wealth management, pension consulting, or wrap program relationship with PWMS (3) there are no conflicts of interest with regard to PWMS and its advisory services as PWMS does not receive compensation of any kind based on a client purchasing insurance, and (4) as independent agents, John and Shawn may separately receive a commission or other compensation from insurance companies or their distributors as part of any outside insurance business that is transacted.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Form ADV Part 2A, Item 11

PWMS has developed a Code of Ethics ("Code") as a means of memorializing its vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. This Code addresses issues such as the following:

- Standards of conduct and compliance with applicable laws, rules, and regulations
- Protection of material and non-public information
- Conflicts of interest
- Employee disclosure and reporting of personal securities holdings and transactions
- IPOs and private placements
- Reporting of any violations of the Code
- Employee education regarding the Code, and
- Enforcement of the Code.

All representatives of PWMS have been furnished a copy of the Code and have signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of the Code is available to all current and/or prospective clients upon request.

Neither PWMS nor its representatives buy securities from (or sell securities to) clients or their accounts. Neither PWMS nor its representatives act as general partner in a partnership in which client investments are solicited. Neither PWMS nor its representatives act as an investment adviser to an investment company that is recommended to clients. As such, PWMS does not have a material financial interest or conflict of interest in the securities it recommends to clients or buys or sells for client accounts.

PWMS or its personnel may invest for their own accounts or have a financial interest in the same securities or other investments that PWMS recommends or acquires for the accounts of its clients. PWMS or its personnel may engage in transactions that are the same as or different than transactions recommended to or made for client accounts.

Brokerage Practices

Form ADV Part 2A, Item 12

PWMS is not affiliated with any broker-dealers and, as a result, does not receive any research or other products or services in connection with client securities transactions.

PWMS is a fee-only investment adviser and, as such, does not collect client brokerage commissions or markups or markdowns.

In lieu of a broker-dealer, PWMS clients utilize a qualified custodian to hold their assets and process transactions on their behalf. PWMS has the ability to aggregate or batch orders for clients. The pricing of client transactions is not impacted by commissions.

Review of Accounts

Form ADV Part 2A, Item 13

PWMS regularly reviews client accounts and any financial plans for its PWMS Portfolio Management and PWMS Wrap Fee Program clients. Any client accounts and financial plans are formally reviewed each calendar year and updated subsequently throughout the year based on changes in the client's personal and/or financial circumstances. Client accounts are reviewed and managed based on any client strategy changes as well as customized client management considerations including, but not limited to, asset class rebalancing, withdrawal / income / cash flow needs, income and capital gains taxation, and estate planning.

Clients receive both monthly account statements and quarterly performance reports directly from their qualified custodian.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

PWMS does not receive any economic benefits for providing investment advice or other advisory services from anyone who is not a client.

PWMS also does not refer clients to others or accept prospective client referrals from others in exchange for compensation.

Custody

Form ADV Part 2A, Item 15

Per SEC rules and exemption, PWMS does not fall under the requirements for having custody of client assets under management in the PWMS Portfolio Management service and the PWMS Wrap Fee Program that are held at the qualified custodian. The independent, qualified custodian, LPL Financial, independently of PWMS, calculates and debits the advisory fee based on a separate, joint agreement between the qualified custodian and the client. PWMS does not have the ability to manipulate the advisory fee that is being withdrawn or withdraw client funds and does not have the ability to direct client funds for transfer to any recipient, account, or address other than those that are on file with the independent, qualified custodian. In addition, the qualified custodian, not PWMS, generates monthly account statements and provides those directly to clients. PWMS intermittently verifies in random samples that the qualified custodian debited the correct amount from clients' accounts. In the case of any discrepancy between the fee invoice and the amount actually deducted by the qualified custodian, the client will be notified and any adjustments will be made as soon as administratively possible.

Investment Discretion

Form ADV Part 2A, Item 16

A PWMS client can choose whether PWMS is allowed to buy and sell investments in an advisory account without asking the client in advance ("discretion") or only after receiving the client's permission ("non-discretion"). If a client selects non-discretion, the client makes the ultimate decision regarding the purchase or sale of investments.

PWMS may accept discretionary authority to manage securities accounts on behalf of clients. Clients who desire discretionary management will authorize this function within their management agreement with PWMS. PWMS will only assume and implement this authority following an extensive initial interviewing process, including multiple suitability assessments, and, if deemed necessary, the formation of an individualized financial plan as well as an individualized investment policy statement. As stated previously, the financial planning process incorporates software to help derive the long-term investment strategy. Execution of the financial plan is focused on diversification, asset class and sector allocation, and individual security selection. The suitability assessments, educational theory, and simulation tools remind clients that investing in securities always involves volatility and the risk of loss. Additional financial software can be used to subsequently analyze, monitor, and provide feedback regarding ongoing risk and asset management.

Voting Client Securities

Form ADV Part 2A, Item 17

PWMS does not vote client securities. Clients receive all proxy voting and other materials directly from the

custodian or transfer agent. PWMS does not advise clients with regard to solicitations they may receive.

Financial Information

Form ADV Part 2A, Item 18

PWMS does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we have not included a balance sheet with this ADV for our most recent fiscal year.

PWMS meets and maintains at all times the relevant designated net worth and financial statement requirements for registered investment advisory firms. There are no reasonably foreseeable financial conditions that are likely to impair PWMS' ability to meet contractual commitments to its clients. For example, in the event of unused management fees, the qualified custodian would refund the balance of quarterly fees directly to the client with PWMS owing the custodian the value of any refunded fees.