

# **Maclendon Wealth Management, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Maclendon Wealth Management, LLC (hereinafter "MWM"). If you have any questions about the contents of this brochure, please contact Alyson Austin at (561) 293-3520. 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 Maclendon Wealth Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Maclendon Wealth Management, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2 Summary of Material Changes**

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

Since the filing of our last annual updating amendment, dated March 28, 2023, we have the following material changes to report:

Kilburn Sherman now serves as MWM's Chief Compliance Officer. Kilburn Sherman is the Managing Director of SJO Worldwide, LLC, a privately held investment company.

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## Item 4 Advisory Business

MWM provides financial planning, consulting, and investment management services. Prior to engaging MWM to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with MWM setting forth the terms and conditions under which MWM renders its services (collectively the "*Agreement*").

MWM has been in business since April 25, 2011. Dr. Jeremy S. Office is the principal owner of MWM, and Kilburn Sherman is the Chief Compliance Officer.

This Disclosure Brochure describes the business of MWM. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of MWM's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on MWM's behalf and is subject to MWM's supervision or control.

### Financial Planning Services and Consulting Services

MWM may provide its clients with a broad range of comprehensive financial planning and consulting services. These services include business planning, liability management, investments, insurance, retirement, education, succession, estate planning, tax and cash flow needs of the client.

In performing its services, MWM is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. MWM may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if MWM recommends its own services. The client is under no obligation to act upon any of the recommendations made by MWM under a financial planning or consulting engagement or to engage the services of any such recommended professional, including MWM itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of MWM's recommendations. Clients are advised that it remains their responsibility to promptly notify MWM if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising MWM's previous recommendations and/or services.

### Investment Management Services

Clients can engage MWM to manage all or a portion of their assets on a discretionary or non-discretionary basis.

MWM primarily allocates clients' investment management assets among exchange-traded funds ("ETFs"), individual debt and equity securities, mutual funds, *Independent Managers* (as defined below), as well as the securities components of variable annuities in accordance with the investment objectives of the client. MWM also provides advice about any type of investment held in clients' portfolios.

If you participate in our discretionary portfolio management services, MWM requires you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

MWM also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, or other products that may not be held by the client's primary custodian. In so doing, MWM either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

MWM tailors its advisory services to the individual needs of clients. MWM consults with clients initially and on an ongoing basis to develop a risk profile which determines risk tolerance, time horizon and other factors that may impact the clients' investment needs. MWM ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify MWM if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon MWM's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in MWM's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

### **Use of Independent Managers**

As mentioned above, MWM recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("*Independent Managers*"), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between MWM or the client and the designated *Independent Managers*. MWM renders services to the client relative to the discretionary selection or recommendation of *Independent Managers*. MWM also monitors and reviews the account performance and the client's investment objectives. MWM receives a quarterly advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*.

When recommending or selecting an *Independent Manager* for a client, MWM reviews information about the *Independent Manager* such as its disclosure brochure and/or material supplied by the *Independent Manager* or independent third parties for a description of the *Independent Manager's* investment strategies, past performance and risk results to the extent available. Factors that MWM considers in recommending an *Independent Manager* include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, MWM's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by MWM, the designated *Independent Managers*, and corresponding broker-dealer and custodian.

In addition to MWM's written disclosure brochure, the client also receives the written disclosure brochure of the designated *Independent Managers*. Certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than MWM. In such instances, MWM may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

If MWM refers a client to an *Independent Manager* where MWM's compensation is included in the advisory fee charged by such *Independent Manager* and the client engages the *Independent Manager*, MWM is compensated for its services by receipt of a fee to be paid directly by the *Independent*

*Manager* to MWM in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee is paid solely from the *Independent Manager's* investment management fee, and does not result in any additional charge to the client.

### **Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, MWM is providing the following acknowledgment to clients. When MWM provides investment advice to clients regarding their retirement plan account or individual retirement account, MWM is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way MWM makes money creates some conflicts with clients' interests, so we operate under a special rule that requires us to act in our clients' best interest and not put our interest ahead of our clients. Under this special rule's provisions, MWM must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put its financial interests ahead of its clients when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that MWM gives advice that is in our clients' best interest;
- Charge no more than is reasonable for its services; and
- Give clients basic information about conflicts of interest.

MWM benefits financially from the rollover of client assets from a retirement account to an account that it manages or provide investment advice, because the assets increase its assets under management and, in turn, its advisory fees. As a fiduciary, MWM only recommends a rollover when it believes it is in its clients' best interest.

### **Types of Investments**

We may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. You may request that we refrain from investing in particular securities or certain types of securities.

### **Assets Under Management**

As of December 31, 2023, we provide continuous management services for \$123,170,058 in client assets on a discretionary basis.

## **Item 5 Fees and Compensation**

MWM offers its services on a fee basis, which may include fixed fees, as well as fees based upon assets under management. Certain of MWM's *Supervised Persons*, in their individual capacities, may offer insurance products under a commission arrangement.

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

As part of its Investment Management services, MWM provides financial planning services. MWM does not offer financial planning as a stand-alone service nor does it charge a separate fee for financial planning services.

**Investment Management Fee**

MWM provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by MWM. MWM's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. MWM does not, however, receive any portion of these commissions, fees, and costs. New clients are billed as assets are deposited for the first two quarters. Thereafter, MWM's annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by MWM on the last day of the previous quarter. Adjustments will be made for deposits and withdrawals in excess of \$500,000 during the quarter. The annual fee varies (between 0.90% and 2.00%) depending upon the market value of the assets under management and the type of investment management services to be rendered.

MWM, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

**Fees Charged by Financial Institutions**

As further discussed in response to Item 12 (below), MWM generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("Schwab") for investment management accounts. Charles Schwab & Co., Inc. is an unaffiliated SEC-registered broker-dealer and member SIPC.

MWM may only implement its investment management recommendations after the client has arranged for and furnished MWM with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Schwab*, any other broker-dealer recommended by MWM, broker-dealer directed by the client, trust companies, banks, etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers* (as defined below), custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to MWM's fee.

MWM's *Agreement* and the separate agreement with any *Financial Institutions* may authorize MWM or *Independent Managers* to debit the client's account for the amount of MWM's fee and to directly remit that management fee to MWM or the *Independent Managers*. Any *Financial Institutions* recommended by MWM have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to MWM.

**Fees for Management During Partial Quarters of Service**

For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

The *Agreement* between MWM and the client will continue in effect until terminated by either party upon written notice pursuant to the terms of the *Agreement*. MWM's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to MWM's right to terminate an account. Additions may be in cash or securities provided that MWM reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to MWM, subject to the usual and customary securities settlement procedures. However, MWM designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. MWM may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Adjustments will be made for singular transactions (deposits / withdrawals) in excess of \$500,000 during the quarter between non-qualified asset accounts and external accounts.

### **Compensation for the Sale of Securities Products or Other Investment Products**

Persons providing investment advice on behalf of MWM may also be registered representative with APW Capital Inc. ("APW"), an unaffiliated securities broker-dealer, member FINRA/SIPC. In their capacities as registered representative, these persons may receive commission-based compensation in connection with the purchase and sale of securities. Compensation earned in the capacity as registered representative with APW is separate and in addition to MWM's advisory fees. This practice presents a conflict of interest because these persons may have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase securities or insurance products through anyone affiliated with MWM.

Persons providing investment advice on behalf of our firm may be licensed as independent insurance agents. These persons may earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents may have an incentive to recommend insurance products to you for the purpose of generating commissions. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

### **Margin Accounts**

We may trade client accounts on margin. Each client must sign a separate margin agreement before margin is extended to that client account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

MWM does not provide any services for performance-based fees. Performance-based fees are those fees that are based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7 Types of Clients**

MWM provides its services to individuals, trusts, estates, charitable organizations, corporations and business entities.



### **Minimums Imposed By Independent Managers**

MWM does not impose a minimum portfolio size or minimum annual fee. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than MWM. In such instances, MWM may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

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

MWM's primary methods of analysis are fundamental, technical and cyclical analysis.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. MWM will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that MWM will be able to accurately predict such a reoccurrence.

*Cyclical analysis* is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that MWM is recommending. The risks with cyclical analysis are similar to those of technical analysis.

### **Investment Strategies**

Before providing investment advisory services to clients, MWM performs an assessment of the client's assets and liabilities, risk tolerance, and goals. During this process, MWM analyzes the client's amount of investable resources and individual investment requirements, while considering potential tax implications. Once the assessment is complete, MWM constructs the client's portfolio by recommending investments among various asset classes, and implements the recommendations for the client.

MWM's investment strategy emphasizes asset allocation. The multitude of investments available to MWM provides a broad range of diversification options. MWM's belief is that the reliance on asset allocation tends to mitigate the emotional response to short-term market volatility. There is both a strategic and tactical aspect to MWM's investment models. The strategic aspect refers to the rebalancing of the portfolio to the targeted asset mix. The tactical aspect is the reliance on proprietary research which may be derived from newspapers, newsletters, websites, and magazines.

MWM selects securities for clients based on asset allocation decisions, followed by decisions about the attractiveness of individual stocks or bonds. Specifically, MWM determines the mix of common stocks, bonds, alternative investments and money market instruments (cash investments) that offer the best combination of potential return and risk, based on the client's objectives. This asset allocation is custom-designed for individual clients based on their needs, time horizon, and risk tolerance.

MWM's goal is to maximize the long-term total risk adjusted return for a client. At any given time, MWM may allocate all, a portion, or none of a client's assets to equities, exchange traded securities, mutual funds, separately managed accounts, bonds, or to money market instruments. MWM continually monitors client portfolios and rebalances accounts when necessary.

### **Recommendation of Particular Types of Securities**

As disclosed under the *Advisory Business* section in this brochure, we recommend all types of securities since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

### ***Market Risks***

The profitability of a significant portion of MWM's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that MWM will be able to predict those price movements accurately.

### ***Use of Independent Managers***

MWM may recommend the use of *Independent Managers* for certain clients. MWM will continue to do ongoing due diligence of such managers, but such recommendations relies, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, MWM does not have the ability to supervise the *Independent Managers* on a day-to-day basis other than as previously described in response to Item 4, above.

### ***Management Through Similarly Managed Accounts***

For certain clients, MWM may manage portfolios by allocating portfolio assets among various securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "*investment strategy*"). In so doing, MWM buys, sells, exchanges and/or transfers shares of securities based upon the *investment strategy*.

MWM's management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company. Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to MWM's clients may be limited. MWM allocates investment opportunities among its clients on a fair and equitable basis.

### ***General Risk of Loss***

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

## **Item 9 Disciplinary Information**

MWM is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. MWM does not have any required disclosures to this Item.

## Item 10 Other Financial Industry Activities and Affiliations

MWM is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. MWM has described such relationships and arrangements below.

### Registration with Broker-Dealer

Persons associated with MWM are registered representatives with APW Capital Inc. ("APW"), an unaffiliated securities broker-dealer, member FINRA/SIPC. In this capacity these persons may receive commission-based compensation in connection with the purchase and sale of securities. Compensation earned by these persons in their capacities as registered representatives with APW is separate and in addition to MWM's advisory fees. This practice presents a conflict of interest because Mr. Office may have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase securities or insurance products through Mr. Office.

### Receipt of Insurance Commission

Certain of MWM's *Supervised Persons*, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While MWM does not sell such insurance products to its investment advisory clients, MWM does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that MWM recommends the purchase of insurance products where MWM's *Supervised Persons* receive insurance commissions or other additional compensation.

### Venture Capital Company

Jeremy S. Office is a Managing Partner and Kilburn Sherman is the Managing Director of SJO Worldwide, LLC, a privately held investment company of SJO Worldwide, LLC, a privately held investment company. An advisory client of our firm is also a Managing Partner of SJO Worldwide, LLC. Advisory clients are not solicited to invest in SJO Worldwide, LLC.

## Item 11 Code of Ethics

MWM and persons associated with MWM ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with MWM's policies and procedures.

MWM has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by MWM or any of its associated persons. The *Code of Ethics* also requires that certain of MWM's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in MWM's *Code of Ethics*, none of MWM's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of MWM's clients.

When MWM is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when MWM is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact MWM to request a copy of its *Code of Ethics*.

### **Conflicts with Affiliate**

The Principal of the Company is a Managing Partner of SJO Worldwide, LLC, a privately held investment company and advisory client of the Company. SJO Worldwide, LLC will receive ownership interests in certain investment companies that may become publicly traded. Where appropriate, MWM may recommend investment in such publicly traded companies to MWM's other advisory clients. In doing so, MWM will always put the client's interests first, in accordance with its *Code of Ethics* policy to scrupulously avoid serving its own personal interests (or the interests of its Associated Persons) ahead of its clients' interest.

## **Item 12 Brokerage Practices**

As discussed above, in Item 5, MWM generally recommends that clients utilize the brokerage and clearing services of Schwab Advisor Services<sup>TM</sup> ("Schwab"). MWM may also recommend APW's brokerage and custodial services with respect to certain securities transactions such as the purchase of annuities. As registered representatives of APW, certain MWM associated persons may earn commission-based compensation as result of placing the recommended securities transactions through APW . Please refer to Item 5 for more information on the compensation received by Mr. Office in his capacity as a registered representative of APW.

Factors which MWM considers in recommending Schwab, APW , or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Schwab enables MWM to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab Advisor Services<sup>TM</sup> may be higher or lower than those charged by other *Financial Institutions*.

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

## **Schwab Advisor Services™**

While MWM may recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 *Client Referrals and Other Compensation*. You should consider these conflicts of interest when selecting your custodian. Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through our firm. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available at no charge to us.

MWM does not open the account for you, although we may assist you in doing so. MWM seeks to recommend a custodian/broker that will hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, MWM considers a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your accounts)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions.
- Quality of services

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds, and U.S. exchange-listed equities and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trade through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above. By using another broker or dealer you may pay lower transaction costs.

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. The fact that we receive these benefits from

Schwab is an incentive for us to recommend the use of Schwab rather than making such decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. MWM believes, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services not Schwab's services that benefit only us.

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

The client may direct MWM in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and MWM will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by MWM (as described below). As a result, 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. Subject to its duty of best execution, MWM may decline a client's request to direct brokerage if, in MWM's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless MWM decides to purchase or sell the same securities for several clients at approximately the same time. MWM may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among MWM's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among MWM's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that MWM determines to aggregate client orders for the purchase or sale of securities, including securities in which MWM's *Supervised Persons* may invest, MWM generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. MWM does not receive any additional compensation or remuneration as a result of the aggregation. In the event that MWM determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, MWM may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist MWM in its investment decision-making process. Such research generally will be used to service all of MWM's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because MWM does not have to produce or pay for the products or services.



## Item 13 Review of Accounts

For those clients to whom MWM provides investment management services, MWM monitors those portfolios as part of an ongoing process while regular account reviews are conducted on a periodic basis. For those clients to whom MWM provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by the Principal of MWM. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with MWM and to keep MWM informed of any changes thereto. MWM contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom MWM provides investment advisory services may also receive a report from MWM that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis.

Those clients to whom MWM provides financial planning and/or consulting services will receive reports from MWM summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by MWM.

## Item 14 Client Referrals and Other Compensation

MWM is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, MWM is required to disclose any direct or indirect compensation that it provides for client referrals. MWM has described such relationships and arrangements below.

If a client is introduced to MWM by either an unaffiliated or an affiliated solicitor, MWM may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from MWM's investment management fee, and does not result in any additional charge to the client. If the client is introduced to MWM by an unaffiliated solicitor, the solicitor provides the client with a copy of MWM's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of MWM discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of MWM's written disclosure brochure at the time of the solicitation.

MWM may compensate its employees for the establishment of new client relationships. The compensation to these employees is based on a percentage of the advisory fee collected from referred clients. Clients will not be charged additional fees based on this compensation arrangement. Incentive based compensation paid to employees is contingent upon the referred client entering into an advisory agreement with MWM. Therefore, these employees have a financial incentive to recommend MWM's advisory services. This creates a conflict of interest; however, clients are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

MWM receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. We benefit from the products and services provided because the cost of these

services would otherwise be borne directly by us, and this creates a conflict. You should consider these conflicts of interest when selecting a custodian. These products and services, how they benefit us, and the related conflicts of interest are described above in Item 12. *Brokerage Practices*.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with APW Capital, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

## Item 15 Custody

MWM's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize MWM through such *Financial Institution* to debit the client's account for the amount of MWM's fee and to directly remit that management fee to MWM in accordance with applicable custody rules. MWM is also deemed to have custody of your assets if, for example you grant MWM authority to move your money to another person's account.

The *Financial Institutions* recommended by MWM have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to MWM. In addition, as discussed in Item 13, MWM may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from MWM.

### **Affiliation with SJO Worldwide, LLC**

MWM is the investment adviser to SJO Worldwide, LLC ("SJO"), a privately held investment company in which Jeremy Office, Principal of MWM, is an owner alongside an investment advisory client. In MWM's capacity as investment adviser to SJO, MWM, through Mr. Office, will have access to SJO's funds and securities. Therefore, MWM has custody over such funds and securities.

### **Trustee Services**

Mr. Office serves as trustee to certain accounts for which MWM provides investment advisory services. Mr. Office's capacity as trustee gives MWM custody over the advisory accounts for which he serves as trustee. These accounts will be held with a bank, broker-dealer, or other qualified custodian. If Mr. Office acts as trustee for a client's account, the client will receive account statements from the qualified custodian(s) holding the client's funds and securities at least quarterly. Clients should carefully review account statements for accuracy.

## Item 16 Investment Discretion

MWM may be given the authority to exercise discretion on behalf of clients. MWM is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first obtaining the client's consent. MWM is given this authority through a power-of-attorney included in the agreement between MWM and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). MWM takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.



If clients enter into non-discretionary arrangements with our firm, MWM will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

### **Item 17 Voting Client Securities**

MWM is required to disclose if it accepts authority to vote client securities. MWM does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

### **Item 18 Financial Information**

MWM does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to clients. MWM does not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, does not require the prepayment of more than \$500 in fees six or more months in advance. Therefore, MWM is not required to include a financial statement with this brochure.

### **Item 19 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.