

# Monson Wealth Management, Inc.

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Monson Wealth Management, Inc.. If you have any questions about the contents of this brochure, please contact us at (509) 628-1358 or by email at: [eldon@monsonwealthmanagement.com](mailto:eldon@monsonwealthmanagement.com). 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 Monson Wealth Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Monson Wealth Management, Inc.'s CRD number is: 169857.*

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*Registration does not imply a certain level of skill or training.*

Version Date: March 11, 2024

## **Item 2: Material Changes**

Monson is required to advise clients and prospective clients of any material changes to our Firm Brochure ("Brochure") from our last annual update dated March 27, 2023.

Clients will receive an annual summary of any material changes to this and subsequent Brochures no later than April 30 which is 120 days after our fiscal year-end. At that time, we will offer a copy of our most current Firm Brochure. We will also promptly provide ongoing disclosure information about material changes, as necessary.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our Brochure.

### **Material Changes:**

We have updated Item 4.C to indicate we do not allow client-imposed restrictions in the management of our portfolios.

We have updated Item 15 to reflect that we do not accept 3<sup>rd</sup> party Standing Letters of Authorization.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Monson ("Monson," "we," or "our") is a Corporation organized in the State of Washington. The firm has been offering advisory services since March of 2014. Our principal owner is Eldon Fielding-Monson.

### B. Types of Advisory Services

Monson offers a variety of advisory services including investment strategies, asset allocation, asset selection, creation of a personal Investment Policy Statement ("IPS"), and regular portfolio monitoring and rebalancing, as appropriate.

#### Investment Management Services

We work with you to identify your investment goals and objectives as well as risk tolerance in order to create an initial IPS designed to complement your financial goals and objectives. We then construct a portfolio based upon your IPS and customized to your particular circumstances, which may include, but not be limited to: mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, digital assets, REITs, and government securities. securities as appropriate. Our investment management services are offered on both a discretionary and non-discretionary basis, which you grant to us through a written agreement. For client's electing discretionary management, this allows us to execute transactions in your account(s) without requiring your permission to do so. Once we have implemented your IPS we will review and rebalance your account(s) as necessary and in line with your IPS.

#### *Financial Planning*

Monson also offers financial planning services

Financial Plans may include, but are not limited to:

Retirement Income	Estate Planning
College Funding	Life Insurance
Long Term Care	Debt Pay Off Strategy
Detailed Cash Flow	Retirement Risk Analysis
Portfolio Construction	Investment Recommendations
Joint Meetings held with other Advisors and Professionals	

Not all plans will receive all of the services.

Financial Planning is an ongoing, step by step process. All clients who have at least \$500,000.00 under management with us will be offered complimentary planning services Clients are invited to participate in ongoing financial planning services but are not required to.

We may, on a case by case basis, and at our discretion, offer planning services to clients with under \$500,000 of AUM with us.

We may also, at our discretion, enter into a Planning Fee Agreement based at an hourly rate of up to \$500.00 per hour. Specific services and fees will be documented in the Agreement between us.

### **C. Client Tailored Services and Client Imposed Restrictions**

As a fiduciary to all our clients, Monson always acts solely in your best interest. We offer the same suite of services to all clients. However, specific client financial plans and their implementation are dependent upon the individual client's Investment Policy Statement (IPS), or substantially similar materials, which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

We do not accept client imposed restrictions in the management of our portfolios.

### **Rollovers from Retirement Plans; Fiduciary Status for Retirement Investors**

When we recommend that you rollover retirement assets or transfer existing retirement assets (such as a 401(k) or an IRA) to our management, we have a conflict of interest. This is because we will generally earn additional revenue when we manage more assets. In making the recommendation, however, we do so only after determining that the recommendation is in your best interest. Further, in making any recommendation to transfer or rollover retirement assets, we do so as a "fiduciary," as that term is defined in ERISA or the Internal Revenue Code, or both. We also acknowledge we are a fiduciary under ERISA or the Internal Revenue Code with respect to our ongoing investment advisory recommendations and discretionary asset management services, as described in the advisory agreement we execute with you. To the extent we provide non-fiduciary services to you, those will be described in the advisory agreement.

### **D. Wrap Fee Programs**

We do not offer or participate in any Wrap Fee Programs.

### **E. Assets Under Management**

Monson has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$115,441,932	\$0.00	12/31/2023

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

We utilize a stepped fee structure based upon the rights of accumulation within a client's fee family.

We define fee families as clients who live at the same address. It is possible for a client to have both a 401(k) fee agreement for their business and separate agreement for their personal assets.

### **Investment Management Fees**

<b>Combined Account(s) Total Assets Under Management</b>	<b>Fee Amount</b>
\$ 0 - \$ 49,999.99	1.75 % annually
\$ 50,000 - \$ 149,999	1.55 % annually
\$ 150,000 - \$299,999	1.25 % annually
\$300,000 - \$1,000,000	1.00 % annually
\$1,000,001 - 2,999,999	0.75 % annually
\$3,000,000	Negotiable

### **Company Sponsored Plan Fees:**

Fees for Company Sponsored plans (401k's, Profit Sharing, Pension Plans, SIMPLE, SEP IRA's etc.) are negotiable and will be reflected in the written agreement between us.

### **Fees for Assets Held at American Funds:**

Fees for 529 Plans/Roth IRAs held directly with American Funds are billed at the rate of 1% annually.

### **Fee-Only Planning**

Financial Planning services for Investment Advisory Clients with less than \$500,000 under management with are offered at the rate of up to \$500 per hour (depending on complexity). The specific services to be performed are described in the written agreement with us that also includes the hourly rate, an estimate of the time to complete the project, and the procedure for refund or partial billing if the engagement is terminated before completion. If the engagement is terminated before completion, any completed work product deliverables will be provided if completed and paid for.

Additional fees or charges may be charged by the custodian. Monson does not receive any portion of these fees/charges. Additional fees/charges may include, but are not limited to, a startup fee, closing fee, custodial fee, short-term trading fee, contingent deferred sales charge, or redemption fees. In addition to Monson's management fees, clients may be subject to other fees and charges for maintaining the account. The client may also incur transaction fees in the account. The client will indirectly pay a management fee to the managers of mutual funds and annuities used within the account. These could include transactions or ongoing percentage-based fees from the custodian, and/or indirect management fees to the managers of funds used within the account. Monson will not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of Client.

## **B. Payment of Fees**

Investment Management fees are paid quarterly in advance and are deducted directly from your account(s) pursuant to written authorization contained within our advisory agreement with you. We use the last day of the calendar quarter, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based. For account(s) terminated mid-period, refunds are provided on a pro-rated basis, based on the number of days the



account(s) were under management with Monson. You may terminate our services at any time by providing 10 days written notice. Refunds will be paid within 30 days.

Fees for assets held at American Funds are paid quarterly in arrears and are deducted directly from your American Funds account. We use the last day of the calendar quarter, after taking into account deposits and withdrawals, for purposes of determine the market value of the assets upon which the advisory fee is based. Fees for accounts terminated mid-period will be pro-rated based on the number of days the account(s) were under management with Monson.

Hourly financial planning fees are billed monthly in arrears and are payable directly by check.

Our fees are negotiable. Fees for similar services may be available from other firms at higher or lower cost.

### **C. Client Responsibility for Third Party Fees**

Our fees are exclusive of custodial brokerage commissions, transactions fees, and other related costs and expenses which you will incur. Your custodian/broker-dealer charges separate transaction and administrative fees as described in Item 12 of this brochure. These expenses may include custodial fees, deferred sales charges, odd-lot differentials, interest on margin accounts, borrowing charges on securities sold short, transfer taxes, wire transfer and electronic fund fees, or other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Monson's management fee. We do not receive any portion of the commissions, fees, and costs charged by a fund company or your custodian/broker-dealer.

In addition to statements we provide, you will receive statements directly from these broker-dealers, custodians or mutual funds or other investments you hold. While we take measures to ensure the fees charged are accurate, we strongly urge you to compare these statements for accuracy.

### **D. Prepayment of Fees**

As indicated above, Monson collects its investment management fees quarterly in advance. Fees collected in advance and not earned, as in the case of a partial billing period, will be prorated and returned to you within 30 days of receipt of termination.

### **E. Outside Compensation for the Sale of Securities to Clients**

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

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

Monson does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

Monson generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Small Businesses

### *Minimum Account Size*

Monson has instituted a total household investment minimum of \$250,000 for new clients.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

Monson's methods of analysis include but are not limited to modern portfolio theory and efficient market hypothesis as well as individual security analysis.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Efficient Market Hypothesis** is a theory in financial economics that asset prices in a liquid market fully reflect all available information. The direct implication is that it is impossible to “beat the market” consistently in a risk adjusted basis since market prices should only react to new information.

**Individual Security Analysis** is the idea of picking an individual security over another based on the prospects and financial condition of the security. Decisions to purchase hold or sell securities are made on the individual security level.

#### *Investment Strategies*

Monson uses only long-term trading strategies. We build models ranging from very conservative to aggressive. Our models attempt to capture the dimensions of return as identified by leading academic researchers. These dimensions include the stock premium, value premium, size premium, and profitability premium for equity securities. With bonds, the two premiums that we attempt to capture are the term premium and the credit premium. We utilize Dimensional Funds primarily, but not exclusively, because

of their commitment to implementing the very best ideas in financial science, their low implicit and explicit costs, long term track records, and commitment to putting the client's needs first.

## **B. Material Risks Involved**

Investing in securities involves risk and there is no guarantee that our investment strategies will be profitable or will not result in losses, including loss of principal.

**Long-term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They 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 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 market conditions and general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary and 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.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **Financial Planning Risks**

Financial planning services often require that certain assumptions pertaining to future conditions be made in order to incorporate financial forecasts. These assumptions may include, but are not limited to: future interest rates, inflation, investment performance, and client longevity and health. As with all forecasts, actual results will differ from the estimates. A risk exists that there will be material differences between the assumptions used in a plan and the actual results. In some cases, these differences will preclude the achievement of personal results discussed in a plan.

## **Item 9: Disciplinary Information**

We are required to disclose any material legal or disciplinary events that involve Monson or its “management persons,” defined to include anyone with the power to exercise a ‘controlling influence.”

### **A. Criminal or Civil Actions**

We do not have any criminal or civil actions to report.

### **B. Administrative Proceedings**

We do not have any administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

We do not have any self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither Monson nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

#### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Monson nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor, or an associated person of the foregoing entities.

#### **C. Other Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither Monson nor its management persons have any other material relationships to our advisory business that would present a possible conflict of interest.

#### **D. Selection of Other Advisors or Managers and How This Advisor is Compensated for Those Selections**

Monson does not utilize nor select other advisors or third-party managers. All assets are managed in house by Monson.

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

#### **A. Code of Ethics**

To fulfill our responsibilities as a fiduciary, we have adopted a Code of Ethics (the "Code"). The Code incorporates the following general principles that all employees are expected to uphold: (1) putting the clients' interest first at all times; (2) conducting all personal securities transactions in such a manner to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility; (3) not taking inappropriate advantage of their position; (4) treating all client information as confidential, and (5) maintaining independence in the investment decision-making process.

In addition to guidelines with regard to personal trading, the Code also addresses and governs the giving and receiving of gifts and entertainment, service on outside boards of directors and other outside business activities. Our personnel are required to certify to compliance with the Code on a periodic basis.

Please contact us at the telephone number or email address listed on the first page of this Brochure if you would like to receive a full copy of our Code of Ethics.

#### **B. Recommendations Involving Material Financial Interests**

Monson does not recommend that clients buy or sell any security in which Monson or a related person to Monson has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of Monson may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for our representatives of to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Monson will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of Monson may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Monson to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, our Code of Ethics requires any employee trades to be executed only after all client trades are completed for the day. For employees in our managed account models, all trades will be executed as part of any block transactions executed for clients. Monson will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Monson does not maintain custody of your assets, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account(s) to pay our fees or to direct funds to third parties you authorize (see Item 15 – Custody, below.) In all cases, client assets must be held with a 'qualified custodian,' generally a broker-dealer or a bank. Although we may occasionally work with other broker/dealers and custodians, we recommend American Funds Distributors, Inc. (for 529 plans) and Axos Advisor Services ("Axos"(formerly E\*Trade)), member SIPC and a FINRA member broker dealer for brokerage and trade execution services as the qualified custodians for all client assets.

The brokerage commissions and/or transaction fees charged by Axos, or any other designated broker-dealer are exclusive of and in addition to Monson's fee. We regularly review these programs to seek to ensure that our recommendation is consistent with our fiduciary duty. Factors which we consider in recommending Axos or any other broker-dealer or custodian to clients include their respective financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by these brokers may be higher or lower than those charged by other broker-dealers.

In addition, Axos provides Monson with access to its institutional trading and custody services, which are typically not available to retail investors. These brokerage services include the execution of securities transactions, research, and access to mutual funds and other investments that are otherwise generally

available only to institutional investors or would require a significantly higher minimum initial investment.

We are independently owned and operated and are not affiliated with either American Funds or Axos. While we recommend you use Axos or American Funds, you will decide whether to do so and will open your account by entering into an account agreement directly with them. We don't open the account for you, though we assist you with the process and handle the administrative aspects.

When considering whether the terms Axos provides are overall most advantageous to you when compared with other available providers and their services, we take into account a 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
- Capability to facilitate transfers and payments to and from accounts
- Breadth of available investment products
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services and willingness to negotiate prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Services delivered or paid for by Axos
- Availability of other products and services that benefit us, as discussed below

Monson may also receive the following benefits from Axos: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocates the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### ***1. Research and Other Soft-Dollar Benefits***

We do not have any traditional "soft dollar" arrangements in place, in which we agree to direct a certain amount of commission dollars to a specific custodian in exchange for research or other services. Rather, the services described in this Item 12 are made available to us simply because we maintain client accounts on the custodian platform.

Many of these services generally may be used to service all or a substantial number of Monson's accounts.

The availability to Monson of the foregoing products and services is not contingent upon Monson committing to the custodian any specific amount of business (assets in custody or trading commissions). In some cases, clients could pay more for custody and execution through the custodian we recommend than through others. We review the capacities and costs of custodian regularly to ensure that our clients are receiving quality executions and competitive pricing, as well as more intangible service benefits.

As part of our fiduciary duty to our clients, we endeavor at all times to put the interest of our clients first. We want our clients to be aware that the receipt of the above benefits and services from our custodian(s) creates a conflict of interest, as this could indirectly influence our choice of either broker-dealer for custody and brokerage services. Monson reviews its choice of custodians on an annual basis to reaffirm the health of each entity, the quality of executions and the additional services provided by the custodian. We believe



our selection of Axos (and American Funds) as custodians and brokers is in the best interest of our clients because of the scope, quality, and price of their services.

## ***2. Brokerage for Client Referrals***

Monson receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

Because we execute your investment transactions through the custodian holding your assets, we are effectively requiring that you “direct” your brokerage to your custodian, absent other specific instructions. Because we are not choosing brokers on a trade-by-trade basis, we may not be able to achieve the most favorable executions for clients and this may ultimately cost clients more money. Not all investment advisers require directed brokerage.

We do not use, recommend, or direct activity to brokers in exchange for client referrals. Although not a normal business practice for Monson, as agreed, we may permit clients to direct us to use brokers other than the custodian holding your assets. If we agree to accommodate your request to do this, we will likely have little or no ability to negotiate commissions or influence execution price, and you will also not benefit from any trade aggregation we may implement for other clients. This may result in greater costs to you.

## ***4. Best Execution***

As indicated above, we typically require that clients open brokerage/custodial accounts at custodians not affiliated with us – typically Axos or American Funds. We are not compensated directly for recommending custodians to clients, though we may receive indirect economic benefits from those custodians as outlined above. The criteria for recommending a custodian include reasonableness of commissions and other costs of trading, ability to facilitate trades, securities lending needs, access to client records, computer trading support and other operational considerations. These factors will be reviewed from time to time to ensure that the best interests of our clients are upheld.

In seeking “best execution” for clients, the key factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into account the full range of services, including execution capability, technological processes used for submitted trades and other valuation services.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

As appropriate, we aggregate client transactions with those of other client accounts at the same custodian. This results in client trades being executed and billed at the same price.

When we choose to place a block transaction, we issue instructions to purchase a particular number of shares or face amount of a security and all participating clients and their pro-rated portion of the block are known at the time of the transaction. We generally trade in liquid securities and partial allocations are not a concern under normal market conditions. However, should we not receive the full amount requested, or if multiple executions are required, the following apply:



- If the full amount we requested is not obtained (and we determine to stop trading), we will pro-rate the purchased shares equally across all participating accounts. However, if employee transactions are included in the block and only a partial fill is completed, employee transactions are excluded (per our Code) until all client trades are completed.
- If multiple fills occur to complete the full block, then all purchases are averaged to price and each participating client receives their full allocation at that average price.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client portfolio management accounts are reviewed with regard to clients' respective investment policies and risk tolerance levels at least annually by Eldon Fielding-Monson, Owner and Chief Compliance Officer of Monson. Investment models are reviewed at least quarterly.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Eldon Fielding-Monson, Owner and Chief Compliance Officer. There is only one level of review for financial plans, and that is the total review conducted to create the financial plan. We do not review or monitor financial plans after their delivery.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

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

With respect to financial plans, Monson's services will conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each portfolio management client will receive a monthly statement from your custodian of record which will include, but not be limited to: all transactions for the period, current balance, current securities holdings and fee deductions. Upon specific request, we will provide additional comprehensive reports and related reviews of your portfolio holdings.

As noted above, with respect to financial plans, Monson's services will conclude upon delivery of the financial plan.

## **Item 14: Client Referrals and Other Compensation**

### **A. Other Compensation**

We do not have any arrangements in place to compensate third parties for client referrals. As noted above in Item 12, Monson will receive additional benefits from Axos which includes electronic systems that assist

in the management of Monson's client accounts, access to research, the ability to directly debit client fees, software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), pricing information and other market data, assist with back office functions, recordkeeping and client reporting.

### **Item 15: Custody**

All client funds and securities are maintained with a qualified custodian; we don't take physical possession of client assets. You will receive account statements and transaction confirmation notices directly from your Custodian at least quarterly, which you should carefully review. We urge you to carefully compare the Custodian's account statements with any periodic data you receive from us and to notify us promptly of any discrepancies.

We have the ability to deduct our advisory fees directly from your accounts based on your written authorization to do so, and this ability is technically considered "custody" but doesn't require separate reporting or a surprise audit of Monson.

### **Item 16: Investment Discretion**

Monson provides discretionary and non-discretionary investment advisory services to clients. The agreement between us outlines our discretionary authority for trading. Where investment discretion has been granted, Monson generally manages your account(s) and makes investment decisions without consultation with you as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, or the price per share. In some instances, Monson's discretionary authority in making these determinations may be limited by conditions imposed by you (in investment guidelines or objectives, or client instructions otherwise provided to Monson.)

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

Monson will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

Monson neither requires nor solicits prepayment of more than \$1200 in fees per client, six months or more in advance.

<b>B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients</b>
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Neither Monson nor its management has any financial condition that is likely to reasonably impair Monson's ability to meet contractual commitments to clients.

<b>C. Bankruptcy Petitions in Previous Ten Years</b>
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Neither Monson nor any of its management persons has not been the subject of a bankruptcy petition in the last ten years.