



**DISCLOSURE BROCHURE**  
PREPARED IN COMPLIANCE WITH  
THE INVESTMENT ADVISERS ACT OF 1940 RULE 204-3(A)

## **Brass Tax Wealth Management, Inc.**

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This brochure provides information about the qualifications and business practices of Brass Tax Wealth Management, Inc. Being registered as an investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 513-791-4575. 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 Brass Tax Wealth Management, Inc. (CRD #285249) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## Item 2: Material Changes

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### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

This update is in accordance with the required annual update for Investment Advisors. Since the last update in September, 2023, the following changes have occurred:

- Item 4 Client Assets under Management has been updated.
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### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

## Item 3: Table of Contents

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## Item 4: Advisory Business

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### **Firm Description**

Brass Tax Wealth Management, Inc. DBA Brass Tax Wealth Management ("BTWM"), Also doing business as Schulte Financial Group and Storen Financial Group was founded in 2014 and registered as an investment advisor in 2016. Nicholas N. Schulte is 50% owner and Leah Schulte is 50% owner.

BTWM is a fee based financial planning and investment management firm. The firm's president is also a licensed insurance agent who also sells traditional insurance products, such as long-term care, disability, and traditional life insurance for separate, yet typical commission. The firm's president is also a registered representative of a broker dealer and sells securities products for a commission.

BTWM does not act as a custodian of client assets.

An evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement, risk analysis or similar document. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, tax preparers, insurance agents, etc.) are engaged directly by the client on an as-needed basis and may charge fees of their own. For example, tax preparation and to the extent your estate plan needs to be updated, the tax preparer and/or attorney will bill the client separately. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

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### **Types of Advisory Services**

#### ASSET MANAGEMENT

##### Supervised Assets

BTWM offers discretionary and non-discretionary direct asset management services to advisory clients. BTWM will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors.

##### Discretionary

When the client provides BTWM discretionary authority the client will sign a limited trading authorization or equivalent. BTWM will have the authority to execute transactions in the account without seeking client approval on each transaction.

##### Non-discretionary

When the client elects to use BTWM on a non-discretionary basis, BTWM will determine the securities to be bought or sold and the amount of the securities to be bought or sold. However, BTWM will obtain prior client approval on each and every transaction before executing any transactions.

When deemed appropriate for the client, BTWM offers discretionary management services through programs sponsored by SEI Investments Management Corp (SIMC). Under the MAS program, SIMC acts as a co-investment advisor to the Investor, along with BTWM, pursuant to a tri-party investment management agreement executed among SIMC, BTWM and each Investor investing assets into the Managed Account Solutions (the “Tri-party Agreement”). Under the Mutual Fund Models Program, SEI will make available its various Mutual Fund Models to BTWM who, in turn, may assist Clients in determining into which Mutual Fund Model to invest their assets.

#### SOLICITOR ARRANGEMENTS

BTWM solicits the services of third party money managers to manage client accounts. In such circumstances, BTWM receives solicitor fees from the third party money manager. BTWM acts as the liaison between the client and the third party money manager in return for an ongoing portion of the advisory fees charged by the third party money manager. BTWM helps the client complete the necessary paperwork of the third party money manager, provides ongoing services to the client, provides the third party money manager with any changes in client status as provided to BTWM by the client and review the quarterly statements provided by the third party money manager. BTWM will deliver the Form ADV Part 2, Privacy Notice and Solicitors Disclosure Statement of the third party money manager. Clients placed with third party money managers will be billed in accordance with the third party money manager’s fee schedule which will be disclosed in Item 5 of this brochure.

#### ERISA PLAN SERVICES

BTWM provides service to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. BTWM may act as either a 3(21) or 3(38) advisor:

**Limited Scope ERISA 3(21) Fiduciary.** BTWM typically acts as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions on a non-discretionary basis. As an investment advisor BTWM has a fiduciary duty to act in the best interest of the client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using BTWM can help the plan sponsor delegate liability by following a diligent process.

#### 1. Fiduciary Services are:

- a. Provide non-discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan’s investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. BTWM acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).
- b. Assist the Client in the development of an investment policy statement (“IPS”). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- c. Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment

elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.

- d. Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- e. Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services are:

- a. Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands BTWM's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, BTWM is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. BTWM will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- b. Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

BTWM may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between BTWM and Client.

3. BTWM has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- a. Employer securities;
- b. Real estate (except for real estate funds or publicly traded REITs);
- c. Stock brokerage accounts or mutual fund windows;
- d. Participant loans;
- e. Non-publicly traded partnership interests;
- f. Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- g. Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to BTWM under this Agreement.

Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

**3(38) Investment Manager.** BTWM can also act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of a given retirement plan's assets. BTWM would then become solely responsible and liable for the selection, monitoring and replacement of the plan's investment options.



1. Fiduciary Services are:

- a. BTWM has discretionary authority and will make the final decision regarding the initial selection, retention, removal and addition of investment options in accordance with the Plan's investment policies and objectives.
- b. Assist the Client with the selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- c. Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan.
- d. Provide discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5).

2. Non-fiduciary Services are:

- a. Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands BTWM's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, BTWM is not providing fiduciary advice as defined by ERISA to the Plan participants. BTWM will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- b. Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

BTWM may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between BTWM and Client.

3. BTWM has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- a. Employer securities;
- b. Real estate (except for real estate funds or publicly traded REITs);
- c. Stock brokerage accounts or mutual fund windows;
- d. Participant loans;
- e. Non-publicly traded partnership interests;
- f. Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- g. Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to BTWM under this Agreement.

## FINANCIAL PLANNING AND CONSULTING

If financial planning services are applicable, the client will compensate BTWM on a fixed fee basis described in detail under “Fees and Compensation” section of this brochure. Services include but are not limited to a thorough review of all applicable topics including Wills, Estate Plan/Trusts, Investments, Taxes, Qualified Plans and Insurance. If a conflict of interest exists between the interests of the investment advisor and the interests of the client, the client is under no obligation to act upon the investment advisor’s recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through BTWM. Financial plans will be completed and delivered inside of six (6) months.

## SEMINARS AND WORKSHOPS

BTWM holds seminars and workshops to educate the public on different types of investments and the different services they offer. The seminars are educational in nature and no specific investment or tax advice is given. BTWM does not charge a fee for attendance to these seminars.

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

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written client consent.

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### **Wrap Fee Programs**

BTWM does not sponsor a wrap fee program.

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### **Client Assets under Management**

BTWM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$674,300,000	\$0	March, 2024

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

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### **Method of Compensation and Fee Schedule**

#### ASSET MANAGEMENT

BTWM offers discretionary asset management services to advisory clients. The fees for these services will be based on a percentage of Assets under Management as follows:

Assets Under Management	Annual Fee	Quarterly Fee
Up to \$499,999	1.50%	.375%
\$500,000 to \$750,0000	1.00%	.25%
Over \$750,000	.80%	.20%

The annual fee may be negotiable. Accounts within the same household may be combined for a reduced fee. Fees are billed quarterly in advance based on the amount of assets managed as of the last business day of the quarter. Quarterly advisory fees deducted from

the clients' account by the custodian will be reflected in the custodial statement. Lower fees for comparable services may be available from other sources.

Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with thirty (30) days written notice. For accounts closed mid-quarter, the client will be entitled to a pro rata refund for the days service was not provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees, and client will acknowledge, in writing, any agreement of increase in said fees.

#### SEI PROGRAMS

For the SEI Managed Account Solutions program BTWM charges an annual investment advisory fee based on the total assets under management not to exceed 2%.

The annual fee may be negotiable.

SIMC's advisory fee schedule for MAS range from .10% to 1.25%. Certain Clients may receive a fee discount, at the sole discretion of SIMC. SIMC may pay a portion of this fee to the portfolio manager acting as the account's Overlay Manager or retain the fee itself if it is serving as the Overlay Manager.

Each SEI Mutual Fund pays an advisory fee to SIMC that is based on a percentage of the portfolio's average daily net assets, as described in the mutual fund's prospectus. From such amount, SIMC pays the sub-advisor(s) to the fund. SIMC's fund advisory fee varies, but it typically ranges from .10% - 1.50% of the portfolio's average daily net assets for its advisory services.

BTWM receives compensation as a result of a Client's participation in SIMC's programs. For assisting Clients in selecting appropriate Mutual Fund Models, Managed Account Portfolios or Custom Portfolios in accordance with the terms of BTWM's advisory agreement and, if applicable Triparty Agreement, with such Clients and providing on-going account services, BTWM will receive a fee payable from the Client's Account assets. BTWM's fee will be calculated quarterly on the Client's Account balance and payable quarterly in arrears net of any income, withholding or other taxes. BTWM's fee is separate from and in addition to SIMC's Investment Management Fee described above. BTWM's fee and SIMC's Investment Management fee will be deducted by SPTC directly from the Client's account. BTWM does not have the ability to directly deduct their advisory fee from the client account.

#### SOLICITOR FEES

BTWM may also act as a solicitor for Third Party money managers on those occasions when BTWM utilizes the services of a third party to manage all or a portion of an advisory account. Portfolio management for individuals and /or small businesses and portfolio management for business or institutional Clients will also be available through Third Party money managers. Advisory Clients shall only pay the fee assessed by the third party for that portion of the account managed by such third party as disclosed in the respective Form ADV Part 2 and Solicitors Agreement given to the Client at the time of solicitation. These fees range from 1% to 2.3% annually. Client will also need to sign the Third Party Money manager's agreement at the time of sale. BTWM will receive a portion of the fee paid to third party money manager as disclosed in the Solicitors Agreement, these fees are non-negotiable. Terminations are based on the Third Party money manager's terms as disclosed in their ADV Part 2.

## ERISA PLAN SERVICES

The annual fees either be based on the market value of the Included Assets and will not exceed 1% or will be a flat annual fee.

Asset based fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) on the last business day of the previous quarter. If the services to be provided start any time other than the first day of a quarter, the fee will be prorated based on the number of days remaining in the quarter. If this Agreement is terminated prior to the end of the fee period, BTWM shall be entitled to a prorated fee based on the number of days during the fee period services were provided.

Flat fees will be charged according to the agreed upon schedule in the Client Agreement.

The fee schedule, which includes compensation of BTWM for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or have fees deducted from Plan Assets. BTWM does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, BTWM will disclose this compensation, the services rendered, and the payer of compensation. BTWM will offset the compensation against the fees agreed upon under this Agreement.

## FINANCIAL PLANNING AND CONSULTING

BTWM charges a fixed fee of \$1,000 to \$10,000 for financial planning. Prior to the planning process the client will be provided an estimated plan fee. The services include but are not limited to a thorough review of all applicable topics including Estate Plan, Investments, Taxes, and Insurance. Client will pay the fee at the delivery of the completed plan. Services are completed and delivered inside of sixty (60) days.

Client may cancel within five (5) business days of signing Agreement for a full refund. If the client cancels after five (5) business days, any unearned fees will be refunded to the client, or any unpaid earned fees will be due to BTWM.

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### **Client Payment of Fees**

Investment management fees are either billed quarterly in advance, meaning that the fees will be charged for three (3) month billing periods. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are paid at the delivery of the completed plan.

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### **Additional Client Fees Charged**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include mutual fund transactions fees, postage and handling, and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the fee that the custodian charges to buy or sell the security.

BTWM, in its sole discretion, may charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

For more details on the brokerage practices, see Item 12 of this brochure.

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**Prepayment of Client Fees**

BTWM does not serve as a custodian for client funds or securities and BTWM does not require prepayment of fees of more than \$1,200 per client and six (6) months or more in advance.

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**External Compensation for the Sale of Securities to Clients**

Certain investment adviser representatives of BTWM are also associated with LPL Financial as broker-dealer registered representatives ("Dually Registered Persons"). In their capacity as registered representatives of LPL Financial, certain Dually Registered Persons may earn commissions for the sale of securities or investment products that they recommend for brokerage clients. They do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through BTWM. Clients have the option of purchasing many of the securities and investment products we make available to you through another broker-dealer or investment adviser. However, when purchasing these securities and investment products away from BTWM, you will not receive the benefit of the advice and other services we provide.

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**Item 6: Performance-Based Fees and Side-by-Side Management**

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**Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

BTWM does not use a performance-based fee structure because of the conflict of interest. Performance based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

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**Item 7: Types of Clients**

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**Description**

BTWM generally provides investment advice to individuals, pension and profit sharing plans and business entities.

Client relationships vary in scope and length of service.

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**Account Minimums**

BTWM does not require a minimum to open an account.

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

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### **Methods of Analysis**

Security analysis methods may include fundamental analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. When creating a financial plan, BTWM utilizes fundamental analysis to provide review of insurance policies for economic value and income replacement.

When creating a financial plan, BTWM utilizes fundamental analysis to provide review of insurance policies for economic value and income replacement. Technical analysis is used to review mutual funds and individual stocks. The main sources of information include Morningstar, client documents such as tax returns and insurance policies.

In developing a financial plan for a client, BTWM's analysis may include cash flow analysis, investment planning, risk management, tax planning and estate planning. Based on the information gathered, a detailed strategy is tailored to the client's specific situation.

The main sources of information include Morningstar, client documents such as tax returns, financial newspapers, and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

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### **Investment Strategy**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement, Risk Tolerance or similar form that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, and option writing (including covered options).

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### **Security Specific Material Risks**

All investment programs have certain risks that are borne by the investor.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with BTWM:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.



- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Long-term purchases:* Long-term investments are those vehicles purchased with the intention of being held for more than one year. Typically the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.
- *Short-term purchases:* Short-term investments are typically held for one year or less. Generally there is not a high expectation for a return or an increase in value. Typically, short-term investments are purchased for the relatively greater degree of principal protection they are designed to provide. Short-term investment vehicles may be subject to purchasing power risk — the risk that your investment's return will not keep up with inflation.
- *Options Trading:* The risks involved with trading options are that they are very time sensitive investments. An options contract is generally a few months. The buyer of an option could lose his or her entire investment even with a correct prediction about the direction and magnitude of a particular price change if the price change does not occur in the relevant time period (i.e., before the option expires). Additionally, options are less tangible than some other investments. An option is a "book-entry" only investment without a paper certificate of ownership.

## **Item 9: Disciplinary Information**

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### **Criminal or Civil Actions**

BTWM and its management have not been involved in any criminal or civil action.

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### **Administrative Enforcement Proceedings**

BTWM and its management have not been involved in administrative enforcement proceedings.

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### **Self-Regulatory Organization Enforcement Proceedings**

BTWM and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of BTWM or the integrity of its management.

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

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### **Broker-Dealer or Representative Registration**

BTWM is not registered as a broker-dealer, however, certain employees of BTWM are registered representatives of LPL Financial, a FINRA/SIPC broker-dealer. LPL Financial is independently owned and operated and is not affiliated with BTWM.

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### **Futures or Commodity Registration**

Neither BTWM nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

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### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Members of BTWM have financial affiliated businesses as insurance agents, registered representatives of LPL Financial and tax preparers. Approximately 50% of their time is spent on these activities. From time to time, they will offer clients advice or products from those activities.

These practices represent conflicts of interest because it gives the members of the firm an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the best interest of the client first and the clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent, registered representative or accountant of their choosing.

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### **Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

BTWM may recommend or select other investment advisers for Clients. Client shall only pay the fee assessed by the third party for that portion of the account managed by such third party as disclosed in the respective Form ADV Part 2 and Solicitors Agreement given to the Client at the time of solicitation. BTWM will receive a portion of the fee paid to third party money manager as disclosed in the Solicitors Agreement.

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Prior to referring any clients to third party advisors, Advisor will make sure they are properly licensed or notice filed with the Department of Business Oversight or appropriate jurisdiction.

This relationship will be disclosed to the client in each contract between BTWM and the other investment adviser. BTWM does not charge additional management fees for Third Party managed account services. Client's signature is required to confirm consent for services within Third Party Investment Agreement. Client will initial BTWM 's Investment Advisory Agreement to acknowledge receipt of Third Party fee Schedule and required documents including Form ADV Part 2 disclosures.

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

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### **Code of Ethics Description**

The employees of BTWM have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of BTWM employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of BTWM. The Code reflects BTWM and its supervised persons' responsibility to act in the best interest of their client.

One area which the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

BTWM's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of BTWM may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

BTWM's Code is based on the guiding principle that the interests of the client are our top priority. BTWM's officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put the client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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**Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

BTWM and its employees do not recommend to clients securities in which we have a material financial interest.

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**Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

BTWM and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide BTWM with copies of their brokerage statements.

The Chief Compliance Officer of BTWM is Nicholas N. Schulte. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

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**Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

BTWM does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide BTWM with copies of their brokerage statements.

The Chief Compliance Officer of BTWM is Nicholas N. Schulte. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

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**Item 12: Brokerage Practices**

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**Factors Used to Select Broker-Dealers for Client Transactions**

BTWM will recommend the use of a particular broker-dealer based on their duty to seek best execution for the client, meaning they have an obligation to obtain the most favorable terms for a client under the circumstances. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is affected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. BTWM will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. BTWM relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to

the advisory fee charged by BTWM. BTWM does not receive any portion of the trading fees.

BTWM will recommend the use of Charles Schwab & Co., Inc.

- *Directed Brokerage*

In circumstances where a client directs BTWM to use a certain broker-dealer, BTWM still has a fiduciary duty to its clients. The following may apply with Directed Brokerage: BTWM's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among clients, and conflicts of interest arising from brokerage firm referrals.

- *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

- *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by BTWM from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, BTWM receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of BTWM. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists when BTWM receives soft dollars. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to act in the best interest of its clients and the services received are beneficial to all clients.

BTWM utilizes the services of custodial broker dealers. Economic benefits are received by BTWM which would not be received if BTWM did not give investment advice to Clients. These benefits include: A dedicated trading desk, a dedicated service group and an account services manager dedicated to BTWM's accounts, ability to conduct "block" Client trades, electronic download of trades, balances and positions, duplicate and batched Client statements, and the ability to have advisory fees directly deducted from Client accounts.

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### **Aggregating Securities Transactions for Client Accounts**

BTWM is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of BTWM. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

## **Item 13: Review of Accounts**

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### **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Account reviews are performed quarterly by Nicholas N. Schulte, Chief Compliance Officer. Account reviews are performed more frequently when market conditions dictate.

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### **Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

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### **Content of Client Provided Reports and Frequency**

Clients receive account statements no less than quarterly for managed accounts. Account statements are issued by the BTWM's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs.

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

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### **Economic benefits provided to the Advisory Firm from External Sources and Conflicts of Interest**

BTWM receives additional economic benefits from external sources as described above in Item 12.

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### **Advisory Firm Payments for Client Referrals**

BTWM does not compensate for client referrals.

## **Item 15: Custody**

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to review the account statements received directly from their custodians for accuracy.

BTWM is deemed to have constructive custody solely because advisory fees are directly deducted from client's account by the custodian on behalf of BTWM.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

BTWM accepts discretionary authority to manage securities accounts on behalf of clients. BTWM has the authority to determine, with obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The client will authorize BTWM discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

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

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### **Proxy Votes**

BTWM does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, BTWM will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

## **Item 18: Financial Information**

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### **Balance Sheet**

A balance sheet is not required to be provided because BTWM does not serve as a custodian for client funds or securities and BTWM does not require prepayment of fees of more than \$1,200 per client and six (6) months or more in advance.

### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

BTWM has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

### **Bankruptcy Petitions during the Past Ten Years**

Neither BTWM nor its management has had any bankruptcy petitions in the last ten years.