

**Form ADV Part 2A – Brochure**

**Item 1 Cover Page**

RM Private Wealth Management Inc.  
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Miami, FL 33131  
CRD# 300082

March 26, 2024

**This brochure provides information about the qualifications and business practices of RM Private Wealth Management Inc. If you have any questions about the contents of this brochure, please contact us at 571-332-7618. 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. Registration as a registered investment advisor does not imply a certain level of skill or training.**

**Additional information about RM Private Wealth Management Inc. also is available on the SEC's website at <http://www.adviserinfo.sec.gov>.**

## **Item 2 Material Changes**

March 26, 2024: Item 5 Fees and Compensation was modified to disclose a change in RM Private Wealth Management Inc.'s hourly fee rate from \$250 to \$500 per hour.

The material changes discussed above are only those changes that have been made to this Brochure since the firm's last annual update of the brochure. The date of the last annual update of the brochure was March 23, 2023.

### Item 3 Table of Contents

Item 1 Cover Page.....	i
Item 2 Material Changes.....	ii
Item 3 Table of Contents.....	iii
Item 4 Advisory Business .....	4
Item 5 Fees and Compensation .....	7
Item 6 Performance-Based Fees and Side-by-Side Management.....	9
Item 7 Types of Clients.....	9
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....	9
Item 9 Disciplinary Information .....	12
Item 10 Other Financial Industry Activities and Affiliations .....	12
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	12
Item 12 Brokerage Practices .....	13
Item 13 Review of Accounts.....	17
Item 14 Client Referrals and Other Compensation.....	18
Item 15 Custody .....	18
Item 16 Investment Discretion.....	18
Item 17 Voting Client Securities.....	19
Item 18 Financial Information .....	19

#### **Item 4 Advisory Business**

RM Private Wealth Management Inc. was incorporated in 2018 and is registered as an investment advisor with the U.S. Securities and Exchange Commission (“SEC”) since June 2020. From February 2019 to June 2020 the firm was registered with the States of Florida, New Jersey, and Washington.

The principal owner of RM Private Wealth Management Inc. is Ramesh Madhusudan, President.

##### Advisory Services

RM Private Wealth Management Inc. (“RM Private Wealth” or “Advisor”) principal service is providing fee-based investment advisory services and financial planning services. The Advisor practices custom management of portfolios, on a discretionary basis, according to the client’s objectives. The Advisor’s primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The Advisor may use exchange listed securities, foreign securities, warrants, corporate debt securities, commercial paper, CDs, municipal securities, mutual funds, and United States government securities to accomplish this objective, employing options strategies and derivatives to manage risk. The Advisor measures and selects mutual funds by using various criteria, such as the fund manager’s tenure, and/or overall career performance. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client’s risk tolerance.

##### Pension Consulting Services

RM Private Wealth will assist defined contribution plans in selecting and monitoring third-party investment managers and investment options included in the plans.

As part of the process, RM Private Wealth will provide an investment policy statement. RM Private Wealth will recommend, monitor, and benchmark the selected investment platform according to the investment policy statement. RM Private Wealth may assist the client in completing the third-party investment manager’s client questionnaire and opening account paperwork. RM Private Wealth will also assist in the development of the initial policy recommendations.

Depending on the needs of each client, Advisor may provide any of the following ERISA Fiduciary services:

- (i) 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 shall have the final decision-making

authority regarding the initial selection, retention, removal and addition of investment options.

- (ii) Assist the Client with the selection of a broad range of investment options consistent with ERISA section 404(c) and the regulations thereunder.
- (iii) 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 investment policy statement.
- (iv) 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 or remove and replace investment options.
- (v) Meet with Client on a periodic basis to discuss the reports and the investment recommendations.
- (vi) Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative (“QDIA”) for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. The Client retains the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).

In addition, the Adviser can perform the following Non-Fiduciary services if required:

- (i) Assist in the education of the participants in the Plan about general investment principles and the investment alternatives available under the Plan. Client understands that Adviser’s assistance in participant investment education shall be consistent with and within the scope of (d) (i.e., the definition of investment education) of Department of Labor Interpretive Bulletin 96-1. As such, the Adviser is not providing fiduciary advice (as defined in ERISA) to the participants. Adviser 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.
- (ii) Assist in the group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.

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

As a registered investment adviser, the Adviser has a fiduciary duty as an investment adviser to the Client. While the Adviser may have specific responsibilities under ERISA to disclose its ERISA fiduciary services separately from its non-ERISA fiduciary services, this does not affect the Adviser’s investment adviser fiduciary duty to the Client.

In consideration for these services, RM Private Wealth will receive an investment advisory fee, billed quarterly in advance, and based on the value of the plan/assets on the last day of the quarter. Adviser has no responsibility to provide any services related to the following types of assets: employer securities; real estate (except for real estate funds and publicly traded REITs); stock brokerage accounts or mutual fund windows; participant loans; non-publicly traded partnership interests; other non-publicly traded securities or property (other than collective trusts and similar vehicles); or other hard-to-value or illiquid securities or property (“Excluded Assets”), and those assets will not be included in the fee calculation. The third-party investment managers are hired by the client. RM Private Wealth is only making recommendations to the client about who should be hired. The third-party investment manager will have discretion as to the model portfolios/asset allocations and not the individual participants elections, or asset allocation of any participants should they elect to customize their own portfolio. The client, prior to entering into an agreement with a third-party investment manager recommended by RM Private Wealth will be provided with that manager’s Brochure. In addition, the third-party investment manager and the client will agree in writing that the client’s account will be managed by that selected third-party investment manager on a discretionary basis. Additionally, Investment Advisor Representatives of RM Private Wealth may provide consultation services on general non-securities advice on topics including operations management, business model integration and management, and retirement plan consulting and business planning. Fees are negotiable. Pre-payment of fees will not exceed \$500 per client, 6 months in advance.

RM Private Wealth will recommend and refer clients to unaffiliated money managers or investment advisors. Through this arrangement, the client will then enter into an advisory agreement with the third-party money manager or investment advisor authorizing them to assist and advise the client in establishing investment objectives and develop an investment strategy to meet those objectives by identifying appropriate investments and monitoring such investments.

#### Financial Planning

In addition to investment supervisory services, RM Private Wealth may provide Financial Planning Services to some of its clients. The Advisor’s Financial Planning services may include recommendations for portfolio customization based on their client’s investment objectives, goals and financial situation. Financial Planning Services may also include recommendations relating to investment strategies as well as tailored investment advice, insurance, tax strategies, retirement needs, and estate planning.

RM Private Wealth will tailor its advisory services to its client’s individual needs based on meetings and conversations with the client. If clients wish to impose certain restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client’s requirements.

RM Private Wealth does not provide portfolio management services to wrap fee programs.

As of February 29, 2024, RM Private Wealth had \$219,755,228 in discretionary, and \$0 in non-discretionary, client assets under management.

## **Item 5 Fees and Compensation**

### Asset Management Fees

Pursuant to an Investment Advisory contract signed by each client, the client will pay RM Private Wealth an annual management fee, payable quarterly in advance, based on the value of portfolio assets of the account managed by the Advisor as of the opening of business on the first business day of each quarter. The management fee may be adjusted to account for significant contributions or withdrawals made to the account during the quarter. New account fees will be prorated from the inception of the account to the end of the first quarter. The management fee may be adjusted to account for significant contributions or withdrawals made to the account during the quarter.

Management fees range up to 1.50% depending on the type and complexity of the investment management strategy employed as well as the size of the account or overall client relationship. Management fees may be reduced or waived for directors, officers, and employees of RM Private Wealth at the discretion of management. These fees may be negotiated by RM Private Wealth at its sole discretion. The client will give written authorization permitting the Advisor to be paid directly from their account held by the custodian. The custodian will send a statement at least quarterly to the client. The Advisor will send the client a written invoice, including the fee, the formula used to calculate the fee, the time period covered by the fee, and if applicable, the amount of assets under management on which the fee was based. The Advisor will send these to the client concurrent with the request for payment or payment of the Advisor's advisory fees. We urge the client to compare this information with the fees listed in the account statement. For situations where it is impractical to deduct fees directly from the client account, client will be sent an invoice on a quarterly basis for any outstanding advisory fees due. Checks are accepted for payments of such invoices.

### Hourly Fee

Some clients will contract to have investment advisory advice and/or financial planning advice provided based on an hourly fee rather than based on the assets under management. The Advisor's hourly fee will be billed at a rate of \$500 per hour. The Advisors hourly fees will be negotiated and agreed upon by the parties in advance. Hourly fee-based clients are billed on a monthly basis upon completion of work performed. Checks are accepted for payments of such invoices. Clients have the option to purchase investment or insurance products recommended by the Advisor through other brokers or agents not affiliated with RM Private Wealth. If the financial planning services are terminated by the client prior to completion of the financial plan or analysis, the client will be provided with the completed portions of any documents relevant to the contracted services.

### Pension Consulting Fees

Plan Sponsor will pay the Advisor as compensation for its services, a consulting fee at an annual rate of up to 1.50% of assets in the Plan. The consulting fee is payable quarterly, in advance, based on the fair market value of assets in the Plan at the end of each quarter (not including the Excluded Assets defined in Pension Consulting Services in Item 4 above. The consulting fee in the first quarter of the Agreement shall be prorated from the inception date to the end of the quarter. The Advisor shall invoice the Plan Sponsor for the consulting fee. The Plan Sponsor may, at its election, submit invoices for this consulting fee to the custodian of the Plan's assets for payment.

If Client elects to have fees deducted from Plan Assets, Client will grant Adviser the authority to have fees that are chargeable to the Plan automatically deducted from the Plan's accounts held by the recordkeeper (or other custodian of Plan assets, herein referred to as the "Recordkeeper") and paid directly to Adviser upon Recordkeeper's receipt of the billing notice. A quarterly statement setting forth the fees deducted from the Plan (as well as identifying the amount of funds and of each security in the account at the end of the period and setting forth all transactions in the account during that period) shall be provided to the Plan by the Recordkeeper. Client is responsible for ensuring that such statement is provided.

The Plan Sponsor agrees to payment of these invoices, whether directly from the Plan Sponsor or from the Plan's custodian, promptly, and, under normal circumstances, by the end of the month in which the invoice is submitted. Checks are accepted for payments of such invoices. As described in Item 4, the Advisor's consulting fee covers services in addition to investment advice or investment manager recommendations. The fee is in addition to any fees that third-party investment managers charge for the actual Plan investment management. RM Private Wealth will periodically evaluate its fees to ensure that its fees are reasonable for the services provided.

Advisor does not reasonably expect to receive any other compensation, direct or indirect, for its services. If Advisor receives any other compensation for such services, Advisor will (i) offset that compensation against its contract fees, and (ii) disclose the amount of such compensation, the services rendered for such compensation, the payer of such compensation and a description of Advisor's arrangement with the payer to the Client pursuant to the advisory contract.

The Plan Sponsor and the Advisor may agree, from time to time, that the Advisor be compensated for additional non-investment related duties outside the normal scope of the pension consulting agreement on an hourly basis of \$500 per hour. In such cases, the additional duties and hourly rate of compensation shall be agreed to by both parties, in advance, by execution of a separate agreement. Invoices and terms of payment, in such cases, will be as expressed in the previous paragraph herein. It is expected that such additional duties and compensation will solely relate to operational and compliance needs of the Plan and not relate to investment recommendations.

Hourly and Pension Consulting Fee clients will receive invoices as described in Asset Management Fees above each time a fee is charged.

For all of the above asset management, hourly, and pension consulting fee arrangements, if the required disclosure documents are not delivered to the client at least 48 hours prior to the client entering into any written advisory contract with the Advisor, then the Client has the right to terminate the contract without penalty within five business days after entering into the contract.

All fees paid to RM Private Wealth for investment advisory services are separate and distinct from the expenses charged by mutual funds to their shareholders and the product sponsor in the case of variable insurance products. These fees and expenses are described in each fund's or variable product's prospectus. These fees will generally include a management fee and other fund expenses.

At no time will RM Private Wealth accept or maintain custody of a client's funds or securities except for authorized fee deduction. Client is responsible for all custodial and securities execution



fees charged by the custodian and executing broker-dealer. The Advisors fee is separate and distinct from the custodian and execution fees.

RM Private Wealth's management fee is payable in advance. Upon termination, any fees paid in advance will be prorated to the date of termination and any unearned fees will be refunded to client.

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

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

RM Private Wealth does not charge performance-based fees.

### **Item 7 Types of Clients**

The Advisor will offer its services to individuals, banks or thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

The Advisor's cumulative minimum account requirement for opening and maintaining an account is \$1 million. However, the Advisor may accept accounts with a lower value at its sole discretion.

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

The Advisor may utilize fundamental, technical or cyclical analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of businesses involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives; to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall.

Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past.

The investment strategies the Advisor will implement may include long-term purchases of securities held at least for one year, short-term purchases for securities sold within a year, trading of securities sold within 30 days, short sales, margin transactions, and option writing, including covered options, uncovered options or spreading strategies. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs, and taxes. The material risks investing in options strategies are that the securities markets, in relation to the option held in the client account could adversely affect the market value of the options to the extent of some or all of the investment. Since options have a defined expiration date, investors in options can lose their investment by the passage of time if the market price of the underlying security does not improve relative to the option by the expiration date.

Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.).

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a specific company's fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor's estimate of the valuation of the company.

In cyclical analysis, economic or business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. Also, the lengths of the economic cycles may be difficult to predict with accuracy. Therefore, the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

The primary risks in technical analysis are that the factors used to analyze the price, trends and volatility of a security may not be replicated, or the outcomes of such analysis will not be the same as in past periods where similar combinations existed. Because of the reliance on trends, technical analysis can signal buying at market peaks and selling at market troughs.

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks.

Every saving and investment product have different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be. The primary risks faced by investors include:

#### Business Risk

With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

The business risk in purchasing an annuity is that the financial strength of the insurance company issuing the annuity may decline and not be able to pay out the annuity obligation.

#### Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

#### Inflation Risk

Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

#### Interest Rate Risk

Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.

#### Liquidity Risk

This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation such as a certificate of deposit (CD).

The Advisor does not primarily recommend a particular type of security. However, clients are advised that many unexpected broad environmental factors can negatively impact the value of

portfolio securities causing the loss of some or all of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative effects on their value, such as competition or government regulation. Also, the factors for which the company was selected for inclusion in a client portfolio may change, for example, due to changes in management, new product introductions, or lawsuits.

## **Item 9 Disciplinary Information**

Neither RM Private Wealth nor its management persons have had any legal or disciplinary events, currently or in the past.

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

Neither RM Private Wealth nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

RM Private Wealth does not currently have any relationships or arrangements that are material to its advisory business or clients with either a municipal securities dealer, or government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund” and offshore fund), futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

RM Private Wealth does not recommend or select other investment advisers for clients.

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

RM Private Wealth is registered with the SEC and maintains a Code of Ethics pursuant to SEC Rule 204A-1 that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of RM Private Wealth deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of RM Private Wealth are conducted in a manner that avoids any conflict of interest between such persons and clients of the adviser or its affiliates. RM Private Wealth collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. RM Private Wealth will provide a copy of the Code of Ethics to any client or prospective client upon request.

Where acting in the capacity of a registered representative, investment advisory representatives of RM Private Wealth may as broker or agent effect securities transactions for typical and customary compensation. This creates a conflict of interest. Clients are not obligated to use investment advisory representatives of the RM Private Wealth to execute such securities transactions. If client

elects to use the investment advisory representatives of RM Private Wealth in this capacity, fees associated with these types of transactions will be disclosed to the client, in advance.

While RM Private Wealth endeavors at all times to put the interests of its clients first as part of their fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of the individual making the recommendation.

Neither RM Private Wealth nor its related persons recommend to clients, or buy or sell for client accounts, securities in which the Advisor or its related persons have a material financial interest.

RM Private Wealth and/or its investment advisory representatives may from time to time purchase or sell products that they may recommend to clients. RM Private Wealth and/or its investment advisory representatives have a fiduciary duty to put the interests of their clients ahead of their own. To the extent that the Advisor or its investment advisor representatives are purchasing or selling securities at or about the same time that it is recommending such securities to clients, RM Private Wealth will provide the recommendations or trade the client accounts before trading their own accounts.

RM Private Wealth requires that its investment advisory representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

## **Item 12 Brokerage Practices**

If requested by the client, RM Private Wealth may suggest brokers or dealers to be used based on execution and custodial services offered, cost, quality of service and industry reputation. RM Private Wealth will consider factors such as commission price, speed and quality of execution, client management tools, and convenience of access for both the Advisor and client in making its suggestion.

### **The custodian and brokers we use**

RM Private Wealth does not maintain custody of your assets, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we 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. We do not open the account for you, although we may assist you in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

### **How we select brokers/custodians**

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider 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 account)
- 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
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

### **Your brokerage and custody costs**

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 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. For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab’s commission rates and asset-based fees applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$100 million of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates and asset-based fees you pay are lower than they would be otherwise. In addition to commissions and asset-based fees, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker/dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. 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 (see “How we select brokers/custodians”).

### **Products and services available to us from Schwab**

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services

(trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. 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 on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

**Services That Benefit You.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that may not directly benefit you.** Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide pricing and other market data
- facilitate payment of our fees from our clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

**Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

#### **Our interest in Schwab's services**

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. Schwab has also agreed to pay up to \$40,000 we would otherwise incur for technology, research, marketing, and compliance consulting

products and services once the value of our clients' assets in accounts at Schwab reaches \$100 million. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. This creates an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business and Schwab's payment for services for which we would otherwise have to pay rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection 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 (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

For any such products and services RM Private Wealth receives from Schwab or other custodians, it will follow procedures which ensure compliance with Section 28(e) of the Securities Exchange Act of 1934 or applicable state securities rules.

The firm seeks to obtain the most favorable net results for clients' price, execution quality, services and commissions. Although the firm seeks competitive commission rates, it may pay commissions on behalf of clients which may be higher than those available from other brokers in order to receive other services. The firm may enter into such transactions so long as it determines in good faith that the amount of commission paid was reasonable in relation to the value of the brokerage and research services provided by the broker. The services that may be considered in this determination of reasonableness may include (1) advice, either directly or through publications or writing, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (2) analysis and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or (3) effecting securities transactions and performing functions incidental thereto. Such research furnished by broker-dealers may be used to service any or all of RM Private Wealth's clients and may be used in connection with accounts other than those that pay commissions to the broker-dealers providing the research. In particular, third-party research provided by broker-dealers may be used to benefit all of the firm's clients. This creates a conflict of interest in that the firm has an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution.

Trading commissions may be used as soft dollars provided that:

- The service is primarily for the benefit of RM Private Wealth's clients
- The commission rates are competitive with rates charged by comparable broker-dealers; and
- RM Private Wealth does not guarantee a minimum amount of commissions to any broker-dealer.

RM Private Wealth does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

As an investment advisory firm, RM Private Wealth has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there



is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. RM Private Wealth's primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. RM Private Wealth may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker.

RM Private Wealth does not permit clients to direct brokerage.

RM Private Wealth may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of RM Private Wealth's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. RM Private Wealth may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

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

The firm monitors client accounts on an ongoing basis, or when conditions would warrant a review based on market conditions or changes in client circumstances, to ensure the account aligns with the agreed upon investment strategy. Client meetings are held at least annually to discuss the investment strategy and update client information. Financial plans, once prepared and delivered to the client are not reviewed again unless the client requests a financial plan be updated. Client accounts (and/or financial plans) are both managed and reviewed by Ramesh Madhusudan, President. Triggering factors for an account review may include RM Private Wealth becoming aware of a change in client's investment objective, a change in market conditions, change of employment, or a change in recommended asset allocation weightings in the account that exceed a predefined guideline.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. In addition, the client will receive other supporting reports from mutual funds, asset managers, trust companies or other custodians, insurance companies, broker-dealers and others who are involved with client accounts. Except for periodic reports to pension consulting clients concerning the oversight of the pension plan's investment advisors and investment products, RM Private Wealth does not provide regular reports to non-pension plan clients concerning their accounts.

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

We receive 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. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Schwab reaches a certain amount. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

RM Private Wealth is not compensated by anyone for providing investment advice or other advisory services except as previously disclosed in this Brochure. Further, the Advisor does not refer clients to third-party advisors for a fee.

RM Private Wealth does not directly or indirectly compensate any person who is not a supervised person for client referrals.

#### **Item 15 Custody**

RM Private Wealth does not have custody of client funds or securities, except for the withdrawal of advisory fees directly from client accounts. However, as noted in Item 13 above, clients will receive statements not less than quarterly from the qualified custodian, and we encourage you to review those statements carefully. Any discrepancies should be immediately brought to the firm's attention. Please see a more complete description of the safeguards followed by RM Private Wealth concerning direct fee deduction in Item 5 above. Clients are urged to compare the account statements received from the qualified custodian with invoices and reports received from RM Private Wealth.

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

RM Private Wealth generally has discretion over the broker-dealer to be used for the purchase or sale of securities for a client's account, and the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales are subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by RM Private Wealth.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by RM Private Wealth will be in accordance with each client's investment objectives and goals.

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

RM Private Wealth will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, RM Private Wealth cannot give any advice or take any action with respect to the voting of these proxies. The client and RM Private Wealth agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.

### **Item 18 Financial Information**

RM Private Wealth does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and is not required to file a balance sheet.

RM Private Wealth has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If RM Private Wealth does become aware of any such financial condition, this brochure will be updated and clients will be notified.

RM Private Wealth has never been subject to a bankruptcy petition.