

**Part 2A of Form ADV: Firm Brochure**

**Longview Wealth Management, LLC**

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This Brochure provides information about the qualifications and business practices of Longview Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 952-465-1785 or [keith@longviewwealth.com](mailto:keith@longviewwealth.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Longview Wealth Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any certain level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Longview Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search by this website by a unique identifying number for each investment advisory firm, known as the firm's CRD number. Our firm's CRD number is 139489. Investment Advisor Keith Tufte's personal CRD number is 1170559.

## **Item 2 – Material Changes**

This item discusses only the material changes that have occurred since Longview Wealth's last annual update dated January 17, 2019.

- Our assets under management have increased to a total of \$112,996,104 as of 6/30/2019.
- We are changing from a State-Registered advisor (State of Minnesota) to an SEC-Registered advisor in 2019.

There are no other material changes in this document from the previous year.

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#### **Item 4 – Advisory Business**

Longview Wealth Management is an independent, fee-only, investment advisory firm. We serve individuals, families, and retirement plans for business owners. We have been in business since 2007. Keith Tufte is the 100% owner of the firm.

Individual and family portfolio management. We provide investment management, financial planning, tax planning advice, retirement planning advice, and life insurance. We primarily invest in low cost exchange-traded funds (ETF's), low-cost mutual funds, and individual securities. Our firm provides continuous asset management of client funds based on the individual needs of each client. Through personal discussions in which the goals and objectives based on the client's personal circumstances are established, we develop the client's personal investment policy. We create and manage a portfolio based on that policy. During our data gathering process we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss the client's prior investment history, family composition, and background. We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives, as well as tax considerations. Once the client's portfolio has been established, we review the portfolio at least quarterly, and if necessary, rebalance the portfolio based on the client's individual needs. Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities; Exchange listed securities, securities traded over the counter, foreign issues, corporate debt securities, certificates of deposit, municipal securities, variable annuities, mutual fund shares, exchange traded funds, government debt securities, and interests in partnerships. Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

Financial Planning. We provide financial planning for many of our individual clients. Financial planning is a comprehensive evaluation of a client's current and future financial situation by using currently known variables to predict or estimate future cashflows, asset values, and withdrawal plans. In the financial planning process, all questions, information and analysis are considered as they impact the entire financial situation of each client. We gather information through personal interviews with the clients. Information gathered can include their current financial status, balance sheet, tax status and rate, future goals, risk tolerance, return objectives, family situation, expected college costs, inheritance, etc. Financial planning recommendations may involve investments, spending levels, tax planning, estate planning, college planning, insurance products, business advice, asset/business purchases or sales, or a number of other issues. Our financial planning

recommendations are not limited to any specific product, service, broker-dealer, or insurance company. Our recommendations may or may not be fully considered or implemented by clients. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, estate planner, insurance agent, and/or investment advisor. Implementation of the financial plan is entirely at the client's discretion. Typically, the financial plan is presented to the client within one to two months of the contract date, provided all the information needed to prepare the financial plan has been promptly provided. We do not charge an additional fee for financial planning, as it is included in our asset-based investment management fee.

Employee Benefit Retirement Plan 401(k) Advice. We also provide investment advice on retirement plans (such as 401(k) plans, SIMPLE IRA's, SEP IRA's, etc.) for business owners. We help manage these retirement plans by offering the following services:

#### Investment Policy Statement (IPS) Preparation and Monitoring:

We meet with each client (in person or over the phone) to determine the appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selecting investment vehicles (funds) as well as the procedures and policies for monitoring the investment performance of the funds and the overall plan.

#### Selection of Funds:

We assist plan sponsors in constructing appropriate asset allocation models. We then review various funds (both index and actively managed) to determine which investments are most appropriate to implement the client's IPS. The number of investments to be included and recommended in their retirement plan will be determined by the client, based on the IPS.

#### Monitoring of Investment Performance:

We monitor the client investments on a continuous basis, based on the procedures and timing intervals established in the investment policy statement. Our firm is not directly involved in the purchase or sale of these investments held in each participant's accounts. We supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

#### Employee Communication:

With pension, profit-sharing, and 401(k) plans the individual plan participants exercise control over assets in their accounts (“self-directed plans”). We provide educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be established by us and the client under the guidelines established in ERISA section 404(c). The educational support and advice will not provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations. The general education support and investment workshops provide general information about saving and investing.

Customized portfolios and service. Our services are tailored to the specific and custom needs and goals of each client. Clients may impose restrictions on investing in certain securities or types of securities.

No Wrap Fee Programs. We do not participate or invest client money into wrap fee accounts or programs.

Assets under management. As of June 30, 2019, we managed \$112,996,104 in total client assets, of which \$100,446,198 were discretionary and \$12,549,906 were non-discretionary.

## **Item 5 – Fees and Compensation**

Longview Wealth is a fee-based investment advisor with respect to investment management. We are only paid by our clients. We do not get commissions or sales revenues from any investment products. We charge clients a percentage of the assets they have managed by our firm. In general, the larger the amount of assets a client has with us, the lower our fee is as a percentage of those assets under management. Our fee schedule for individual clients is as follows:

<u>Amount of Capital Invested</u>	<u>Total Annual Fee (%)</u>
Less than \$1 million	1.0%
\$1 million to \$3 million	.8%
\$3 million to \$6 million	.7%
\$6 million to \$10 million	.6%
Above \$10 million	.5% or negotiated

A minimum of \$1 million of assets under management is generally required for this service. Clients are billed in arrears at the end of each calendar quarter. Longview Wealth may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee. All fees are subject to negotiation. We retain the right to negotiate alternative fees on a client-by-client basis. Client facts, circumstances, and needs are considered in determining the fee schedule. These factors include the complexity of the client assets to be placed under our management, assets held elsewhere, anticipated future additional assets, related accounts, portfolio style, account composition,

reports, and other factors. The specific annual fee schedule is identified in the contract between the advisor and each client. Discounts, not generally available to our investment advisory clients, may be offered to family members and friends of associated persons of our firm. Our fee schedule for retirement plans such as 401(k) plans is customized for each client situation, depending on the level of service each client is looking for, the size of the assets in the plan, the number of employees, and is negotiated with each client. Our fees for retirement/401(k) clients are generally lower as a percentage of assets than the fee schedule above shown for individual clients. We have also selectively worked with some individual clients on an hourly basis in the past.

The specific manner in which fees are charged by Longview Wealth Management, LLC is established in a client's written agreement. Longview Wealth Management will generally bill its fees on a quarterly basis. Clients are billed in arrears each calendar quarter. As such, at no time is a client due a refund. The fee schedule is applied quarterly based on the market value of client assets at the end of the quarter. Client assets are valued as determined by an independent qualified custodian (Charles Schwab & Co.). Clients authorize Longview Wealth Management to directly debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account all earned, unpaid fees will be due and payable.

Each time a fee is deducted from a client account, we subsequently send our clients (in their quarterly report) an invoice or fee notice itemizing the fee. This written billing information includes the fee in dollars, the formula used to calculate the fee, and the time period covered by the fee. Clients may cancel their agreement with Longview Wealth Management, LLC within 30 business days, without penalty.

Termination of the advisory relationship can be cancelled at any time, by either party, for any reason. Termination of the investment advisory contract must be done in writing and is deemed effective 30 days from the receipt of the written termination notice by Longview Wealth Management, LLC. Unpaid fees will be calculated using a pro-rated basis on the number of days in the quarter that our services were being used.

Grandfathering of minimum account requirements. Pre-existing advisory clients are subject to the minimum account size requirements that were in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among our clients. We have increased our minimum account requirement over time, and it now stands at \$1 million. We reserve the right to make selective exceptions to this account minimum for new prospective clients.

Longview Wealth Management, LLC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment

and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees that are “imbedded” into the costs and returns of the fund, which are disclosed in a fund’s prospectus. The fund manager withholds management fees from the stated fund net asset value (NAV). These fund expense ratios on the investments we use are typically below .5% per year. There can also be trading costs that the client pays to trade the funds or ETF’s. These trading costs are often only \$5.95 per trade, and typically below \$25 per trade. Such charges, fees and commissions are exclusive of and in addition to Longview Wealth Management, LLC’s fee, and Longview Wealth Management, LLC shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Longview Wealth Management, LLC considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

ERISA Accounts. Longview Wealth Management, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts pursuant to the Employee Retirement Income and Securities Act (ERISA), and regulations under the Internal Revenue Code of 1986. As such, our firm is subject to specific duties and obligations that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, we may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees. If any 12b-1 fees are charged, they are used to offset Longview Wealth Management, LLC advisory fees.

Advisory Fees in General. Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisors for similar, higher or lower fees. Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered (we bill in arrears).

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

Longview Wealth Management, LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

### **Item 7 – Types of Clients**

Longview Wealth Management, LLC is in business to provide portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, estates and trusts, foundations, and endowments. Our current clients are individuals, families, trusts, and retirement plans for business owners. The majority of our clients are high net worth individuals and families. Our official

minimum investment requirement for new clients is currently \$1 million. We may occasionally accept clients below this minimum level of investment, or may require a higher minimum than \$1 million, depending on the client and other circumstances.

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

Investing in securities involves risk of loss that clients should be prepared to bear. We use global strategic asset allocation to manage our client portfolios. We believe that proper asset allocation drives the vast majority of the risk and returns for investment portfolios. We maintain diversified portfolios that are invested in many different asset classes. We use primarily fundamental analysis of the economy and the financial markets to determine our outlook for investments. We consider each client's investment goals and risk tolerance in designing a customized portfolio for each client with the proper risk and expected return parameters. We use primarily low-cost mutual funds and exchange traded funds (ETF's) as our investments of choice. These funds tend to be low cost, diversified, transparent as to holdings and expenses, and tax efficient. We generally invest our client assets for the long term, and do not trade excessively. We may also trade in international securities, individual common stocks, corporate debt and bonds, certificates of deposit, municipal bonds, US government securities, options contracts, master limited partnerships (MLP's), and other securities. We use financial newspapers and magazines, internet sites, our own research, and investment research provided by others as our primary sources of information. Both equity and bond investments have significant volatility risk associated with them, which can result in significant loss of principal due to declining markets in general, or security specific negative news.

In general, we do not invest client assets in short-term trading, selling short, investing on margin, venture capital, private equity, initial public offerings (IPO's), or private placements.

We use the following methods of analysis in formulating our investment advice and managing client assets:

Asset Allocation: Rather than focusing primarily on individual security selection, we attempt to identify an appropriate mix of asset classes to meet each client's investment goals and risk tolerance. Risks of this type of analysis include the client not participating in a possible sharp increase in a certain individual security, and that the asset allocation may change over time due to market movements, if not corrected or rebalanced on a timely basis.

Fundamental Analysis: We attempt to measure the intrinsic value of a security by looking at the economic and financial factors to determine if the security is underpriced (good time to buy) or overpriced (good time to sell or avoid). Fundamental analysis does not try to anticipate market movements or play the "momentum" of the market. This presents a possible risk, as the price of a security can move up or down along with the overall market regardless of the economic or fundamental factors at the time, driven by psychology, fund flows, momentum, etc.

Mutual Fund and/or Exchange Traded Fund (ETF) Analysis: We look at the experience and track record of the manager or funds we are analyzing. We look at the underlying assets in each fund to determine if they are a good fit for our clients, and to determine if there is significant overlap in these investments with another fund(s) in the client's portfolio. We also look at each fund to be sure they are continuing to follow their stated strategy. The risk of any mutual fund or ETF is that past performance is no guarantee of future results. A fund manager who has been successful in the past, may not be able to replicate that performance into the future. In addition, the fund manager may deviate from his stated investment objective attempting to get better returns, making the fund potentially not as good a fit for the client.

Risk of Loss: Securities investments are volatile and have no guarantee, and you may lose money on your investments. Investments in stocks, securities, mutual funds, ETF's, and other types of investments involve risk, including the loss of principal. Mutual funds and ETF's may trade at prices that differ significantly from the net asset value (NAV) of the fund. If a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have difficulty disposing of such shares. Although all investments involve risk, our investment strategies seek to limit or reduce risk through broad diversification and some investment in conservative fixed-income securities. Our investment philosophy is designed for investors who desire a buy and hold strategy, with an investment time horizon of a minimum of five years, and preferably ten years or more. Frequent trading of securities increases brokerage, taxes, and other transactions costs that our philosophy seeks to minimize. Investors who do not commit to our Modern Portfolio Theory philosophy may not achieve positive long-term results.

Sources of Information: Our investment analysis is based on publicly available information on the internet, financial magazines, newspapers, periodicals, and issuer prepared information. We also receive research from consultants and financial services companies.

Investment Strategies. We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, time horizon, and other considerations.

Long-term purchases. We primarily purchase securities with the idea of holding them in the client's account for a year or longer (typically many years), incorporating the principles of Modern Portfolio Theory. This investment approach is firmly rooted in the belief that the markets are "efficient" and that investor returns are determined principally by asset allocation decisions, not by market timing or stock picking. We focus on developing diversified portfolios, principally through the use of passively managed funds.

Short-term purchases. Occasionally, we purchase securities with the idea of selling them within a shorter period of time (typically a year or less). We may do this to take advantage of a short-term drop in a particular security, or for tax-loss harvesting reasons.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Longview Wealth

Management, LLC or the integrity of Longview Wealth Management, LLC's management or personnel. Longview Wealth Management, LLC has no disciplinary information or incidents applicable to this item to report or disclose.

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

Keith Tufte, President of Longview Wealth Management, LLC, is also employed by Cherry Tree Wealth Management, LLC (CTW). Cherry Tree Wealth Management, LLC is the wealth management business of the Cherry Tree Companies, based in Minnetonka, MN. At CTW, Keith is the President of the wealth management business. His role is to lead the overall investment strategy and process for clients. The overall investment strategy and investment vehicles are very similar or identical to those used at Longview Wealth Management, LLC. CTW and/or Cherry Tree Companies do not have any ownership, control, management, or employees that are also part of Longview Wealth Management, LLC. This dual role could create a conflict of interest in terms of Keith's time allocation across clients, and trading of securities across clients of different firms. Longview Wealth Management, LLC has no other affiliations (cross ownership, employment, etc.) with any other firms, and does not participate in any other activities outside of the wealth management business. Longview Wealth is not registered as a securities broker-dealer, a futures or commodities merchant or advisor, or an insurance agency. Keith spends approximately 20 hours a week working exclusively as a representative of CTW, LLC. Much of his time is spent doing reading, research, writing, and other activities that are equally relevant for both Longview Wealth Management, LLC and Cherry Tree Wealth Management, LLC. As Keith is the leader of both firms, the investment strategies and styles are nearly identical at both firms.

Keith Tufte, President of Longview Wealth Management, is licensed to provide life insurance, long-term care and fixed annuities to his clients. Clients should be aware that Keith is able to purchase insurance related products for them, and receive additional (yet customary) compensation for implementing insurance product transactions on behalf of these clients. Clients are not under any obligation to engage with Longview Wealth when considering implementing insurance recommendations. While we endeavor to put the interest of the client first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation in itself can create a conflict of interest. The implementation of any or all insurance recommendations is solely at the discretion of the client. We take the following steps to address conflicts of interest with our clients: We disclose the existence of all material conflicts of interest. We disclose to clients that they are not obligated to purchase recommended investment or insurance products from our employees. We collect and maintain complete and relevant background information on our clients to be sure all recommendations are appropriate. We review client accounts to be sure all recommendations to clients are suitable. We educate our employees regarding the responsibilities of a fiduciary, including having a reasonable and independent basis for the investment advice provided to clients. Keith spends very little time (less than 1-2 hours per week) working on insurance business, and has completed very few insurance contracts (less than three) over the past two years. Keith

wants to be educated and knowledgeable on life insurance, long-term care insurance, and fixed annuities so he can professionally advise clients, but selling insurance policies is not a focus of the firm.

### **Item 11 – Code of Ethics**

Longview Wealth Management, LLC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. This code of ethics includes complying with applicable federal and state securities laws. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Longview Wealth Management, LLC must acknowledge the terms of the Code of Ethics annually, or as amended.

Longview Wealth Management, LLC anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Longview Wealth Management, LLC has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Longview Wealth Management, LLC, its affiliates and/or clients, directly or indirectly, have a position of interest. Client orders are always given priority in such circumstances. Longview Wealth Management, LLC's employees and persons associated with Longview Wealth Management, LLC are required to follow Longview Wealth Management, LLC's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Longview Wealth Management, LLC and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Longview Wealth Management, LLC's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Longview Wealth Management, LLC will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Longview Wealth Management, LLC's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Longview Wealth Management, LLC and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Longview Wealth Management, LLC's obligation of best execution. In such circumstances, the affiliated and client accounts will share

commission costs equally and receive securities at a total average price. Longview Wealth Management, LLC will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Longview Wealth Management, LLC's clients or prospective clients may request a copy of the firm's Code of Ethics at any time by contacting Keith Tufte – President, at 952-465-1785 or keith@longviewwealth.com.

It is Longview Wealth Management, LLC's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Longview Wealth Management, LLC will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

We have the following policies and procedures for implementing our Code of Ethics, to make sure that we minimize and disclose any potential conflicts of interest with our clients:

1. No principal or employee may put his or her own interest above the interest of a client.
2. No principal or employee may trade on material non-public information for clients or in their own accounts.
3. No person employed by us may purchase or sell any security immediately prior to a transaction being implemented for a client.
4. We require prior approval for any IPO or private placement by employees of the firm.
5. All of our employees must act in accordance with all applicable Federal and State regulations and laws, and according to our own Code of Ethics.
6. We require annual delivery and acknowledgement of the Code of Ethics by each supervised person at our firm.
7. We do not recommend to clients, or complete buy/sell orders for client accounts, in securities that we or a related person has a material or controlling financial interest. We invest almost exclusively in large, publicly traded, liquid funds and stocks.
8. We have established policies requiring the reporting of Code of Ethics violations to our CCO.
9. Any individual who violates any of the above restrictions may be subject to disciplinary actions, up to and including termination.

Should any conflicts of interest arise, our policy is to disclose the conflict to the client, always act in the best interest of the client, be as fair as possible, and follow our code of ethics.

## **Item 12 – Brokerage Practices**

Longview Wealth Management has minimal soft dollar arrangements with brokerage firms or third-party investment research companies. Soft dollar benefits are when an advisor receives research or other products or services (other than execution from a broker-dealer) in connection with client securities transactions. We do not receive any cash or other financial/economic benefit for referring or using specific products of brokerage firms. We do get some online investment research for using Charles Schwab as our custodian, but not much of this is exclusive to investment advisors (it is available to the general public). We rarely use any Schwab specific investment research. We use Schwab affiliated “Portfolio Center” as our portfolio management software, but we pay an annual fee to use it. We generally do not block client trades and therefore, we implement client transactions separately for each client account. Consequently, certain client trades may be executed before others, at different prices and/or commission rates. Our clients may not receive volume discounts available to advisers who block client trades.

We typically recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, to maintain custody of client assets and to effect trades for their accounts. While we may recommend clients use Charles Schwab as their custodian, it is ultimately the client's decision to custody assets at Schwab. Longview Wealth is independently owned and operated and is not affiliated with Schwab. Schwab Institutional provides Longview with access to its institutional trading and operating services, which are not typically available to Schwab retail clients. These services are generally available to registered independent investment advisors at no charge to them as long as a total of at least \$10 million of the advisor's client accounts are maintained at Schwab Institutional. Schwab Institutional services include research, brokerage, custody, access to mutual funds and other investments that are normally only available to institutional investors or would require a significantly higher minimum initial investment by the client. These services are not contingent upon our firm committing to Schwab any specific amount of new business (assets in custody or trading commissions). Schwab Institutional also makes available to Longview other products and services that may benefit Longview but may not directly benefit its client accounts. Some of these other products and services assist Longview in managing and administering client accounts. These may include software and other technology that provide access to client account data, facilitate trade execution, provide research, pricing information and other market data, facilitate payment of advisor fees from its client accounts, and assist with back office support, recordkeeping and client reporting. Many of these services will be used to service all or a majority of Longview's client accounts, including some of which may not be kept at Schwab Institutional. Schwab may also provide Longview with other services which may help us manage our advisory business. These services could include consulting, practice management advice,

information technology, regulatory compliance, and marketing. In addition, it is possible that Schwab Institutional may make available, arrange and/or pay for these types of services to Longview by independent third parties. Schwab could discount or waive fees for some of these services for Longview that it would otherwise charge for or may discount or pay for some of these types of services that may be provided by third parties.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Longview Wealth may suggest additional broker/dealers to clients in an effort to reduce transaction costs, to reduce tax liabilities, to diversify, to simplify the client's accounts, or to get access to superior products and services. In the event that client's elect to utilize recommended broker/dealers, they may pay commissions that are higher or lower than that available from another broker for the same or similar products or services. The client may pay a commission that is higher than another qualified brokerage firm might charge for a similar transaction. We may determine that in good faith that the commission is reasonable in relation to the value of the overall brokerage and research services received.

Longview considers many factors when selecting or referring our clients to brokerage firms and custodians for client transactions. We want to be sure these firms are providing excellent services to our clients, and that their compensation (commissions) are competitive. We look at the brokerage firm's commissions for stock and ETF trades, and commissions for mutual fund trades. We look at ease of use, clarity of brokerage statements, online website quality, trade execution, technology, cost basis monitoring, and other factors. We have been using Schwab as our primary custodian and brokerage firm, but we frequently compare them to what is available at Fidelity and TD Ameritrade (the other major custodian firms that works with independent RIA firms like Longview Wealth). Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

We do not receive (or pay for) client referrals from any brokerage firm.

Longview Wealth Management LLC typically does not aggregate the purchase or sale of securities for various client accounts. Since we run customized portfolios for each client, we tend to do trades individually for each client account. When we are doing similar trades across many client accounts we rotate the order of placing the trades across different client accounts. The vast majority of funds we invest in are extremely liquid.

### **Item 13 – Review of Accounts**

Accounts are reviewed quarterly and are monitored on a monthly basis. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. Trigger factors for a review of client accounts are client requests, client cash deposits/withdrawals, and/or market activity. The reviewer of client accounts is Keith Tufte, President. Monthly performance monitoring would include data accuracy, holdings, and asset allocation monitoring. Quarterly account reviews include overall client portfolio statements, investment performance, asset allocation, trades done during the quarter, and review of client objectives vs. the portfolio. Clients receive monthly brokerage statements by the client's brokerage firm/custodian. Separate portfolio statements are also sent to clients quarterly from Longview Wealth Management. Our quarterly written reports include portfolio holdings, investment performance, asset allocation, trades done, market commentary, and management fee calculations. Asset allocation reviews include a review and analysis of risk and expected return of each of the various asset classes. Concepts of modern portfolio theory are used to balance return and risk (standard deviation of returns) to carefully construct and maintain diversified portfolios that match the needs of each client. We analyze market sentiment, valuation, and economic trends.

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

Longview Wealth Management, LLC does not have any paid salesperson(s) on staff or outside persons working on a commission basis for client referrals. We have no outside sales solicitors working on our behalf on a commission basis, and therefore do not have any sales solicitor compensation agreements or arrangements in place. Longview does not receive cash or any other economic benefit from a non-client in connection with giving advice to clients.

### **Item 15 – Custody**

Longview Wealth Management, LLC does not have custody of any client funds or securities. We use Charles Schwab & Co. as the custodian for our client assets. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Longview Wealth Management urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide. Our statements may vary somewhat from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

We do directly debit our advisor fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of fees to be deducted from each client account. On at least a quarterly basis, the custodian is required to send the client a

statement showing all transactions within the account during the reporting period, including any advisor fees deducted from the account. It is important for the client to review their custodial statements to verify the accuracy of the fee calculation and deduction, among other things. Clients should contact us directly if they believe there may be an error in their statement. We also send account statements directly to our clients on a quarterly basis. We urge our clients to compare the information provided on these statements to ensure that all account transactions, holdings, and values are correct and current. Our firm does not have actual or constructive custody of client assets or accounts.

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

Longview Wealth Management, LLC usually receives discretionary authority from the client at the outset of an advisory relationship, without obtaining specific client consent, to select the identity and amount of securities to be bought or sold, when transactions are made, and which financial institution to be utilized. We also have the discretion to recommend which broker or dealer to be used, and the commission rates paid. We do recommend which brokerage firm to use, and have recommended clients use Charles Schwab as their custodian and brokerage firm. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Clients may limit our discretionary authority by giving us written instructions. Clients may also change/amend such limitations by providing us with written instructions.

When selecting securities and determining amounts, Longview Wealth Management, LLC observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Longview Wealth Management, LLC's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Investment guidelines and restrictions must be provided to Longview Wealth Management, LLC in writing.

Longview Wealth Management manages client accounts on a discretionary basis. We obtain the necessary information about the client such as risk tolerance, time frame, income needs, investment goals and objectives, tax situation, etc. We develop a customized investment policy statement (IPS) for each client. Longview has the authority to implement and manage client accounts as described in the IPS, including the authority to determine the securities and amount of securities to be bought or sold. We also have clients assign us the discretionary power to trade in each account with their signature on each client account opening agreement.

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

As a matter of firm policy and practice, Longview Wealth Management, LLC does not have the authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in

client portfolios. Longview Wealth Management, LLC may provide advice to clients regarding the clients' voting of proxies.

#### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Longview Wealth Management, LLC's financial condition. Longview Wealth Management, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Longview Wealth has no debt of any kind outstanding. Longview Wealth Management does not have custody of any client funds or securities. We use Charles Schwab & Co. as the custodian for all client assets. We charge our fees in arrears (at the end of each quarter), and thus do not require any prepayment of fees. Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered (we charge in arrears). Therefore, we are not required to include a financial statement.

#### **Item 19 – Requirements for Longview Advisers**

Longview Wealth recommends that those employees involved in giving investment advice to clients have at least 3 years of investment experience and must be a Chartered Financial Analyst (CFA) or Certified Financial Planner (CFP). Our firm CRD number is 139489.

Supplemental Information:

##### **Keith Tufte Experience:**

Keith N Tufte, CFA. Born 10/21/1959. BA degree in economics from St. Olaf College. MBA from the University of Michigan Graduate School. Employed at JP Morgan Investment Management 1984-1990 as an investment analyst; American Express/Ameriprise 1990-2005 as an analyst, mutual fund portfolio manager, director of equity research, and as a hedge fund portfolio manager; Black River Asset Management 2005-2007 as a hedge fund portfolio manager; Longview Wealth Management, LLC 2007 to present; Cherry Tree Companies 2009 to present. Keith has over 25 years of experience in the investment management industry. Keith is a Chartered Financial Analyst (CFA). To qualify as a CFA you must have a bachelor's degree, at least four years of investment experience and pass three comprehensive levels of exams (levels 1-3) over the course of at least three years. Keith Tufte's individual CRD number is 1170559.

**Disciplinary History:** Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each person providing investment advice. No legal or disciplinary actions have been taken against Keith Tufte. Mr. Tufte has never been the subject of any arbitration, civil, self-

regulatory organization or administrative claim or proceeding. Mr. Tufte has never been the subject of a bankruptcy proceeding.

Other Business Activities: Keith Tufte also is employed as an investment advisor and President at Cherry Tree Wealth Management, LLC in Minnetonka, MN. He is also licensed to sell life insurance, health insurance, long-term care insurance, and fixed annuities. These outside activities require about 20 hours per week spent exclusively on Cherry Tree Wealth Management, LLC clients and business.

Additional Compensation: Keith Tufte does not receive any additional compensation from other sources, except for Cherry Tree Wealth Management, LLC mentioned above.

Supervision: Mr. Tufte is the principal advisor, President, and chief compliance officer of the firm. As a result, he has no internal supervision placed over him. He is, however, bound by the Advisors Code of Ethics.