

**Keep Your Money**



**WISEMAN & ASSOCIATES  
WEALTH MANAGEMENT**

## **Form ADV Part 2A Appendix 1: Wrap Fee Program Brochure**

**Date: February 22, 2019**

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This *wrap fee program brochure* provides information about the qualifications and business practices of Wiseman & Associates Wealth Management. If you have any questions about the contents of this brochure, please contact us at (540) 722-6405. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Wiseman & Associates Wealth Management is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Wiseman & Associates Wealth Management is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Material Changes**

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

Generally, Wiseman & Associates Wealth Management will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document. Since the filing of our last annual updating amendment, dated February 12, 2018, we have no material changes to report.

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## Item 4 Services, Fees, and Compensation

Wiseman & Associates Wealth Management is a registered investment adviser based in Winchester, Virginia and Middleburg, Virginia. We are organized as a limited liability company under the laws of the Commonwealth of Virginia. Wiseman and Associates Financial Services, LTD is the owner of our firm, and Thomas R. Wiseman, II is the direct owner of that corporation. Our firm has been providing investment advisory services since 2014. Thomas Wiseman, our firm's principal, and Jeffrey Hahn, our firm's Managing Director, have been providing financial services since 1985 and 2007, respectively.

As used in this brochure, the words "we", "our" and "us" refer to Wiseman & Associates Wealth Management and the words "you", "your" and "client" refer to you as a client or prospective client of our firm. Also, you may see the term Associated Person in throughout this brochure. Our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We offer portfolio management services through a wrap-fee program ("Program") as described in this wrap fee program brochure to prospective and existing clients. We are the sponsor and investment adviser for the Program. A wrap-fee program is a type of investment program that provides clients with asset management and brokerage services for one all-inclusive fee. If you participate in our wrap fee program, you will pay our firm a single fee, which includes money management fees and transaction costs. You are not charged separate fees for the respective components of the total services. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the Program.

Prior to becoming a client under the Program, you will be required to enter into a separate written agreement with us that sets forth the terms and conditions of the engagement and describes the scope of the services to be provided, and the fees to be paid.

### Client Investment Process

We provide discretionary and non-discretionary portfolio management services in accordance with your individual investment objectives. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment program, without obtaining your prior consent or approval for each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and/or through trading authorization forms. In our sole discretion, you may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Assets for program accounts are held at LPL Financial (LPL) as custodian. LPL also acts as executing broker/dealer for transactions placed in Program accounts, and provides other administrative services as described throughout this Brochure. To compare the cost of the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with our investment strategies and the brokerage commissions charged by LPL and the advisory fees charged by investment advisers.

## **Changes in Your Financial Circumstances**

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. Furthermore, unless you indicate to the contrary, we shall assume that there are no restrictions on our services, other than to manage your account in accordance with your designated investment objectives. It is responsibility to promptly notify us if there are ever any changes in your financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

## **The Program Fee**

We charge an annual "wrap-fee" for participation in the Program depending upon the market value of your assets under our management. You are not charged separate fees for the different components of the services provided by the Program. Our Program fee includes the fee we pay to LPL for their transaction and/or execution costs. Clients do not pay brokerage commissions, markups or transaction charges for execution of transactions in addition to the advisory fee. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. In special circumstances, and in our sole discretion, we may negotiate a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention, etc.).

Our fee for portfolio management services is based on a percentage of your assets we manage, which may range up to an annual fee of 1.50% of assets under management. Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances. All terms of our relationship will be evidenced in the advisory agreement that you sign with our firm.

We will invoice you directly for our fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian, and the qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm. We encourage you to review the statement(s) you receive from the qualified custodian. If you find any inconsistent information, please call our main office number located on the cover page of this brochure.

You may withdraw account assets on notice to our firm, and subject to the usual and customary securities settlement procedures. However, we design our portfolios as long-term investments and asset withdrawals may impair the achievement of your specific investment objectives.

As a client, you should be aware that the wrap fee charged by our firm may be higher (or lower) than those charged by others in the industry, and that it may be possible to obtain the same or similar services from other firms at lower (or higher) rates. A client may be able to obtain some or all of the types of services available through our firm's wrap fee program on an individual basis through other firms and, depending on the circumstances, the aggregate of any separately paid fees may be lower or higher than the annual fees shown above.

### **Termination of Advisory Relationship**

You may terminate the wrap fee program agreement upon 7-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the wrap fee program agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Upon termination of accounts held at LPL, they will deliver securities and funds held in the account per your instructions unless you request that the account be liquidated. After the wrap fee program agreement has been terminated, transactions are processed at the prevailing brokerage rates/fees. You become responsible for monitoring your own assets and our firm has no further obligation to act upon or to provide advice with respect to those assets.

### **Wrap Fee Program Disclosures**

- The benefits under a wrap fee program depend, in part, upon the size of the Account, the management fee charged, and the number of transactions likely to be generated in the Account. For example, a wrap fee program may not be suitable for Accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program Fee and any other costs of the Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Program.
- In considering the investment programs described in this brochure, you should be aware that participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from other advisers or broker-dealers.
- Our firm and Associated Persons receive compensation as a result of your participation in the Program. This compensation may be more than the amount our firm or the Associated Persons would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our Associated Persons have a financial incentive to recommend the Program.
- Similar advisory services may be available from other registered investment advisers for lower fees.

### **Additional Fees And Expenses**

The wrap program fees that you pay to our firm for portfolio management services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses.

LPL, as the custodian and broker-dealer providing brokerage and execution services on program accounts, will impose certain fees and charges. LPL notifies clients of these charges at account opening and makes available a list of these fees and charges on its website at [www.lpl.com](http://www.lpl.com). LPL will deduct these fees and charges directly from the client's program account.

There are other fees and charges that are imposed by other third parties that apply to investments in program accounts. Some of these fees and charges are described below.

- If a client's assets are invested in mutual funds or other pooled investment products, clients should be aware that there will be two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay Advisor the advisory fee with respect to those assets. Most of the mutual funds available in the program may be purchased directly.

- Certain mutual funds impose fees and charges such as contingent deferred sales charges, early redemption fees and charges for frequent trading. These charges may apply if client transfers into or purchases such a fund with the applicable charges in a program account.
- Although only no-load and load-waived mutual funds can be purchased in a program account, client should understand that some mutual funds pay asset based sales charges or service fees (e.g., 12b-1 fees) to the custodian with respect to account holdings.
- If client holds a variable annuity as part of an account, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor.

Further information regarding fees assessed by a mutual fund, or variable annuity is available in the appropriate prospectus, which is available upon request from our firm or from the product sponsor directly.

### **Brokerage Practices**

If you participate in the Program, you will be required to establish an account with LPL, member FINRA/SIPC/, an unaffiliated SEC-registered broker-dealer. If you do not direct our firm to execute transactions through LPL, we reserve the right to not accept your account. Not all advisers require their clients to direct brokerage. Since you are required to use LPL, we may be unable to achieve the most favorable execution of your transactions. We believe that LPL provides quality execution services based on several factors, including, but not limited to, the ability to provide professional services, reputation, experience and financial stability.

### **Research and Other Soft Dollar Benefits**

In selecting or recommending a broker-dealer, we may consider the value of research and additional brokerage products and services a broker-dealer has provided or might provide to our clients and our firm. Receipt of these additional brokerage products and services, if at all, are not considered to have been paid for with "soft dollars."

### **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading").

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Assets Under Management**

As of February 6, 2019, we provide continuous management services for approximately \$145,000,000 in client assets on a discretionary basis.

## **Item 5 Account Requirements and Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.



In general, we require a minimum of \$500,000 to open and maintain an advisory managed account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

## **Item 6 Portfolio Manager Selection and Evaluation**

We are the sponsor and sole portfolio manager for the Program.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Modern Portfolio Theory (MPT) - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

*Risk:* Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

*Risk:* The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

*Risk:* Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional prior to and throughout the investing of your assets.



Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## **Item 7 Client Information Provided to Portfolio Managers**

As required, in order to provide the Program services, we will provide your private information to your account custodian, LPL. We may also provide your private information to mutual fund companies and/or private managers. We will only share the information necessary in order to carry out our obligations to you in servicing your account. We share your personal account data in accordance with our privacy policy as described below.

### **Privacy Policy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, insurance agencies and insurance companies, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

## **Item 8 Client Contact with Portfolio Managers**

Without restriction, you should contact our firm or your advisory representative directly with any questions regarding your Program account.

## **Item 9 Additional Information**

### **Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

#### *Registration as a Representative of a Broker-Dealer*

Investment Adviser Representatives of our firm may be registered representatives of LPL Financial, a securities broker-dealer.

#### *Investment Adviser Representatives as Licensed Insurance Agent*

Persons providing investment advice on behalf of our firm may also be licensed as independent insurance agents.

### **Code of Ethics**

We have adopted a Code of Ethics that sets the standard of conduct expected to comply with applicable securities laws. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. We adhere strictly to these guidelines. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

**Review of Accounts**

The Investment Adviser Representative ("IAR") assigned to your account will monitor your account(s) on an ongoing basis unless otherwise negotiated in the client agreement. The IAR will conduct account reviews on a periodic basis and upon your request to ensure that the advisory services provided to you are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to: contributions and withdrawals; year-end tax planning; market moving events; security specific events; and/or, changes in your risk/return objectives. Generally, we do not provide you with additional or regular written reports in conjunction with account reviews. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

**Client Referrals and Other Compensation**

As disclosed above, some persons providing investment advice on behalf of our firm are licensed insurance agents. In addition, a number of our employees are registered representatives and investment adviser representatives with LPL, a securities broker-dealer, member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation and a registered investment adviser.

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

**Financial Information**

We are not required to provide a balance sheet or other financial information to our clients, because we do not require the prepayment of fees in excess of \$1,200 and six months or more in advance; we do not take custody of client funds or securities; and, we do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Moreover, we have never been the subject of a bankruptcy petition.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit. Moreover, we do not determine whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf.

**Item 10 Requirements for State-Registered Advisers**

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

## **Item 11 PRIVACY POLICY NOTICE**

Wiseman & Associates Wealth Management ("Adviser") has adopted this policy with recognition that protecting the privacy and security of the personal information we obtain about our customers is an important responsibility. We also know that you expect us to service you in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about you. We want you to know what information we collect and how we use and safeguard that information.

### **What Information We Collect**

We collect certain nonpublic personal identifying information about you (such as your name, address, social security number, etc.) from information that you provide on applications or other forms as well as communications (electronic, telephone, written or in person) with you or your authorized representatives (such as your attorney, accountant, etc.). We also collect information about your brokerage accounts and transactions (such as purchases, sales, account balances, inquiries, etc.).

### **What Information We Disclose**

We do not disclose the non-public personal information we collect about our customers to anyone except: (i) in furtherance of our business relationship with them and then only to those persons necessary to effect the transactions and provide the services that they authorize (such as broker-dealers, custodians, independent managers etc.); (ii) to persons assessing our compliance with industry standards (e.g., professional licensing authorities, etc.); (iii) our attorneys, accountants, and auditors; or (iv) as otherwise provided by law.

We are permitted by law to disclose the non-public personal information about you to governmental agencies and other third parties in certain circumstances (such as third parties that perform administrative or marketing services on our behalf or for joint marketing programs). These third parties are prohibited to use or share the information for any other purpose. If you decide at some point to either terminate our services or become an inactive customer, we will continue to adhere to our privacy policy, as may be amended from time to time.

### **Security of Your Information**

We restrict access to your non-public personal information to those employees who need to know that information to service your account. We maintain physical, electronic and procedural safeguards that comply with applicable federal or state standards to protect your nonpublic personal information.

### **Changes to Our Privacy Policy**

Our policy about obtaining and disclosing information may change from time to time. We will provide you notice of any material change to this policy before we implement the change.

### **Questions:**

If you have questions about this privacy policy notice, please call Jeffrey A. Hahn, Chief Compliance Officer, at (540) 722-6403.