



## **Foresight Wealth Management, LLC**

*a Registered Investment Adviser*

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**March 16, 2017**

### **Form ADV Part 2A Brochure**

This brochure provides information about the qualifications and business practices of Foresight Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (801) 462-2200 or by email at: [advice@foresightmgt.com](mailto:advice@foresightmgt.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Foresight Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Foresight Wealth Management, LLC's CRD number is: 153881. Registration does not imply any level of skill or training.

### Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

On March 16, 2017, we submitted our annual updating amendment filing for fiscal year 2016, completed a rewrite of the entire Form ADV Part 2A Brochure and made the following material changes:

- Item 4 was revised to disclose discretionary assets under management of approximately \$84,223,000, and non-discretionary assets under management of approximately \$176,337,000.
- Item 5 was revised to update the firm's fee schedules and to disclose that associated persons are licensed as registered representatives of Purshe Kaplan Sterling Investments ("PKS").
- Item 10 was revised to disclose that associated persons are licensed as registered representatives of Purshe Kaplan Sterling Investments ("PKS").
- Item 12 was revised to disclose that the firm custodies client accounts at TD Ameritrade Institutional.

Clients should read the entire document to familiarize themselves with our firm, our services, and conflicts of interest.

We review and update our brochure at least annually to make sure that it remains current.

If you would like a current copy of our brochure at any time, please contact us at (801) 462-2200 or email us at [advice@foresightmgt.com](mailto:advice@foresightmgt.com).

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**Advisory Business - Item 4**

Foresight Wealth Management, LLC (hereinafter "FWM") is a registered investment advisor based in Draper, Utah. We are a limited liability company under the laws of the State of Utah. We have been providing investment advisory services since 2010. Adam Edward Nugent is the Principal Owner of FWM.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

Currently, we offer the following investment advisory services, personalized to each individual client:

- **Investment Supervisory Services**
- **Pension Consulting Services**
- **Selection of Other Advisers**
- **Financial Planning Services**

**Investment Supervisory Services**

FWM offers discretionary and non-discretionary portfolio management services to Clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. Clients may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for their account. Simply provide us with your restrictions or guidelines in writing. Non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account.

Our portfolio management services are based on the individual goals, objectives, time horizon, and risk tolerance of each client. FWM gathers risk tolerance and suitability information from each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- |                      |                               |
|----------------------|-------------------------------|
| •Investment strategy | •Personal investment policy   |
| •Asset allocation    | •Asset selection              |
| •Risk tolerance      | •Regular portfolio monitoring |

FWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

*Delegation to sub-advisers: We may use one or more sub-advisers to manage all or a portion of your account. All sub-advisers that we recommend to clients must be registered as investment advisers with either the Securities and Exchange Commission or with the appropriate state authority(ies). You may be required to sign an individual agreement with the sub-adviser or a tri party agreement with the sub-adviser and FWM.*

*The sub-adviser will actively manage the client's portfolio and will assume investment discretionary and trading authority over the managed account. FWM will not actively manage the assets in any account managed by the sub-adviser. However, FWM will assume discretionary authority to hire and terminate sub-advisers and reallocate the client's assets to other sub-advisers, when such action is deemed to be in the best interest of the client. In some*

*circumstances, FWM may also obtain investment discretion or trading authority over client assets managed by the sub-adviser.*

#### ***Pension Consulting Services***

FWM offers consulting and advisory services for employer-sponsored retirement plans that are designed to assist plan sponsors of employee benefit plans ("Sponsor(s)"). FWM may also assist Sponsors with enrollment and/or providing investment education to plan participants and beneficiaries. Clients may choose to use any or all of these services:

#### **Selection of Investment Vehicles**

FWM will review various investments, consisting of one or all of the following: individual equities, bonds, other investment products and mutual funds (both index and managed) to determine which of these investments are appropriate to implement the client's Investment Policy Statement. The number of investments to be recommended will be determined by the client, based on the client's Investment Policy Statement.

#### **Monitoring of Investment Performance**

Client investments will be monitored continuously based on the procedures and timing intervals outlined in the Investment Policy Statement. Although FWM will not be involved in any way in the purchase or sale of these investments, FWM will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

#### **Employee Communications**

For pension, profit sharing and 401(k) plans where the individual account participant exercises control over assets in his/her own account (hereinafter "self-directed plans"), FWM also provides educational support and investment workshops designed for the Plan participants. The nature of the topics to be covered will be determined by FWM and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide Plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

Other pension consulting services are available on request. All of our pension consulting services, whether general or customized, will be outlined in an Agreement that shows the services that will be provided and the fees that will be charged for those services.

#### ***Selection of Other Advisers***

FWM may direct clients to third party money managers ("TPMMs"). FWM will be compensated via a fee share from the advisors to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. Before selecting other advisors for clients, FWM will always ensure those other advisors are properly licensed or registered as investment advisor.

The TPMM may customize the client's portfolio by blending traditional investment strategies with an allocation to asset classes. The investment strategy adopted by the TPMM may embrace value, growth or contrarian investing styles. Generally, securities transactions will be decided upon and executed by the TPMM on a discretionary basis. This means that the manager selected will have the ability to buy and sell securities in your account without obtaining your approval. FWM and its Associated Persons will not manage, or obtain discretionary authority over the assets in accounts participating in these programs; however, clients may grant FWM the discretionary

authority to hire and fire such TPMM. Generally, clients may not impose restrictions on investing in certain securities or types of securities in accounts managed by a TPMM.

Associated Persons of FWM will periodically review reports provided to the client. An Associated Person of FWM will contact the client at least annually, or more often as agreed upon with each client, to review the client's financial situation and objectives, communicate information to the TPMM managing the account as necessary, and to assist the client in understanding and evaluating the services provided by the TPMM. Clients will be expected to notify FWM of any changes in their financial situation, investment objectives, or account restrictions.

The TPMM may offer wrapped or non-wrapped pricing options. Wrap pricing structures allow the client to pay an all-inclusive fee for management, brokerage, clearance, custody and administrative services. In a non-wrap pricing structure, the TPMM's fee may be separated from the advisory fee charged by FWM. Transaction costs may also be charged for the execution and clearance of advisory transactions directed by the TPMM. A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the TPMM's Form ADV Part 2A Brochure; ii) the program wrap brochure (if applicable); iii) the disclosure documents of the portfolio manager(s) selected; or, iv) the TPMM's account opening documents. A copy of all relevant disclosure documents of the TPMM and of the individual portfolio manager(s) will be provided to anyone interested in these programs/managers.

#### ***Financial Planning Services***

We offer broad based financial planning which includes a variety of services, mainly advisory in nature, regarding management of financial resources. Such management is based upon an analysis of the client's individual needs and begins with an initial complementary consultation. Once we collect and analyze all documentation, we provide a written financial plan designed to achieve the client's financial goals and objectives. In this way, FWM assists the client in developing a strategy for the successful management of income, assets, and liabilities. In general, financial planning services may include any one or all of the following:

- Cash Flow Analysis – Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements etc. The Firm advises on ways to reduce risk, coordinate and organize records, and estate information.
- Retirement Analysis – Identification of a client's long-term financial and personal goals and objectives includes advice for accumulating wealth for retirement income or appropriate distribution of assets following retirement. Tax consequences and implications are identified and evaluated.
- Insurance Analysis – Includes risk management associated with advisory recommendations based on a combination of insurance types to meet a client's needs, e.g., life, health, disability, and long-term care insurance. This will necessitate an analysis of cash needs of family at death, income needs of surviving dependents, and disability income analysis.
- Portfolio Analysis/Investment Planning – We provide investment alternatives, including asset allocation, and effect on a client's portfolio. We evaluate economic and tax characteristics of existing investments as well as their suitability for a client's objectives. We identify and evaluate tax consequences and their implications.
- Education Savings Analysis – Alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education.

- Estate Analysis – We provide advice with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques.

The recommendations and solutions are designed to achieve the client's desired goals, subject to periodic evaluation of the financial plan which may require revision to meet changing circumstances. Financial plans are based on a client's financial situation based on the information provided to the Firm. We should be notified promptly of any change to a client's financial situation, goals, objectives or needs.

Clients can also request financial planning services that cover a specific area, such as retirement or estate planning, asset allocation analysis, manager due diligence and 401(k) platform due diligence. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage firm of your choice.

#### **Assets Under Management**

As of December 31, 2016, we manage \$84,223,000, on a discretionary basis and \$176,337,000 on a non-discretionary basis.

### **Fees and Compensation - Item 5**

#### **Investment Supervisory Services Fees**

FWM charges an annual fee of up to 2% of market value of the assets under managed. These fees are negotiable. Fees are payable monthly or quarterly in advance, based upon the market value of the Assets on the last day of the previous quarter. Clients may speak directly with a representative of FWM in order to discuss negotiations of fees and the final fees and fee payment arrangement, as negotiated, will be memorialized in Exhibit B of the Investment Management Agreement.

Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Thereafter, clients may terminate their contracts with thirty days' written notice.

If the Agreement is terminated prior to the end of the billing period, FWM will be entitled to a quarterly fee, prorated for the number of days in the billing period prior to the effective date of termination, and for asset-based fees, based on the market value of account at the close of business on the effective date of termination. Any remaining balance shall be refunded to the client in a timely manner.

We will instruct the custodian holding the client's account to deduct the fees directly from the account provided the client has given written authorization. The qualified custodian will send an account statement at least quarterly. This statement will detail all account activity. The custodian will usually deduct from a designated account to facilitate billing.

#### **Pension Consulting Services Fees**

For Pension Consulting Services, FWM charges asset based fees of no more than 1.00 % of plan assets and/or a flat fee that is negotiable depending on the services elected

Fees Pension Consulting Services ("Fees") are flexible, and Sponsor may be charged a fee based on a percentage of plan assets or a flat dollar amount. Sponsor may specify whether to pay the Fees directly or may authorize the plan's record keeper or custodian to pay FWM from plan assets. All fees paid to FWM for Pension Consulting Services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds to their shareholders. These fees and expenses are described in each investment's prospectus. These fees will generally include a management fee, other expenses, and possible distribution fees. If the investment also imposes sales charges, a client may pay an initial or deferred sales charge. The Pension Consulting Services provided by FWM are designed to, among other things, assist the client in determining which Manager(s) are most appropriate to each client's financial condition and objectives and to provide other administrative assistance as selected by the client. Accordingly, the client should review both the fees charged by the funds, the Manager, the plan's other service providers and the fees charged by FWM to fully understand the total amount of fees to be paid by the client and to evaluate the Pension Consulting Services being provided.

The Fees will be billed quarterly in arrears as per the existing policies of FWM. Because fees are charged in arrears, no refund is necessary. If the fee is not hourly, the initial Fee will be prorated based upon the number of days remaining in the initial quarterly period from the date of execution of the Agreement. If the Fee is based on a percentage of plan assets, the initial Fee will be based upon the market value of the plan assets at the close of business on the last business day of the initial quarterly period. Thereafter, the quarterly portion of any annual asset-based Fees will be based upon the market value of the plan assets at the close of business on the last business day of the previous calendar quarter (without adjustment for anticipated withdrawals by plan participants or beneficiaries or other anticipated or scheduled transfers or distributions of assets). If the fee is a flat fee that is billed directly to the Plan Sponsor, then the plan sponsor will pay such fees on a quarterly basis. FWM will provide an invoice on a quarterly basis for all fees that are billed quarterly directly to the plan sponsor.

#### **Selection of Other Advisers Fees**

FWM may direct clients to third party money managers. FWM will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between FWM and each third party adviser. The fees shared will not exceed any limit imposed by any regulatory agency. The third party manager will be determined based on the client's investment goals, time horizon, risk tolerance, and investment objectives. The solicitor's fee will not result in a higher management fee being paid by the client.

These fees are negotiable depending upon the needs of the client and complexity of the situation. Depending on the third party money manager, fees are paid quarterly in advance or in arrears, and clients may terminate their contracts with 30 days' written notice. Clients should review the third party money manager's ADV Part 2A brochure document for more information regarding the collection of fees.

#### **Financial Planning Services Fees**

FWM provides its clients financial planning and consulting services. FWM will charge a fixed fee and/or hourly fee for these services. We utilize the following financial planning fee schedules:

- *Fixed Fees:* FWM will charge a fixed fee of up to \$10,000.00, for broad based planning services. *In limited circumstances*, the total cost could potentially exceed \$10,000.00. In these cases, we will notify the client



and may request that the client pay an additional fee.

- *Hourly Fees:* FWM charges an hourly fee of \$400 for clients who request specific services (such as a modular plan or hourly consulting services) and do not desire a broad based written financial plan.

Prior to engaging FWM to provide consulting services, the client will be required to enter into a written Agreement with our firm. The Agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the portion of the fee that is due from the client. Generally, FWM fee is due upon completion of the agreed upon services. Other fee payment arrangements may be negotiated with the client on a case by case basis. All such arrangements will be clearly set forth in the financial planning agreement signed by the client and the firm.

Either party may terminate the Agreement by written notice to the other. Refunds are not applicable because the fee is payable in arrears.

#### **General Information on Advisory Services and Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by FWM. Please see Item 12 of this brochure regarding broker/custodian.

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities, insurance products or investment products recommended to clients.

#### **Compensation for the Sale of Securities or Other Investment Products**

Associated Persons who provide investment advice on behalf of our firm may also be registered representatives with Purshe Kaplan Sterling Investments ("PKS"), a securities broker/dealer registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA"). As a registered representative, an Associated Person may receive commission-based compensation for buying and selling securities, including 12b-1 fees (trails) for the sale of mutual funds or annuity products. This commission compensation is separate and distinct to FWM's advisory fees.

FWM's advisory clients are not obligated to purchase the products or services of PKS. You may purchase or sell securities apart from your advisory account at the brokerage firm of your choice. The sale of mutual funds, annuity contracts, insurance instruments and other commissionable products offered by Associated Persons of FWM through PKS are intended to compliment FWM's advisory services. This presents a conflict of interest and gives the supervised person and FWM an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which FWM receives compensation, FWM will document the conflict of interest in the client file and inform the client of the conflict of interest.

If additional conflicts arise in the future, we will notify you in writing or supply you with an updated Disclosure Brochure.

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

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

#### Types of Clients - Item 7

FWM generally provides investment advice and/or management supervisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Pension and Profit Sharing Plans
- Trusts, Estates, or Charitable Organizations
- Corporations or Business Entities

##### **Minimum Account Size**

There is an account minimum of \$100,000 which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

##### **Methods of Analysis**

FWM's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

- Charting analysis involves the use of patterns in performance charts. FWM uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.
- Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.
- Technical analysis involves the analysis of past market data; primarily price and volume.
- Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

##### **Investment Strategies**

FWM uses long term trading, short term trading, and option contracts as investment strategies.

- Long Term Trading – securities held for over a year.
- Short Term Trading – securities held for less than a year.
- Covered Options – covered option is a strategy in which an investor writes an option contract while at the

same time owning an equivalent number of shares of the underlying stock.

#### **Material Risks Associated with Our Methods of Analysis**

- Charting analysis strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.
- Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.
- Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.
- Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

#### **Material Risks Associated with Investment Strategies**

- Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.
- Short term trading generally holds a greater risk and clients should be aware that there is a material risk of loss using any of those strategies.
- Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. FWM utilizes Covered Calls as an option strategy. Covered Calls are Options that are sold on existing positions held in the account. This strategy has the potential to add additional income to the portfolio while reducing volatility in the account. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

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

#### **Material Risks Associated with Specific Securities**

FWM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

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

**Disciplinary Information - Item 9**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no history of reportable material legal or disciplinary events by our firm or our management persons.

**Other Financial Industry Activities or Affiliations - Item 10**

Associated Persons are separately licensed as registered representatives with Purshe Kaplan Sterling Investments ("PKS"), a securities broker/dealer registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA").

As dually licensed representatives, Associated Persons will receive commissions for the purchase and sale of securities. This commission revenue is separate and in addition to revenue received from advisory fees. This arrangement represents a conflict of interest due the potential receipt of dual forms of compensation. FWM has policies and procedures in place to monitor all client transactions and all client transaction costs will be disclosed to the client.

Associated Persons also licensed insurance agents, while Mr. Nugent is also owner of Foresight Group Insurance, an insurance agency. Mr. Gilman is the owner of The Gilman Financial Group, which is a fictitious business name he uses to market advisory services and the entity through which he conducts his insurance sales. Mr. Thompson is a Payroll Sales Representative with Sure Solutions Group, a provider of payroll and human resources solutions.

From time to time, clients will be offered advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. FWM always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of FWM in such individual's outside capacities.

**Recommendation of Other Advisors**

We may recommend that you use a TPMM as part of our asset allocation and investment strategy. FWM will share in the compensation received by the TPMM for managing your account. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of the third party advisor. You are not required to use the services of any TPMM we recommend.

We will only recommend TPMMs with whom we have executed a written agreement and we will provide all clients with a written disclosure that includes our firm name, the TPMM's name, the nature of the relationship, including any affiliation between our firm and the TPMM; A statement that our firm will be compensated by the TPMM; The terms of such compensation arrangement, including a description of the compensation paid to our investment adviser representatives; and compensation differentials, if any, charged to clients above the TPMM's normal fee, as a result of the cost of obtaining clients by compensating our firm and investment adviser representatives.

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

**Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

**Recommendations Involving Material Financial Interests**

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

**Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of FWM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of FWM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. FWM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

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

From time to time, representatives of FWM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of FWM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Access persons of FWM will not execute securities transactions during a period of five days before and five days after the day that any client has a pending buy or sell order in the same security until the client's order is executed or withdrawn; however, in appropriate cases the chief compliance officer may waive such restriction at his or her discretion if such client trade has been cleared or executed.

**Brokerage Practices - Item 12**

Associated Persons of FWM are registered representatives of PKS, a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. If a client chooses to implement securities transactions through Associated Persons the broker/dealer used for client accounts is PKS. PKS performs "due diligence" on mutual funds, limited partnerships, and insurance products. Only those investments that meet Firm requirements will be on PKS' "approved product list" and be offered for sale to clients.

For FWM's portfolio management programs we recommend and request clients to implement trades and maintain custody of assets through discount brokers. We will recommend the services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), and National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") These firms are independent and unaffiliated SEC-registered

broker-dealers and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). These firms offer us services which include custody of securities, trade execution, clearance and settlement of transactions.

**Research and Other Soft Dollar Benefits received from TD Ameritrade**

There is no direct link between FWM's use of TD Ameritrade and the investment advice it gives to its clients, although FWM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving FWM participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to FWM by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by FWM's related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit FWM but may not benefit its client accounts. These products or services may assist FWM in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help FWM manage and further develop its business enterprise. The benefits received by FWM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, FWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by FWM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the FWM's choice of TD Ameritrade for custody and brokerage services.

**Research and Other Soft Dollar Benefits received from Fidelity**

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

*Services that May Not Directly Benefit You:* Fidelity 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 limited scope investment research. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Fidelity. In addition to investment research, Fidelity 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;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and

- assist with back-office functions, recordkeeping and client reporting.

**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.

**Directed Brokerage**

FWM allows clients to direct brokerage. FWM may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage FWM may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

**Block Trades**

FWM maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

### Review of Accounts - Item 13

**Account Reviews**

Client accounts are reviewed at least annually by Adam Edward Nugent or the Associated Person assigned to the account.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Adam Edward Nugent, President. There is only one level of review and that is the total review conducted to create the financial plan.

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

**Reports Provided to Clients**

Each client will receive at least monthly or quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

### Client Referrals and Other Compensation - Item 14

Except for the receipt of additional compensation from Fidelity and TD Ameritrade (described under Item 12 above), and the commissions received by certain Associated Persons for the sales of securities and insurance

products (described under Item 5 and 10 above), we do not receive any other compensation from outside parties in connection with the investment advice we provide to you.

We and our related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for client referrals.

**Recommendation of Other Advisors**

We may recommend that you use a TPMM as part of our asset allocation and investment strategy. FWM will share in the compensation received by the TPMM for managing your account. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of the TPMM. You are not required to use the services of any TPMM we recommend.

**Custody - Item 15**

Custody of client's accounts is held primarily at the Custodian. However, FWM, with client written authority, has limited custody of client's assets through direct fee deduction of FWM's fees only. If the client chooses to be billed directly by the Custodian, FWM would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

**Investment Discretion - Item 16**

For those clients' accounts where FWM provides ongoing supervision, the client has given FWM written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides FWM discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian. When offering non-discretionary portfolio management services, FWM will obtain client approval prior to executing any transactions in the client's account(s).

If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

**Voting Client Securities - Item 17**

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



**Financial Information - Item 18**

**Balance Sheet**

FWM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure. While FWM may charge certain fees in advance in excess of \$1,200 per client, these fees are not charged six months or more in advance of FWM rendering the applicable advisory services.

**Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither FWM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

**Bankruptcy Petitions in Previous Ten Years**

FWM has not been the subject of a bankruptcy petition in the last ten years.

**Requirements of State-Registered Advisers - Item 19**

This section is not applicable because our firm is SEC registered.