

**Item 1 Cover Page**

Registered as: National Wealth Management Group, LLC



**NATIONAL WEALTH  
MANAGEMENT GROUP, LLC**  
*Your Independent Investment Advisor*

Investment Adviser

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**June 9, 2017**

**NOTICE TO PROSPECTIVE CLIENTS: READ THIS DISCLOSURE BROCHURE IN ITS ENTIRETY**

All the material within this Brochure must be reviewed by those who are considering becoming a client of our firm. This Brochure provides information about the qualifications and business practices of National Wealth Management Group, LLC. If you have any questions about the contents of this Brochure, please contact us at (513) 772-2592 or at [NWMG@lpl.com](mailto:NWMG@lpl.com). In accordance with federal and state regulations, this Brochure is on file with the appropriate securities regulatory authorities as required. The information provided within this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States, or by the United States Securities and Exchange Commission. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration of a registered investment adviser does not imply any level of skill or training. Additional information about National Wealth Management Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This brochure is dated June 6, 2017. The following are the material changes made to this brochure since the date of our last annual update and brochure revision in March 2016, July 2016 and February 2017 respectfully.

- ☐ Amended description of a service offering – Coaching Services (Items 4, 5) and Financial Planning (Item 4)
- ☐ Amended description of a new service offering – Coaching Services (Items 4, 5)
- ☐ Included description of a new service offering – Coaching Services (Items 4, 5)
- ☐ Enhanced conflict of interest disclosure related to mutual fund transactions (Item 5)
- ☐ Updated conflict of interest disclosure related to structural changes to The Ramsey Solutions Services (Item 14)
- ☐ Amended description of a new service offering – LPL Financial Guided Wealth Portfolios (GWP) advisory offering. (Items 4,5)
- ☐ Enhanced conflict of interest disclosure related to retirement plan rollovers (End of Item 4)

In the future, this Item number will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure. We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Disclosure Brochure may be requested by contacting us at (513) 772-2592 or at [NWMG@lpl.com](mailto:NWMG@lpl.com).

Additional information about National Wealth Management Group, LLC is also available via the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with National Wealth Management Group, LLC who are registered, or are required to be registered, as investment adviser representatives of National Wealth Management Group, LLC.

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#### **Item 4 – Advisory Business**

National Wealth Management Group, LLC was formed and registered as an investment adviser registered with the Securities and Exchange Commission (“SEC”) in 2015. National Wealth Management Group, LLC conducts advisory business under the DBA (doing business as) name National Wealth Management Group, LLC; Alpina Financial Consultants, LLC; Gerardi Wealth Management, LLC; Model Wealth Group, LLC.; and, Jones & Sons Financial.

National Wealth Management Group, LLC provides fee based investment advisory services for compensation primarily to individual clients and high-net worth individuals based on the individual goals, objectives, time horizon, and risk tolerance of each client. Portfolio management services include, but are not limited to, the following:

- Investment Strategy
- Asset Allocation
- Risk Tolerance
- Personal investment policy
- Asset Selection
- Regular Portfolio Monitoring

Advisor representatives are restricted to providing services and charging fees based in accordance with the descriptions detailed in this document and the account agreement. However, the exact service and fees charged to a particular client are dependent upon the representative that is working with the client. Advisors are instructed to consider the individual needs of each client when recommending an advisory platform. Investment strategies and recommendations are tailored to the individual needs of each client.

The investment adviser representatives associated with National Wealth Management Group, LLC are appropriately licensed, and authorized to provide advisory services on behalf National Wealth Management Group. Investment Adviser Representatives associated with National Wealth Management Group, LLC may also be registered representatives of LPL Financial, an SEC registered broker/dealer, a member of the Financial Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation (“SIPC”). Any securities transactions shall be directed to LPL Financial for execution. National Wealth Management Group, LLC and LPL Financial are not affiliated legal entities.

#### **Management Team**

- **Gary E. Mathews, CFS** – Gary serves as the Managing Director and Chief Compliance Officer. He is also a co-owner of the firm with his wife Vivienne K. Schleu.

Gary started in the securities industry in 1986. He began in his father's CPA practice in Cincinnati Ohio. He now has 30 years of industry experience. Gary is known in our profession as a true "student of the business".

- **Vivienne K. Schleu, CPA** – Ms. Schleu serves as the Managing Director and Chief Financial Officer. She is also a co-owner of the firm with her husband Gary E. Mathews.

Vivienne started in the securities industry in 1995, the first year that Florida allowed CPA's to become securities licensed. She looked for teammates that were like minded and committed professionals to work together for the best interest of clients in an independent environment.

### **Asset Management**

National Wealth Management Group, LLC, through its investment advisor representatives, provides ongoing investment advice and management on assets in the client's custodial accounts. Advice may be discretionary or non-discretionary as indicated in the client account agreement. More specific account information and acknowledgements are further detailed on the account application.

As of February 15, 2017, the firm has \$102,783,043 in discretionary advisory assets under management. In addition, the firm provides consulting services to \$74,938,815 of variable annuity assets held in brokerage accounts at LPL Financial that are not actively managed and there is no trading authority. The firm also provides services to an additional \$54,562,361 of assets held in similar brokerage accounts at LPL Financial.

### **LPL Financial Sponsored Advisory Programs**

#### **Strategic Wealth Management (SWM I and SWM II)**

Strategic Wealth Management is the name of the custodial account offered through LPL to support investment advisory services provided by National Wealth Management Group. Within a SWM account, investment advisor representatives provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, real estate investment trusts ("REITs"), equities, and fixed income securities. The advice is tailored to the individual needs of the client based on the investment objective chosen by the client in order to help assist clients in attempting to meet their financial goals. Accounts are reviewed on a regular basis and rebalanced as necessary according to each client's investment profile. More specific account information and acknowledgements are further detailed in the account opening documents.

Investment Advisors Representatives can offer SWM I or SWM II. The accounts offer the same investment choices and are managed in the same manner but the fee structure is different. For SWM I, clients are charged transaction fees in addition to the advisory fee whereas for SWM II, the transactions fees are absorbed as part of the advisory fee. The advisory fee for SWM II accounts may be higher than SWM I to account for the transaction fees. Depending on the anticipated level of trading, investment advisor representatives of National Wealth Management Group will work with each client to determine the most cost-effective fee structure.

The minimum account opening amount is generally \$15,000.

## **Optimum Market Portfolios Program (OMP)**

The Optimum Market Portfolios (OMP) program offers clients the ability to participate in a professionally managed asset allocation program designed by LPL Financial. There are up to six Optimum Funds that may be purchased within an OMP account: Optimum Large Cap Growth Fund, Optimum Large Cap Value Fund, Optimum Small Cap Growth Fund, Optimum Small Cap Value Fund, Optimum International Fund and Optimum Fixed Income Fund. National Wealth Management Group will obtain the necessary financial data from each client and then select the proper fund portfolio program. While National Wealth Management Group selects the proper portfolio program, LPL Financial will manage the underlying Optimum Funds on a discretionary basis consistent with the portfolio program objectives. LPL Financial does not directly manage fund assets on behalf of any particular client.

LPL Financial follows an asset allocation investment style in constructing portfolios for the Program. Asset allocation methodology is implemented by combining investments representing various asset classes that react differently to varying market conditions. Thus, if one asset class reacts negatively to certain market events, the potential exists for another asset class to react positively. As with any investment strategy, there is no guarantee that the use of an asset allocation strategy will produce favorable results. National Wealth Management Group is responsible for educating the client about this investment style in advance of opening the Account by explaining the various asset classes (e.g., large cap growth, large cap value, etc.) being used within the selected portfolio. This educational process continues throughout the time that the client maintains the Account.

OMP is one of several portfolio platforms centrally managed by LPL Financial. OMP enables advisors of National Wealth Management Group to manage client assets through diversified asset allocation models, professional money management, automatic rebalancing, and online marketing and sales support.

A minimum account value of \$15,000 is required for OMP.

## **Personal Wealth Portfolios Program (PWP)**

PWP offers clients an asset management account using third party adviser portfolio allocation models designed by LPL Financial.

The PWP program is a unified managed account program in which LPL and Advisor provide ongoing investment advice and management. In PWP, clients invest in asset allocation portfolios ("Portfolios") designed by LPL's Research Department, which include a combination of mutual funds, exchange-traded funds ("ETFs") and investment models ("Models") provided to LPL by third party money managers ("PWP Advisors"). The Models typically consist of equity and fixed income securities, but may include investment company securities. LPL's Research Department selects the mutual funds, ETFs and Models to be made available in a Portfolio.

The Advisor obtains the necessary financial data from the client, assists the client in determining the suitability of the program and assists the client in setting an appropriate investment objective. The Advisor, or client with the assistance of the Advisor, selects a Portfolio based on client's investment objective and then selects among the mutual funds, ETFs and/or Models available in the Portfolio. If client authorizes Advisor to take discretion to make such selections on client's behalf, the discretionary authority will be set out in the Account Agreement and Application signed by the client.

Neither LPL nor a third-party money manager directly provides advisory services to the clients of National Wealth Management Group. The third-party money managers selected by LPL Financial for a program platform manage the portfolio without regard for any particular client of National Wealth Management Group. National Wealth Management Group is solely responsible for the advisory services provided and selecting the proper portfolio of third party money managers.

National Wealth Management Group is not acting as a cash solicitor for LPL Financial or other third-party money managers.

A minimum account value of \$250,000 is required for PWP.

#### **Model Wealth Portfolios Program (MWP)**

MWP offers clients a professionally managed mutual fund asset allocation program. National Wealth Management Group investment advisor representatives will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. The Advisor will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds including in certain circumstances exchange traded funds and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

In the future, the MWP program may make available model portfolios designed by strategists other than LPL's Research Department. If such models are made available, Advisor will have discretion to choose among the available models designed by LPL or outside strategists.

A minimum account value of \$25,000 is required for MWP.

#### **Manager Access Select Program (MAS)**

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. Advisor will assist client in identifying a third-party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL. The Portfolio Manager manages client's



assets on a discretionary basis. Advisor will provide initial and ongoing assistance regarding the Portfolio Manager selection process.

A minimum account value of \$100,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

### **Manager Access Network Program (MAN)**

Manager Access Network enables high-net-worth investors to access a variety of institutional portfolio managers at significantly lower account minimums. By using separate account managers, clients can enjoy a higher level of specialization and service through the ownership of individual securities. A broad range of portfolio managers and multiple investment styles are available, including equity, fixed income, asset classes, mutual funds, ETFs, and specialty strategies. Clients contract directly with the portfolio managers for discretionary asset management services. LPL Financial provides brokerage, custodial, and administrative services to clients. Due diligence and portfolio monitoring is not provided by LPL Research.

Minimum account balances vary by portfolio manager, but typically start at \$100,000 for equity strategies and \$250,000 for fixed income strategies.

### **Guided Wealth Portfolios (GWP)**

GWP offers clients the ability to participate in a centrally managed, algorithm-based investment program, which is made available to users and clients through a web-based, interactive account management portal (“Investor Portal”). Investment recommendations to buy and sell open-end mutual funds and exchange-traded funds are generated through proprietary, automated, computer algorithms (collectively, the “Algorithm”) of Xulu, Inc., doing business as FutureAdvisor (“FutureAdvisor”), based upon model portfolios constructed by LPL and selected for the account as described below (such model portfolio selected for the account, the “Model Portfolio”). Communications concerning GWP are intended to occur primarily through electronic means (including but not limited to, through email communications or through the Investor Portal), although [Advisor] will be available to discuss investment strategies, objectives or the account in general in person or via telephone.

A preview of the Program (the “Educational Tool”) is provided for a period of up to forty-five (45) days to help users determine whether they would like to become advisory clients and receive ongoing financial advice from LPL, FutureAdvisor and National Wealth Management Group, LLC. (NWMG) by enrolling in the advisory service (the “Managed Service”). The Educational Tool and Managed Service are described in more detail in the GWP Program Brochure. Users of the Educational Tool are not considered to be advisory clients of LPL, FutureAdvisor or National Wealth Management Group, LLC. (NWMG), do not enter an advisory agreement with LPL, FutureAdvisor or National Wealth Management Group, LLC. (NWMG), do not receive ongoing investment advice or supervisions of their assets, and do not receive any trading services.

A minimum account value of \$5,000 is required to enroll in the Managed Service.



## **Features of the Educational Tool**

Users of the Educational Tool (each, a “user”) agree to a terms of use (“Terms of Use”) and complete an investor profile. An investment objective (“Investment Objective”) and Model Portfolio is assigned to each user based upon factors in the investor profile, including risk tolerance and the number of years remaining until the age of retirement (such time being referred to herein as the “Retirement Age”). (See description in “Features of the Managed Service” below for information regarding the design of the Model Portfolios.) Based on the Investment Objective and Model Portfolio, the Educational Tool generates sample analysis, advice and investment recommendations (“Sample Recommendations”).

The Educational Tool provides Sample Recommendations that may assist users in determining whether to utilize the Managed Service. Access to the Educational Tool is limited to a period of forty-five (45) days. The Educational Tool is intended to be used for educational and informational purposes only. The Educational Tool does not provide comprehensive financial planning and is not intended to constitute legal, financial or tax advice. There may be other relevant factors and financial considerations (e.g., debt load or financial obligations) that LPL, FutureAdvisor and National Wealth Management Group, LLC. (NWMG) do not take into consideration in formulating any Sample Recommendations provided. The Sample Recommendations made are meant solely as a sample of the types of recommendations available through the Managed Service. LPL, FutureAdvisor and National Wealth Management Group, LLC. (NWMG) are not responsible for any actions taken with respect to the Sample Recommendations, and users are solely responsible for making their own investment decisions. The Educational Tool is only one of many tools that users may use as part of a comprehensive investment analysis process. Users should not rely on the Educational Tool as the sole basis for investment decisions.

Although LPL is an investment adviser and broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority, and FutureAdvisor is an investment adviser registered with the SEC, in providing access to the Educational Tool, LPL, FutureAdvisor and National Wealth Management Group, LLC. (NWMG) do not intend to establish an advisory relationship, or in the case of LPL, a brokerage relationship, with users of the Educational Tool. Users are not charged an advisory fee or any other fee or expense to use the Educational Tool. The scope of any investment advisory relationship with LPL, FutureAdvisor and National Wealth Management Group, LLC. (NWMG) begins when users enroll in the Managed Service. The output that users receive by using the Educational Tool, including the Sample Recommendations, may differ materially from the advice users would receive as an advisory client of LPL, FutureAdvisor and National Wealth Management Group, LLC. (NWMG).

None of LPL, FutureAdvisor or National Wealth Management Group, LLC. (NWMG) provides ongoing investment management or trading services for assets of users of the Educational Tool, makes any determination as to whether the website through which the Program is accessed or the Educational Tool is appropriate for any user, can access any assets in any accounts users

aggregate in the Educational Tool, places any trades on behalf of users of the Educational Tool, or provides ongoing supervision of assets of users of the Educational Tool. The Sample Recommendations provided are intended as an informational preview of the Managed Service, and the Sample Recommendations are being provided to demonstrate the types of analysis, advice and recommendations provided by the Managed Service.

#### Features of the Managed Service

Investors participating in the Managed Service (each, a “client”) complete an account application (the “Account Application”) and enter into an account agreement (the “Account Agreement”) with LPL, National Wealth Management Group, LLC. (NWMG) and FutureAdvisor. As part of the account opening process, clients are responsible for providing complete and accurate information regarding, among other things, their age, risk tolerance, and investment horizon (collectively, “Client Profile”). LPL, National Wealth Management Group, LLC. (NWMG) and FutureAdvisor rely on the information in the Client Profile in order to provide services under the Program, including but not limited to, determination of suitability of the Program for clients and an appropriate Investment Objective and Model Portfolio for clients. The Model Portfolios have been designed and are maintained by LPL or, in the future, a third-party investment strategist (as applicable, the “Portfolio Strategist”) and shall include a list of securities holdings, relative weightings and a list of potential replacement securities for tax harvesting purposes. None of the client, National Wealth Management Group, LLC. (NWMG) or FutureAdvisor can access, change or customize the Model Portfolios. Only one Model Portfolio is permitted per account.

Based upon a client’s risk tolerance as indicated in the Client Profile, the client is assigned an investment allocation track (currently Fixed Income Tilt, Balance Tilt or Equity Tilt), the purpose of which is to slowly rotate the client’s equity allocation to fixed income over time. LPL Research created these tracks using academic research on optimal retirement allocations, the industry averages as calculated by Morningstar for the target date fund universe, and input from FutureAdvisor.

Within the applicable allocation track and based upon a client’s chosen Retirement Age in the Client Profile, the client will be assigned a Model Portfolio and one of five of LPL’s standard investment objectives:

- *Income with capital preservation.* Designed as a longer-term accumulation account, this investment objective is considered generally the most conservative. Emphasis is placed on generation of current income with minimal risk of capital loss. Lowering the risk generally means lowering the potential income and overall return.
- *Income with moderate growth.* This investment objective emphasizes generation of current income with a secondary focus on moderate capital growth.
- *Growth with income.* This investment objective emphasizes modest capital growth with some focus on generation of current income.
- *Growth.* This investment objective emphasizes achieving high long-term growth and capital appreciation. There is little focus on generation of current income.

- *Aggressive growth.* This investment objective emphasizes aggressive growth and maximum capital appreciation, with no focus on generation of current income. This objective has a very high level of risk and is for investors with a longer timer horizon.

Both the client and National Wealth Management Group, LLC. (NWMG) are required to review and approve the initial Investment Objective. As a client approaches the Retirement Age, the Algorithm will automatically adjust the client's asset allocation. Any change to the Investment Objective directed by a client due to changes in the Client's risk tolerance and/or Retirement Age will require written approval from the client and National Wealth Management Group, LLC. (NWMG) before implementation. Failure to approve the change in Investment Objective may result in a client remaining in a Model Portfolio that is no longer aligned with the applicable Client Profile. The Investment Objective selected for the account is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time and may be inconsistent with other asset allocations suggested to client by LPL, National Wealth Management Group, LLC. (NWMG) or FutureAdvisor prior to client entering into the Account Agreement. Achievement of the stated investment objective is a long-term goal for the account, and asset withdrawals may impair the achievement of client's investment objectives. A Client Profile that includes a conservative risk tolerance over a long-term investment horizon may result in the selection of an Investment Objective that is riskier than would be selected over a shorter-term investment horizon. Clients should contact National Wealth Management Group, LLC. (NWMG) if they believe the Investment Objective does not appropriately reflect the Client Profile, such as their risk tolerance.

By executing the Account Agreement, clients authorize LPL, National Wealth Management Group, LLC. (NWMG) and FutureAdvisor to have discretion to buy and sell only open-end mutual funds ("Mutual Funds") and exchange-traded funds ("ETFs") (collectively, "Program Securities") according to the Model Portfolio selected and, subject to certain limitations described in the Account Agreement, hold or liquidate previously purchased non-model securities that are transferred into the account ("Legacy Securities"). In order to be transferred into an account, Legacy Securities must be Mutual Funds with which LPL has a full or partial selling agreement, ETFs or individual U.S. listed stocks. Securities that are not Program Securities included within the Model Portfolio will not be purchased for an account, and FutureAdvisor, in its sole discretion, will determine whether to hold or sell Legacy Securities, generally, but not solely, with the goal of optimizing tax impacts for accounts that are subject to tax. Additional Legacy Securities will not be purchased for the account. Clients may not impose restrictions on liquidating any Legacy Securities for any reason. Clients should not transfer in Legacy Securities that they are not willing to have liquidated at the discretion of FutureAdvisor.

In addition, uninvested cash may be invested in money market funds, the Multi-Bank Insured Cash Account ("ICA") or the Deposit Cash Account ("DCA"), as applicable, as described in the Account Agreement. Dividends paid by the Program Securities in the account will be contributed to the cash allocation and ultimately reinvested into the account based on the Model Portfolio once the tolerance within cash allocation is surpassed.

Pursuant to the Account Agreement, FutureAdvisor is authorized to perform tax harvesting when deemed acceptable by the Algorithm. None of the client, National Wealth Management Group, LLC. (NWMG) or LPL can alter trades made for tax harvesting purposes. In order to permit trading in a tax-efficient manner, the Account Agreement also grants FutureAdvisor the authority to select specific tax lots when liquidating securities within the account. Although the Algorithm attempts to achieve tax efficiencies, by doing so the client's portfolio may not directly align with Model Portfolio. As a result, the client may receive advice that differs from the advice received by accounts using the same Model Portfolio, and the client's account may perform differently than other accounts using the same Model Portfolio.

During the term of the Account Agreement, FutureAdvisor will perform a daily review of the account to determine if rebalancing is appropriate based on tolerance thresholds established by LPL and/or FutureAdvisor. At each rebalancing review, the account will be rebalanced if at least one of the account positions is outside such thresholds, subject to a minimum transaction amount established by LPL and/or FutureAdvisor. In addition, LPL and/or FutureAdvisor may review the account for rebalancing in the event that the Portfolio Strategist changes a Model Portfolio. FutureAdvisor may delay placing rebalancing transactions for non-qualified accounts by a number of days, to be determined by FutureAdvisor, in an attempt to limit short-term tax treatment for any position being sold. In addition, trading in the account at any given time is also subject to certain conditions, including but not limited to, conditions related to trade size, compliance tests, the target cash allocation and allocation tolerances. None of the client, National Wealth Management Group, LLC. (NWMG) or LPL can alter the rebalancing frequency.

### **Selection of FutureAdvisor as Third-Party Robo Advisor**

After a thorough review of the digital offerings available, National Wealth Management Group, LLC. (NWMG) decided to partner with LPL and FutureAdvisor to offer this digital program. Under National Wealth Management Group, LLC. (NWMG) agreement with LPL, National Wealth Management Group, LLC. (NWMG) was provided the opportunity to offer GWP, which utilizes FutureAdvisor's Algorithm as described herein, to prospective clients. National Wealth Management Group, LLC. (NWMG) is not otherwise affiliated with FutureAdvisor. FutureAdvisor is compensated directly by LPL for its services, including the Algorithm and related software, through an annual sub-advisory fee (tiered based on assets under management by FutureAdvisor, at a rate ranging from 0.10% to 0.17%). As each asset tier is reached, LPL's share of the compensation shall increase and clients will not benefit from such asset tiers. No additional fee is charged for FutureAdvisor's services.

National Wealth Management Group, LLC. (NWMG) believes that certain clients will benefit from GWP's advisor-enhanced advisory services, particularly due to the relatively low minimum account balance and the combination of a digital advice solution with access to an advisor. Unlike direct-to-consumer Robo platforms, National Wealth Management Group, LLC. (NWMG) is responsible on an ongoing basis as investment advisor and fiduciary for the client relationship, including for recommending the program for the client; providing ongoing monitoring of the program, the performance of the account, the services of LPL and FutureAdvisor; determining initial and ongoing suitability of the program for the client; reviewing clients' suggested portfolio allocations; reviewing and approving any change in Investment Objective due to changes clients make to their Client Profile; answering questions regarding the program, assisting with paperwork and administrative and operational details for the account; and being available to clients to discuss investment strategies, changes in financial circumstances, objectives or the account in general in person or via telephone. National Wealth Management Group, LLC. (NWMG) can also recommend other suitable investment programs if clients have savings goals or investment needs for which GWP is not the optimal solution.

## **Retirement Plan Consulting**

Investment advisor representatives of National Wealth Management Group may assist clients that are trustees or other fiduciaries to retirement plans ("Plans") by providing fee-based consulting and/or advisory services. Investment advisor representatives may perform one or more of the following services, as selected by the client in the client agreement:

- Assistance in the preparation or review of an investment policy statement ("IPS") for the Plan based upon consultation with client to ascertain Plan's investment objectives and constraints.
- Acting as a liaison between the Plan and service providers, product sponsors or vendors.
- Ongoing monitoring of investment manager(s) or investments in relation to the criteria specified in the Plan's IPS or other written guidelines provided by the client to IAR.
- Preparation of reports describing the performance of Plan investment manager(s) or investments, as well as comparing the performance to benchmarks.
- Ongoing recommendations, for consideration and selection by client, about specific investments to be held by the Plan or, in the case of a participant-directed defined contribution plan, to be made available as investment options under the Plan.
- Education or training for the members of the Plan investment committee with regard to various matters, including plan features, retirement readiness matters, service on the committee, and fiduciary responsibilities.
- Assistance in enrolling Plan participants in the Plan, including conducting an agreed upon number of enrollment meetings. As part of such meetings, IARs may provide participants with information about the Plan, which may include information on the

benefits of Plan participation, the benefits of increasing Plan contributions, the impact of pre-retirement withdrawals on retirement income, the terms of the Plan and the operation of the Plan.

If the Plan makes available publicly traded employer stock (“company stock”) as an investment option under the Plan, investment advisor representatives do not provide investment advice regarding company stock and are not responsible for the decision to offer company stock as an investment option. In addition, if participants in the Plan may invest the assets in their accounts through individual brokerage accounts, a mutual fund window, or other similar arrangement, or may obtain participant loans, investment advisor representatives do not provide any individualized advice or recommendations to the participants regarding these decisions. Furthermore, investment advisor representatives do not provide individualized investment advice to Plan participants regarding their Plan assets.

In addition, if client elects to engage an investment advisor representatives to perform ongoing investment monitoring and ongoing investment recommendation services to a Plan subject to ERISA in the client agreement, such services will constitute “investment advice” under Section 3(21)(A)(ii) of ERISA. Therefore, the investment advisor representatives will be deemed a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of ERISA in connection with those services. Clients should understand that to the extent the IAR is engaged to perform services other than ongoing investment monitoring and recommendations, those services are not “investment advice” under ERISA and therefore, the IAR will not be a “fiduciary” under ERISA with respect to those other services.

From time to time the IAR may make the Plan or Plan participants aware of and may offer services available from IAR that are separate and apart from the services provided under Retirement Plan Consulting. Such other services may be services to the Plan, to a client with respect to client's responsibilities to the Plan and/or to one or more Plan participants. In offering any such services, the IAR is not acting as a fiduciary under ERISA with respect to such offering of services. If any such separate services are offered to a client, the client will make an independent assessment of such services without reliance on the advice or judgment of the IAR. Such service may include:

- Assistance with investment education seminars and meetings for Plan participants. Such meetings may be on a group or individual basis, and may include information about the investment options under the Plan (e.g., investment objectives, risk/return characteristics, and historical performance), investment concepts (e.g., diversification, asset classes, and risk and return), and how to determine investment time horizons and assess risk tolerance. Such meetings do not include specific investment advice about investment options under the Plan as being appropriate for a particular participant.
- Assistance at client's direction in making changes to investment options under the Plan.
- As part of the ongoing investment recommendation service set out above, assistance



in identifying investment options in connection with the “broad range” requirement of Section 404(c) of the Employee Retirement Income Security Act of 1974 (“ERISA”).

- As part of the ongoing investment recommendation service set out above, assistance in identifying an investment fund product or model portfolio in connection with the definition of a “Qualified Default Investment Alternative” (“QDIA”) under ERISA.
- Assistance with the preparation, distribution and evaluation of Request for Proposals, finalist interviews, and conversion support in connection with vendor analysis and service provider support.
- Preparation of comparisons of Plan data (e.g., regarding fees and services and participant enrollment and contributions) to data from the Plan’s prior years and/or a benchmark group of similar plans.
- Assistance in identifying the fees and other costs borne by the Plan for, as specified by client, investment management, recordkeeping, participant education, participant communication and/or other services provided with respect to the Plan.

### **Plan Participant Advisory Services**

Investment advisor representatives of National Wealth Management Group, can be engaged to provide asset allocation and/or specific investment recommendations for retirement plan assets based on the investment options available and the financial information provided by the client. The investment advisor representative tailors the recommendation to the individual needs of the client based upon their investment objectives. Depending on the available options offered by the plan custodian, investment advisor representatives may have discretionary authority to directly execute trades on behalf of clients or the client may retain the sole responsibility for determining whether to implement any recommendations and for placing transactions.

The investment advisor representative is responsible for determining the fee to charge each client based on factors such as total amount of assets involved in the relationship and the complexity of the services. Clients should consider the level and complexity of the services to be provided when negotiating the fee with IAR. Clients pay the fee by a check made payable to National Wealth Management Group.

The client may terminate the arrangement at any time, and may request a refund of unearned fees, if any, based on the time and effort completed prior to the termination of the agreement. The agreement terminates upon delivery of a written or verbal recommendation. No refunds will be made after delivery of the recommendation, except when the number of actual hours is less than the estimated number of hours expected.



## Variable Sub-Account Management Services

National Wealth Management Group is available to manage variable annuity and/or variable life sub-accounts by selecting, monitoring and exchanging as necessary between the available investment choices. Sub-accounts are managed based on a particular client's financial goals, risk tolerance and time horizon while taking into account certain restrictions.

## Financial Planning Services

As part of our financial planning services, National Wealth Management Group, LLC, through its investment advisor representatives, may provide personal financial planning tailored to the individual needs of the client. A particular client's financial plan will include the relevant types of planning specific to their needs and objectives such as:

- **Retirement** – planning an investment strategy with the objective of providing inflation-adjusted income for life.
- **College / Education** – planning to pay the future college / education expenses of a child or grandchild.
- **Major Purchase** – Evaluation of the pros and cons of home ownership verse renting as well as buying or leasing a car, for example.
- **Divorce** – planning for the financial impact of divorce such as change in income, retirement benefits and tax considerations.
- **Insurance Needs** – planning for the financial needs of survivors to satisfy such financial obligations as housing, dependent child care and spousal arrangements as well as education.
- **Final Expenses** – planning to leave assets to cover final expenses such as funeral, debts and potential business continuity.
- **Estate Planning** – planning that focuses on the most efficient and tax friendly option to pass on an estate to a spouse, other family members or a charity.
- **Cash Flow/ Budget Planning** – planning to manage expenses against current and projected income.
- **Wealth Accumulation** – planning to build wealth within a portfolio that takes into consideration risk tolerance and time horizon.
- **Business Succession** – planning for the continuation of a business in a smooth a transition as possible with the use of buy-sell agreements, key-man insurance and engaging independent legal counsel as needed.

- **Tax Planning** – planning a tax efficient investment portfolio to maximize deductions and off-setting losses.
- **Investment Planning** – planning an investment strategy consistent with some particular objectives, time horizons and risk tolerances.

The services take into account information collected from the client such as financial status, investment objectives and tax status, among other data. Fees for such services are negotiable and detailed in the client agreement.

The financial plan may include generic recommendations as to general types of investment products or specific securities which may be appropriate for the Client to purchase given his/her financial situation and objectives. The Client is under no obligation to act upon the investment adviser's recommendation or purchase such securities through National Wealth Management Group, LLC and the IAR. However, if the Client desires to purchase securities or advisory services in order to implement his/her financial plan, National Wealth Management Group, LLC may make a variety of products and services available through its IARs. This may result in the payment of normal and customary commissions, advisory fees or other types of compensation to National Wealth Management Group, LLC and the IAR.

A conflict exists between the interests of the investment adviser and the interests of the client. Depending on the type of account that could be used to implement a financial plan, such compensation may include (but is not limited to) advisory fees, advisory program wrap fees; commissions; mark-ups and mark-downs; transaction charges; confirmation charges; small account fees; mutual fund 12b-1 fees; mutual fund sub-transfer agency fees; hedge fund, managed futures, and variable annuity investor servicing fees; retirement plan fees; fees in connection with an insured deposit account program; marketing support payments from mutual fund, annuity and insurance sponsors; administrative servicing fees for trust accounts; referral fees; compensation for directing order flow; and bonuses, awards or other things of value offered by National Wealth Management Group, LLC to the IAR. To the extent that IAR recommends that Client invest in products and services that will result in compensation being paid to National Wealth Management Group, LLC and the IAR, this presents a conflict of interest. This compensation to IAR and National Wealth Management Group, LLC may be more or less depending on the product or service that IAR recommends. Therefore, the IAR may have a financial incentive to recommend that a financial plan be implemented using a certain product or service over another product or service.

The IAR may receive additional cash or non-cash compensation from advisory product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives.

- A conflict exists between the interests of the investment adviser and the interests of the client,

- The client is under no obligation to act upon the investment adviser's recommendation; and,
- If the client elects to act on any of the recommendations, the client is under no obligation to affect the transaction through the investment adviser.

## **Coaching Services**

Once a financial plan has been created, you may engage National Wealth Management Group, LLC (NWMG) for ongoing coaching.

This differs from the financial planning process in that the wealth coach or stewardship coach is engaged to

help you make progress toward your stated goals. Coaching is intended to assist you to stay on a prescribed plan for working toward financial goals. Additionally, coaching may help reduce the frequency of needed financial plan updates. Coaching services may include one or more of the following services, as elected by the client on the coaching services agreement.

### **BUCKETGRAM COACHING\***

We use your personalized version of the Bucketgram, a pictorial document that summarizes your assets, liabilities, insurances and estate planning documents, to help identify areas of opportunity or concern in your financial journey.

- ☐ First Year
  - Investment Coaching
  - Up to 4 meeting per year (if necessary)
  - Utilization of Bucketgram for prudent financial decision-making
- ☐ Additional Years After 1<sup>st</sup>
  - Investment Coaching
  - Quarterly or semi-annual meetings
  - Ongoing updates to Bucketgram
  - Utilization of Bucketgram for prudent financial decision-making
  - Cash flow analysis and planning

### **WEALTH COACHING\***

We begin by helping you identify your most important life goals and continue with the development of your personal values based financial planning and maintenance of the strategies to help you work toward your financial goals. Emphasis is placed on taking you through the Wealth Optimization Process: Discovery -- Planning -- Implementation -- Maintenance.

#### ☐ Maintenance Wealth Coaching

Maintenance Wealth Coaching uses the final stage of the Wealth Optimization Process (Maintenance) to monitor and maintain the financial path that has been created.

- Investment coaching
- Semi-annual meetings (more if needed)
- Quarterly snapshots and eMoney or Money Guide Pro maintenance
- Values based financial planning is aggregated with eMoney or Money Guide Pro
- No new concepts presented; only maintenance of current strategies

#### □ Active Wealth Coaching

Wealth Coaching uses all 4 stages of the Wealth Optimization Process (Discovery, Planning, Implementation, and Maintenance) to create new strategies and discover new opportunities to build your financial future.

- Investment coaching
- Quarterly meetings
- Quarterly snapshots and eMoney or Money Guide Pro maintenance
- Tax Review

#### □ Family Office Coaching

Wealth Coaching that focuses on Intergenerational Stewardship Coaching and may involve multiple households within a family.

- Investment coaching
- Monthly telephone calls to review status/progress updates with patriarch/matriarch
- Quarterly intergenerational stewardship coaching with patriarch/matriarch (more if necessary)
- Annual family meeting with appropriate intergenerational involvement
- Optional mentoring for next generation stewards (Proverbs 20:21, Proverbs 13:22)
- Quarterly snapshots and eMoney or Money Guide pro maintenance
- Coordination of entire financial team
- Ongoing use the Wealth Optimization Process
- Tax Review

#### \*Stewardship Coaching

An optional service available that helps you to understand integration of faith and finances as it pertains to all topics discussed using a biblical world view. There is no additional charge for this style of coaching. You need only to make your advisor aware of your desire for Stewardship Coaching.

### **Hourly Consulting Services**

National Wealth Management Group, LLC, through its investment advisor representatives, may provide consulting services including, as selected by the client in the consulting agreement, advice regarding tax planning, investment planning, retirement planning, estate planning, cash flow/budget planning, business planning, education planning, and personal financial planning. The services take into account information collected from the client such as financial status, investment objectives and tax status, among other data. The investment advisor representatives may or may not deliver to the client a written analysis or report as part of the services. The investment advisor representatives tailor the hourly consulting services to the individual needs of the client based on the investment objective chosen by the client. The engagement terminates upon final consultation with the client. Fees for such services are negotiable and detailed in the client agreement.

## **Portfolio Review Service – “Second Opinion Analysis”**

Within the scope of the National Wealth Management Group hourly consulting services, an investment advisor representative can perform a review of an existing portfolio held elsewhere. The purpose of the review would be to evaluate the appropriateness of portfolio holdings based on a client's investment objective, time horizon and risk tolerance. Clients will have the option to reallocate positions, as appropriate, with their current custodian or they can bring the account to National Wealth Management Group, who can manage the account accordingly.

## **Third Party Advisory Services**

National Wealth Management Group may establish agreements with a third-party adviser where that Adviser offers various types of directly sponsored programs. All third-party investment advisers to whom National Wealth Management Group may refer clients will be licensed as investment advisers by their resident state and any applicable jurisdictions or registered investment advisers with the SEC.

After gathering information about a client's financial situation and investment objectives, National Wealth Management Group may assist the client in selecting a particular third-party program. National Wealth Management Group receives compensation pursuant to its agreements with these third- party advisers for introducing clients to these third-party advisers and for certain ongoing services provided to clients. Fees shared will not exceed with any limit imposed by any federal and/or state regulatory agency.

This compensation is disclosed in a separate disclosure document and is typically equal to a percentage of the investment advisory fee charged by that third-party adviser or a fixed fee. The disclosure document provided by National Wealth Management Group will clearly state the fees payable to National Wealth Management Group and the impact to the overall fees due to these payments.

Since the compensation paid to National Wealth Management Group may differ depending on the agreement with each third-party adviser, National Wealth Management Group has an incentive to recommend one third-party advisers over another however the firm has a fiduciary duty to act in the best interests of the client.

Clients who are referred to third-party investment advisers will receive full disclosure, including services rendered and fee schedules, at the time of the referral, by delivery of a copy of the relevant third-party adviser's Form ADV 2A as well as the Form ADV 2A for National Wealth Management Group. In addition, if the investment program recommended to a client is a wrap fee program the client will also receive the wrap fee program brochure provided by the sponsor of the program.

Clients will be required to enter in to an advisory agreement and complete other account specific documents with the third-party money manager in order to establish an account. While National Wealth Management Group will assist in determining an appropriate third-party adviser, National Wealth Management Group does not participate in the management of account established with a third-party money manager.

## IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because advisors providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover.

Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm. Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each.

An employee will typically have four options:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in as part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each.

An employee will typically be investing only in mutual funds, you should understand the cost structure of the share classes, available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.

- b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

If an Investment Advisor Representative (IAR) with NWMG recommends that a client roll over their retirement plan assets into an account to be managed by that IAR with NWMG, such a recommendation creates a conflict of interest if NWMG and that IAR will earn an advisory fee on the rolled over assets. **No client is under any obligation to rollover retirement plan assets to an account managed by NWMG. NWMG's Chief Compliance Officer, Gary E. Mathews, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**



## **Item 5 – Fees and Compensation**

### **Asset Management**

The specific way fees are charged by the firm is established in a client's written agreement between the client and National Wealth Management Group, LLC – up to 3.0% of assets under management. Clients can determine to engage the services of National Wealth Management Group, LLC on a discretionary or non-discretionary basis. The firm's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the firm's management to be charged quarterly in advance. National Wealth Management Group, LLC investment adviser representatives may at their discretion negotiate a fee not to exceed 3.0%.

<b>Total Assets Under Management</b>	<b>Maximum Annual Fee</b>
First - \$0 - \$500,000	Negotiable up to 3%
Next - \$500,001 - \$1,000,000	Negotiable up to 3%
Next - \$1,000,000 - \$5,000,000	Negotiable up to 3%
More than \$5,000,000	Negotiable up to 3%

The independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;

In cases where LPL Financial is the custodian, LPL Financial is responsible for calculating and deducting advisory fees from client accounts held at LPL Financial. Client will provide LPL Financial with written authorization to deduct fees and pay the advisory fees to the National Wealth Management Group, LLC firm. The advisory fee is paid directly by LPL Financial to the National Wealth Management Group, LLC firm (not the individual). The National Wealth Management Group, LLC firm will then share the advisory fee with its advisors/associated persons. National Wealth Management Group, LLC may instead elect a custom billing method where LPL is provided instructions to pay fees based on the fee calculations of National Wealth Management Group, LLC.

National Wealth Management Group, LLC does not have an arrangement under which it is authorized or permitted to withdraw client funds or securities maintained with a custodian upon the investment adviser's instruction to the custodian. A qualified custodian, LPL Financial LLC, maintains the funds and securities for clients in a separate account for each client under

the client's name. The client opens the account with LPL Financial by signing a SWM custodial agreement and application. In the SWM application, the client instructs LPL Financial to calculate and deduct the advisory fee percentage amount set out in the application and to pay such amount to National Wealth Management Group, LLC. National Wealth Management Group, LLC does not calculate the fee or instruct LPL Financial to deduct the fee amount. The amount deducted from the account and paid to National Wealth Management Group, LLC as an advisory fee is set out in the month-end statements provided to clients by LPL Financial.

If the advisory agreement is terminated before the end of the quarterly period, client is entitled to a pro-rated refund of any pre-paid quarterly advisory fee based on the number of days remaining in the quarter after the termination date.

$$[\text{Quarter End Value} \times \text{Advisory Fee}] / 360 \times 90 \text{ Days} = \text{Advance Billing}$$

### **Retirement Plan Consulting Fees**

National Wealth Management Group offers the following optional flat fee arrangement for pension consulting agreements. The determined annual fee will be increased each year with a cost of living adjustment of an agreed upon percentage.

- Frequency (monthly, quarterly, annually, or other)
- Timing (fees will be charged quarterly in advance, or arrears)
- Method (based on the value of plan assets in the method determined by the third party payer, or based on the value of the plan assets at the beginning of quarter, or end of quarter).

The minimum flat fee range is generally between \$2,000 - \$5,000 annually depending on the size, complexity and services offered.

Fees will be paid by the investment provider or other third party, and/or out of Plan Assets, in accordance with the third party's policies accepted by Sponsor," or "Invoice Plan Sponsor directly at Sponsor's address.

### **Plan Participant Advisory Services**

For these services, the fee is negotiated between the investment advisor representative and client and the amount of the fee is as stated in the client agreement. The fee is paid to National Wealth Management Group, who shares up to 100% (typically between 90% and 100%) of the fee with the investment advisor representative based on the agreement between National Wealth Management Group and the investment advisor representative. Client pays either on an hourly basis or flat rate basis. The hourly charge is a maximum of \$500 per hour and the flat rate fee ranges from \$0 to \$15,000. On a case-by-case basis, National Wealth Management Group also may charge a higher fee depending upon the complexity of the service.

The client may elect to pay the fee upon execution of the agreement or upon delivery of the recommendation. Clients should understand that the fee client negotiates with investment advisor representative may be higher than the fees charged by other investment advisors for similar services. This is the case, in particular, if the fee is at or near the maximum fees set out above. The investment advisor representative is responsible for determining the fee to charge each client based on factors such as total amount of assets involved in the relationship and the complexity of the services. Clients should consider the level and complexity of the services to be provided when negotiating the fee with investment advisor representative.

Clients pay the fee by a check made payable to National Wealth Management Group. In the alternative, clients also may instruct and authorize National Wealth Management Group to debit the fee from a non-retirement account of the client held at LPL Financial.

The client may terminate the agreement at any time, and may request a refund of unearned fees, if any, based on the time and effort completed prior to the termination of the agreement. The agreement terminates upon delivery of the written recommendation. No refunds will be made after delivery of the written recommendation, except when the number of actual hours is less than the estimated number of hours quoted in the agreement.

### **Variable Sub-Account Management Fees**

The advisory fee will be paid in arrears based upon a percentage of the market value on the last day of the calendar quarter not to exceed 2.0% annually. Alternatively, clients may negotiate an annual flat fee within a general range of between \$100 and \$1,000 depending on the market value and the extent of services.

The insurance company issuing the variable annuities and/or variable life contracts will charge management expenses and possibly exchange and surrender fees in addition and separate from the investment advisory fees charged by National Wealth Management Group. The product prospectus contains more details about the additional fees that apply.

If an investment advisor representative of National Wealth Management Group sold the variable annuity and/or variable life contract in their separate capacity as a registered representative of a broker/dealer, and insurance agent they likely received separate compensation unrelated to any advisory fees. In such an event National Wealth Management will not charge separate advisory fees until after two years from the date of purchase.

### **Financial Planning Services**

We charge on an hourly fee up to \$500 an hour or flat fee generally ranging from \$100 to \$15,000 for financial planning depending on extenuating circumstances. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Depending on the complexity of a plan fees may exceed \$15,000.

## **Hourly Consulting Services**

We charge on an hourly or flat fee basis for consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees range from \$100 - \$500.

## **Portfolio Review Service – “Second Opinion Analysis”**

A minimum analysis fee of \$1,000 is required. Otherwise, an analysis is billed at 0.25% of all the assets reviewed within a portfolio, which can include assets held at multiple custodians. An amount of 50% is due upon engagement with the balance due upon completion of the analysis.

If a client elects to move their assets to National Wealth Management Group for asset management services, the analysis fees otherwise due for the second opinion analysis will be applied to reduce the annual asset management fee.

## **Coaching Services**

Fees are based on the complexity of the service, frequency of meetings, whether meetings are at our office or away from the office or on the telephone.

Fees are clearly outlined and agreed to in advance in a coaching services agreement. Fees are negotiable.

### **WEALTH COACHING \* \*\***

- Maintenance Wealth Coaching \$450 - \$750 quarterly
- Active Wealth Coaching \$550 - \$3,000 quarterly
- Family Office Coaching \$3,000 - \$10,000 quarterly

#### **\*Stewardship Coaching**

Stewardship Coaching: An optional service available that helps you to understand integration of faith and finances as it pertains to all topics discussed using a biblical world view. There is no additional charge for this style of coaching. You need only to make your advisor aware of your desire for Stewardship Coaching.

\*\* Fees for “Wealth Coaching” may be modified based upon individual circumstances, preexisting

relationships, complexity of services or as otherwise may be determined at the discretion of National Wealth Management Group, LLC (NWMG).

Fees are due and payable to National Wealth Management Group, LLC (NWMG) every three months in advance of the next quarterly period.

You will be sent an invoice for the quarterly fees.

You may terminate the coaching services within five (5) business days of execution of the coaching services agreement. After the five (5) day period, you may terminate the coaching services agreement upon written notice at any time.

Refunds for coaching services terminating during a quarterly period will be calculated based on time expended by National Wealth Management Group, LLC (NWMG) and multiplied by National Wealth Management Group, LLC (NWMG) hourly rate of \$300 per hour. Coaching services are ongoing until terminated by client or National Wealth Management Group, LLC (NWMG).

### **Third Party Advisors**

There is not a split fee arrangement but each advisor charges independent fees not to exceed 2% in total. The qualified custodian is authorized by the client under separate agreement to calculate and deduct the advisory fee. The total advisory fee is paid to the third-party advisory who makes payment to National Wealth Management Group by agreement, not an invoice. This annual fee shall be pro-rated and paid quarterly, in advance, from the fees received by the Adviser pursuant to the Program Agreement and based upon the market value of the Assets on the last business day of the previous calendar quarter.

No increase in the annual fee shall be effective without prior written notification to the Advisor.

If the advisory agreement is terminated before the end of the quarterly period, client is entitled to a pro-rated refund of any pre-paid quarterly advisory fee based on the number of days remaining in the quarter after the termination date. Lower fees for comparable services may be available from other sources.

### **Other Types of Fees & Expenses**

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

### **Termination & Refunds**

An account may be terminated according to the client agreement. If the client agreement provides for payment in advance, the agreement will state how the client can obtain a refund of any pre-paid fee if the agreement is terminated before the end of the billing period.

## **Commissionable Securities Sales**

LPL Financial charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). LPL enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. LPL Financial commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by LPL Financial may be higher or lower than those charged by other custodians and broker/dealers. Clients may direct their brokerage transactions at a firm other than LPL Financial. Advisory fees are generally not reduced to offset commissions or markups.

When dealing with investment advisory clients and services, investment adviser representatives have an affirmative duty of care, loyalty, honesty and good faith to act in the best interests of its clients. Investment adviser representatives should fully disclose all material facts concerning any conflict that does arise with these clients, and should avoid even the appearance of a conflict of interest.

Please note, clients may purchase investment products recommended by our firm through other, non-affiliated broker dealers or agents.

When the firm's representatives sell an investment product on a commission basis, the firm does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, National Wealth Management Group, LLC representatives do not also receive commission compensation for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). However, a client may engage the firm to provide investment management services for an advisory fee and also purchase an investment product from the firm's representatives on a separate commission basis.

In certain cases, LPL may serve as the broker/dealer on transactions in a customized advisory account. In such case, LPL may charge the client transaction charges in connection with trade execution through LPL. The transaction charges will be clearly stated in the client agreement executed by the client at the time the relationship is established.

If the custom advisory services apply to variable annuities for which the investment advisor representative receives trail compensation, such trail fees generally will be used to offset the advisory fee. In most cases, however, a third-party broker dealer will provide trade execution. In such case, the broker-dealer may charge clients commissions, markups, markdowns and/or transaction charges.

Advisor receives compensation as a result of a client's participation in an LPL program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what the Advisor would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services.

LPL serves as program sponsor, investment advisor and broker/dealer for the LPL advisory programs. National Wealth Management Group, LLC and LPL may share in the account fee and other fees associated with program accounts. Associated persons of Advisor may also be registered representatives of LPL. Lower fees for comparable services may be available from other sources.

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

None of the investment advisor representatives of National Wealth Management Group accept performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle). We also do not participate in side-by-side management, where an advisor manages accounts that are both charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee.

#### **Item 7 – Types of Clients**

The advisory services offered by National Wealth Management Group, LLC are available for individuals, individual retirement accounts (“IRAs”), banks and thrift institutions, pension and profit-sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 (“ERISA”), trusts, estates, charitable organizations, state and municipal government entities, corporations and other business entities.

However, the firm generally provides investment advice to individuals and high net worth individuals, corporations and insurance companies. The firm is currently not working with other types of clients or pursuing them as prospects but would not turn away any opportunities that may arise.

Certain investment advisor representative of National Wealth Management may also be employees of a financial institution (i.e. bank or credit union) and provide advisory and/or brokerage services to customers of the financial institution as a representative of National Wealth Management Group. These services are offered pursuant to an agreement with National Wealth Management Group and the financial institution. He or she may also receive compensation in his or her role as an employee of the financial institution that is distinct from services with National Wealth Management Group. Investment products and services offered through National Wealth Management Group are not FDIC insured, are not obligations of the financial institution, are not endorsed, recommended or guaranteed by the financial institution.

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

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once



the appropriate portfolio has been determined, it is subject to review and if necessary, rebalanced based upon the client's individual needs, stated goals and objectives. Each client can place reasonable restrictions on the types of investments to be held in the portfolio.

The firm uses a combination of multiple forms of analysis to formulate investment advice when managing assets. Depending on the analysis the firm will implement a long or short-term trading strategy based on the particular objectives and risk tolerance of a particular client.

- **Fundamental Analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. 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** involves the analysis of past market data; primarily price and volume. 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 take into account new patterns that emerge over time.
- **Cyclical Analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security. 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, then it changes the very cycles these investors are trying to exploit.
- **Charting Analysis** involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- **Long-Term Purchases** are 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.
- **Short-Term Purchases** are securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- **Options Trading/Writing** is a securities transaction that involves buying or selling (writing) an option. If you write an option and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of

shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option. Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Please note, investing in securities involves risk of loss that clients should be prepared to bear. There are different types of investments that involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance level(s). Past performance is not indicative of future results. The firms' methods of analysis and investment strategies do not represent any significant or unusual risks however all strategies have inherent risks and performance limitations such as:

- **Market Risk** - the risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk** - the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk** - the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.

Investment Adviser Representatives of National Wealth Management Group, LLC offer a variety of investment vehicles. Assets are generally allocated between the below list and in some cases an asset class not listed may be appropriate for a particular client.

- **Mutual Funds** - Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned below).
- **Equity** - investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.
- **Fixed income** - investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term

securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

- **Exchange Traded Funds (ETFs)** - An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.
- **Annuities** - are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.
- **Non-U.S. securities** - present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.
- **UIT Securities** - designed for investors who can assume the risks associated with equity or fixed-income investments and may not be appropriate for investors seeking capital preservation or high current income. There is no assurance that UIT securities will meet their objective(s). There may be special risks if a portfolio is concentrated within a specific sector of the market. A UIT may contain a limited number of securities, which may make it more susceptible to price volatility than a portfolio diversified among a greater number of holdings. UITs are not actively managed and do not sell securities in response to ordinary market fluctuations. Instead, securities will not usually be sold until termination, which could mean that the sale price of the trust securities may not be the highest price at which these securities traded during the life of the trust.
- **Structured Notes** - also known as market-linked notes, are generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances and/or foreign currencies, and to a lesser extent, swaps. Structured notes are usually issued by investment banks or affiliates thereof. They have a fixed maturity, and have two components: a note and a derivative. The

derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some notes use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other notes use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured notes is a "principal guarantee" function, which offers protection of principal if held to maturity. However, these notes are not always Federal Deposit Insurance Corporation insured; they may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company. Investing in structured notes involves a number of risks including but not limited to: fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and other events that are difficult to predict.

- **Hedge Funds and Managed Futures.** Hedge and managed futures funds are available for purchase in the program by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.
- **Variable Annuities.** If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.
- **Margin Accounts.** Client should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gain if the value of the securities in the account go up, but will result in increased losses if the value of the securities in the account goes down. The custodian, acting as the client's creditor, will have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to the client. For performance illustration purposes, the margin interest charge will be treated as a withdrawal and will, therefore, not negatively impact the performance figures reflected on the quarterly advisory reports.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be

maintained in a money market account so that our firm may debit advisory fees for our services related to Asset Management as applicable.

### **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 an advisory firm or the integrity of a firm's management.

Any such disciplinary information for the company and the company's investment advisor representatives would be provided herein and publicly accessible by selecting the Investment Advisor Search option at <http://www.adviserinfo.sec.gov>.

There are no legal or disciplinary events to disclose.

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

Investment advisor representatives may also be registered representatives of LPL Financial, an unaffiliated SEC registered and FINRA/SIPC member broker/dealer. Clients may choose to engage a registered investment advisor in their capacity as a registered representative of the unaffiliated LPL Financial broker/dealer, to implement investment recommendations on a commission basis.

Representatives of our firm are insurance agents/brokers. They may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn and may not necessarily be in the best interests of the client. Such potential conflicts of interest are subject to review by the Chief Compliance Officer and subject to LPL Financial surveillance controls.

Some Representatives and Management personnel of our firm are also employees or owners in the accounting firm of Alpina Tax and Accounting Services, LLC, where some (not all) are individually licensed and practicing Certified Public Accountants providing accounting services for separate and typical compensation.

Alpina Tax and Accounting Services, LLC typically recommends National Wealth Management Group, LLC to accounting clients in need of advisory services. Conversely, National Wealth Management Group, LLC typically recommends Alpina Tax and Accounting Services, LLC to advisory clients in need of accounting services. Accounting services provided by Alpina Tax and Accounting Services, LLC are separate and distinct from our advisory services, and are provided for separate and typical compensation. There are no referral fee arrangements between our firms for these recommendations. No National Wealth Management Group, LLC client is obligated to use Alpina Tax and Accounting Services, LLC for any accounting services and conversely, no accounting client is obligated to use the advisory services provided by us. Alpina Tax and Accounting Services, LLC do not include the authority to sign checks or otherwise disburse funds on any of our advisory client's behalf.

Neither National Wealth Management Group, LLC nor any of the management persons are registered or has a registration pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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

National Wealth Management Group, LLC maintains a Code of Ethics, which serves to establish a standard of business conduct for all employees that are based upon fundamental principles of openness, integrity, honesty and trust.

The Code of Ethics includes guidelines regarding personal securities transactions of its employees and investment advisor representatives. The Code of Ethics permits employees and investment advisor representatives or related persons to invest for their own personal accounts in the same or different securities that an investment advisor representative may purchase for clients in program accounts. This presents a potential conflict of interest because trading by an employee or investment advisor representatives in a personal securities account in the same or different security on or about the same time as trading by a client could potentially disadvantage the client. National Wealth Management Group, LLC addresses this conflict of interest by requiring in its Code of Ethics that employees and investment advisor representatives report certain personal securities transactions and holdings to the Chief Compliance Officer for review.

An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, thereby preventing an employee from benefiting from transactions placed on behalf of advisory accounts.

Neither National Wealth Management Group, LLC nor a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest.



## **Item 12 – Brokerage Practices**

### **Non-Soft Dollar**

National Wealth Management Group, LLC will recommend the use of LPL Financial as the broker-dealers. National Wealth Management Group, LLC is independently owned and operated and not affiliated with LPL Financial.

National Wealth Management Group, LLC may receive support services and/or products from LPL Financial that assist National Wealth Management Group, LLC to better monitor and service program accounts maintained on behalf of National Wealth Management Group's clients. These support services and/or products are received without cost, at a discount, and/or at a negotiated rate, and may include the following:

- investment-related research;
- pricing information and market data;
- software and other technology that provide access to client account data;
- compliance and/or practice management-related publications;
- consulting services;
- attendance at conferences, meetings, and other educational and/or social events;
- marketing support;
- computer hardware and/or software;
- other products and services used by Advisor in furtherance of its investment advisory business operations;
- custody of securities;
- trade execution;
- clearance and settlement of transactions.

The Research products and services provided by a Custodian may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making. These support services provided by a Custodian to National Wealth Management Group, LLC are based on the overall relationship between National Wealth Management Group, LLC and the Custodian. It is not the result of soft dollar arrangements or any other express arrangements with the Custodian that involves the execution of client transactions as a condition to the receipt of services.

- National Wealth Management Group, LLC will continue to receive the services regardless of the volume of client transactions executed with the Custodian.
- Clients do not pay more for services as a result of this arrangement.
- There is no corresponding commitment made by the National Wealth Management



Group, LLC to the Custodian or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement.

Although the non-soft dollar investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

As a result of receiving the services National Wealth Management Group, LLC may have an incentive to continue to use or expand the use of the Custodian's services. Our firm examined this potential conflict of interest when we chose to enter into the relationship and we have determined that the relationship is in the best interest of our clients and satisfies our fiduciary obligations, including our duty to seek best execution.

### **Transaction Fees**

The Custodians charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). The Custodians enable us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The Custodians commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by the Custodians may be higher or lower than those charged by other custodians and broker/dealers.

### **Best Execution**

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

### **Trade Aggregation**

For advisory services, National Wealth Management and its related persons may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. National Wealth Management and its related persons may determine not to aggregate transactions, for example, based on the size of the trades, number of client accounts, the timing of trades, and the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If National Wealth Management or its related persons do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

## **Executing Broker/Dealer**

Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer. After considering each client's situation, our firm may recommend the use of one or more of the broker-dealers identified above. Each client will be required to establish an account with a Custodian. Please note that not all advisers have this requirement.

Clients may direct their brokerage transactions at a firm other than the Custodians. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices. Likewise, client directed brokerage accounts may also result in more favorable prices, depending on each client's individual situation.

## **Transition Assistance – Broker/Dealer Loans**

Certain investment advisor representatives may have received a loan from LPL Financial in order to assist with transitioning their business onto the LPL Financial custodial platform. This loan may not be forgiven by LPL Financial based on the scope of business engaged in with LPL Financial, including the amount of client assets held with LPL Financial.

This economic benefit, presents a conflict of interest in recommending to clients that they use LPL Financial as a custodian. However, to the extent an investment adviser representative recommends you use LPL Financial for such services; it is because they believe it is in your best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL Financial. A few investment advisor specifics considerations are listed below:

- The amount of a potential loan differs per investment advisor representative.
- A larger loan represents a greater conflict.
- Clients should discuss the specifics of a loan with their investment advisor representative.
- A portion of a loan provided to an investment advisor representative may be paid directly to National Wealth Management Group to cover the transition support provided.
- If an advisor terminates from the broker/dealer within 12 months all transition assistance is subject to repayment.
- If a loan were to go into default, a potential demand for full-payment could potentially cause an economic hardship for the investment advisor representative.

### **Item 13 – Review of Accounts**

For those clients to whom National Wealth Management Group, LLC provides investment supervisory services, account reviews are conducted on an ongoing basis the Chief Compliance Officer. All investment supervisory clients are advised that it remains their responsibility to advise National Wealth Management Group, LLC of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with their investment advisor representative on an annual basis.

The Chief Compliance Officer may also conduct account reviews based on the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and by client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. National Wealth Management Group, LLC may also provide a written periodic report summarizing account activity and performance.

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

#### **LPL Financial, LLC**

National Wealth Management Group, LLC receives an economic benefit from LPL Financial in reimbursement for marketing related expenses. Please see detailed discussion of the categories of marketing related expenses and potential conflicts of interest in Item 12 Brokerage Practices.

National Wealth Management Group, LLC and employees may receive additional compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with investment advisor representatives, client workshops or events, marketing events or advertising initiatives, including services for identifying prospective clients. Product sponsors may also pay for, or reimburse National Wealth Management Group, LLC for the costs associated with, education or training events that may be attended by National Wealth Management Group, LLC employees and investment advisor representatives and for National Wealth Management Group, LLC sponsored conferences and events.

Certain investment adviser representatives may have received an economic benefit from LPL Financial in the form of a repayable or forgivable loan. Please see detailed discussion of the conditions and potential conflicts of interest in Item 12 Brokerage Practices.

In addition, certain advisory representatives of National Wealth Management Group, LLC. (NWMG) have a relationship with Ramsey Solutions (“RS”) whereby RS provides online advertising services in exchange for a flat monthly marketing fee. The services include advertising space on RS’s web-based SmartVestor™ lists assigned to particular geographic markets, use of the SmartVestor™ marks in advertising, and provision of other marketing materials. Potential clients using the SmartVestor™ site may select and choose to contact the advisory representative for services; potential clients are not referred to National Wealth Management Group, LLC. (NWMG) or the advisory representative.

National Wealth Management Group, LLC. (NWMG) has entered into service agreements with certain unaffiliated financial institutions (e.g., Banks and or Credit Unions) that permit National Wealth Management Group, LLC. (NWMG) to provide investment advisory services to the financial institutions customers. Pursuant to service agreements, National Wealth Management Group, LLC. (NWMG) shares a portion of the advisory fees with the financial institutions for use of the financial institution’s facilities and for access to financial institution customers.

As a result of our relationship with LPL, we will receive production bonuses, stock options to purchase shares of LPL’s parent company, and other things of value such as free or reduced-cost attendance at LPL’s national sales conference or top producer forums and events. Such compensation may be based on overall business produced and/or on the amount of assets serviced through LPL. Thus, there is a financial incentive for us to recommend that you establish a Program account so that we will be compensated. We take our responsibilities to clients very seriously and we will only recommend that clients hire us for management services if we believe it is appropriate and in the client’s best interests.

### **Referral Fees**

National Wealth Management Group, LLC has agreements in place to pay solicitors a portion of advisory fees. National Wealth Management Group, LLC does not directly or indirectly compensate any person who is not a supervised person for client referrals. There are no other economic benefits provided by someone who is not a client for providing investment advice.

### **Item 15 – Custody**

National Wealth Management Group, LLC does not have custody of client funds or securities. All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

## **Item 16 - Investment Discretion**

The client can determine to engage the National Wealth Management Group, LLC to provide investment advisory services on a discretionary basis. Prior to the National Wealth Management Group, LLC assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming the National Wealth Management Group, LLC as the client's attorney and agent in fact, granting the National Wealth Management Group, LLC full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

For third party management programs, National Wealth Management Group does not have discretionary authority. For LPL Financial sponsored programs our discretionary authority is limited to selecting one or more model fund portfolios or the Portfolio Strategists. LPL Financial has the discretion to rebalance the account as needed. Complete account information about the applicable LPL Financial sponsored program is provided in the program specific disclosure brochure.

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

National Wealth Management Group, LLC does not vote client proxies but third-party money managers selected or recommended by our firm may vote proxies for clients. Clients will otherwise receive their proxies or other solicitations directly from their custodian. Clients may contact National Wealth Management Group, LLC at (513) 772-2592 to discuss any questions they may have with a particular solicitation.

However, third party money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a third-party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third-party money manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

## **Item 18 – Financial Information**

National Wealth Management Group, LLC does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

There are no financial conditions that are reasonably likely to impair the firm's ability to meet contractual commitments to clients. At no time has National Wealth Management Group, LLC been the subject of a bankruptcy petition.



**NATIONAL WEALTH**  
MANAGEMENT GROUP, LLC  
*Your Independent Investment Advisor*

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