

**WEALTHPOINT INVESTMENTS, LLC**  
**Db a Duncan McHugh Investments**

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**Part 2A Appendix 1, Wrap Fee Brochure**

This wrap fee program brochure provides information about the qualifications and business practices of WealthPoint Investments LLC. If you have any questions about the contents of this brochure, please contact us at (850) 460-9444. 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. WealthPoint Investments, LLC is a Registered Investment Adviser doing business as WealthTrust Asset Management and Duncan McHugh Investments. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about WealthPoint Investments LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for WealthTrust Asset Management is 174901.

## ITEM 2 – MATERIAL CHANGES

### Summary of Material Changes

Our last annual amendment filing was dated January 28, 2015.

There have been significant changes since our initial filing. Please read this disclosure brochure to understand the material changes.

In 2016, WealthPoint Investments created two intra company divisions under DBA status. WealthTrust Asset Management is the name of the company's Asset Management Division and Duncan McHugh Investments is the name of the company's Investment Advisory division.

### Item 5. Fees and Compensation

We increased our maximum fee from 2.5% to 3% annually.

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact Darlene S. Duncan at 850-460-8444 or [darlene@wealthtrustam.com](mailto:darlene@wealthtrustam.com).

We encourage you to read this document in its entirety.

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## **ITEM 4 - SERVICES, FEES AND COMPENSATION**

This document, offered by Wealth Point Investments, LLC doing business as WealthTrust Asset Management (“WTAM”) and Duncan McHugh Investments (DMI) discloses information about the investment advisory services we provide and the manner in which we provide them to you, the client. This brochure discusses our asset management services offered on a “wrap” fee basis.

We are an investment advisory firm (DMI) with an asset management division (WTAM). Our investment advisory firm has locations in Destin, Florida and Chesterfield, Missouri, we specialize in investment advisory services for high net worth individuals, families, trusts, estates and profit sharing plans. Our asset management division (WTAM) is located in Destin, Florida. The firm was established by John G. McHugh and Darlene Duncan, the firm’s principal owners, in 2014 and became a registered investment adviser in 2015.

### **Portfolio Management Services**

We offer clients portfolio management through our WTAM asset management services program. Through the program, our clients receive investment analysis, allocation recommendations, monthly or quarterly statements reflecting holdings and transactions, quarterly statements, and ongoing account monitoring services for a portfolio which may include mutual funds and exchange-traded funds. DMI exercises discretionary trading authority. This means DMI will have authority to purchase and sell securities of choice in the amounts, and at the times believed suitable for you and your account. We may recommend the use of third-party investment managers to manage any portion of your assets.

The initial asset allocation recommendations are based on the financial information gathered from you including net worth, risk tolerance, financial goals and objectives, investment restrictions and overall financial conditions. Based on this information, you are provided with investment recommendations designed to provide an appropriate asset mix consistent with your objectives. Your portfolio and its performance are monitored in light of your stated goals and objectives. The frequency of these reviews is determined by DMI. We will meet with you on an as needed basis to discuss the portfolio and other aspects of the service. Since WTAM is the only manager in this program, you may contact us at any time.

We typically recommend that investment management clients use the custody and transaction services of Schwab Institutional, a division of Charles Schwab & Co., Inc. (“Schwab”) member FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer and FINRA member. Schwab offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Schwab also provides preparation of account activity statements, and facilitation of the payment of advisory fees due DMI.

As a general rule, we believe that investing is best suited to those who believe in a long-term buy and-hold policy. Therefore, you should not expect frequent investment changes in the portfolio. However, as a result of monitoring the account, portfolio modifications may be advisable and made.

As indicated above, when providing Portfolio Management Services, WTAM will exercise discretion when you grant DMI discretion in the investment management agreement. When doing so, it allows us to select the securities to buy and sell, the amount to buy and sell and when to buy and sell without obtaining specific consent from you for each trade. You should be aware we may make different recommendations and effect different trades with respect to the same securities and insurance to different advisory clients. Execution of securities transactions are covered by the wrap service fee implemented through Schwab but may not be better than the commissions or execution available if you used another brokerage firm. However, we believe that the overall level of services and support provided to you by custodians and broker-dealers for any trade not covered by the wrap fee outweighs the potentially lower costs that may be available from other brokerage service providers.

When exercising discretion, we may combine orders for more than one client's account to form a "block" order for the purpose of seeking a better price and/or execution. When a block order is executed, the broker/dealer executing the order typically allocates an average execution price to all shares in the block order, which we then allocate to each customer's account position on a pro rata basis. Should a block order only be partially filled, available shares are distributed in a manner fair to all accounts.

If you direct us to effect transactions through a particular broker/dealer, we will do so. However, such an instruction may have implications to you which may include incurring transaction costs and commissions that may be higher or lower than if the instruction had not been given. Also, restricting us to particular broker/dealers may limit our ability to include a client account order within block orders to obtain the best price or execution.

We do not guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including conservative investments and strategies recommended or applied by DMI or WTAM. We may recommend exchange-traded funds ("ETFs"). ETF shares are bought and sold at market price unlike mutual funds. ETFs are subject to risks similar to those of stocks.

Although we generally do not exercise discretion to select brokerage firms, we typically recommend the custodial services of Schwab, a securities broker/dealer, Member FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer and FINRA member.

You should be aware of the fact that not all advisers require clients to use a particular brokerage firm. Because clients having accounts managed by WTAM are required to open accounts with, and use the transaction services of Schwab, we may not be able to achieve the most favorable execution of client transactions. Thus, use of only Schwab may cost you more money.

We do not process transactions through Schwab in return for Schwab referring new clients to WTAM.

## **Portfolio Management Services Wrap Fee**

Fees payable for asset management services are calculated as a percentage of the total value of investments under management. Our investment advisory fees shall not exceed 3.0% annually. The specific advisory fees are set forth in your Investment Advisory Agreement. In certain circumstances, our fees and the timing of the fees may be negotiated.

The asset-based fee includes all fees and charges for services, as applicable, for WTAM and transaction fees. However, this fee does not include the following: (a) charges for services provided by DMI outside the scope of the Investment Management Agreement (e.g. retirement plan administration fees, trustee fees, wire transfer fees, account fees and charges incidental to brokerage and custodial services, etc.); (b) any taxes for fees imposed by exchanges or regulatory bodies; (c) other fees and charges imposed because we may choose to effect securities transactions for the account with or through a broker-dealer other than the custodian; (d) sales loads and internal operating expenses on mutual funds, exchange traded funds and variable insurance contracts; (e) commissions on transactions occurring after notice of Agreement termination is given; and (f) commissions on transactions ordered by a client. Each of these additional charges may be separately charged to your account or reflected in the price paid or received for a given security.

The annual fee for portfolio management services is billed monthly, in advance, based on the market value of the assets on the last day of the month as reported by the custodian. Fees are assessed on all assets under management, including securities, cash and money market balances. Margin debit balances do not reduce the value of assets under management.

Either DMI or you may terminate the management agreement, upon 30 day written notice to the other party. The management fee will be pro-rated to the date of termination, for the month in which the cancellation notice was given, and any unearned fees will be refunded to you. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

With prior client permission, fees payable to us are deducted from your account when due. We will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the automatic deduction of fees from the account is contained in the investment management agreement. The periodic portfolio statements from the custodian disclose all amounts disbursed from your account, including advisory and service fees paid.

## **Costs**

Our “wrap” fees shown above (fees which include both advisory fees and transaction fees) may be more or less than those charged by us to another client for similar services, and by other advisers for similar services.

Also, our “wrap” fee may be more or less than the fees and commissions charged by other advisory firms, third-party managers, and brokerage firms if the services were acquired separately. The factors that bear upon the cost of services are the size of the account, type of

transaction and whether trades are placed through a brokerage firm other than the custodian resulting in per trade commission's being charged to the account.

### **Internal Fees of Funds and Other Excluded Costs**

Since exchange-traded funds or mutual funds are part of a client's portfolio, the mutual funds charge additional and separate internal fees as described in the fund's prospectus. Thus, when these funds are in a client's account, two advisory fees are imposed: one internally by the fund, the other by DMI.

Not all transaction-related expenses are covered by the "wrap" fee. Certain account charges by the custodian, commissions and costs for transactions not placed through our recommended custodian, commissions on transactions occurring after termination of our services agreement, and client-ordered transaction commissions are not covered. See the "Fees" section above.

### **Wrap Fee Incentives**

Because we absorb certain transaction costs, we may have a financial incentive not to place transaction orders frequently since doing so increases the transaction costs to us, thereby reducing our revenue. Thus, an incentive exists to place trades less frequently. Also, because fees are asset-based, there is an incentive for us to recommend that you do not reduce positions since doing so will reduce the fee to our firm. Also, we may receive more compensation in this program over others which require separate payment for advice, brokerage and other services, thus this financial incentive may also create a conflict of interest.

We do not guarantee the results of investment management or consulting advice we give, including the performance of our investment models. Thus, significant losses can occur by using our services.

### **Other Compensation**

Associates of DMI are also licensed to offer insurance products and will receive customary commissions for the sale of such products should a client decide to make purchases or sales through our associates which are not covered by the wrap fee. When selling these products, a conflict of interest exists.

## **ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

We provide investment advice to individuals, high net worth individuals, small businesses, trusts and estates. A minimum of \$100,000 is required to open and maintain an account. We may waive account minimums at our sole discretion.

## **ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION**

We do not select and review outside portfolio managers for our Wrap Fee Portfolio Management Services. All portfolio management is performed by WTAM. Since there is no outside manager utilized there is no conflict of interest between our own portfolio management and management from a third party.

John McHugh acts as the portfolio manager for our wrap fee program.

### **Sub-Advisory Agreements**

DMI may utilize independent third-party investment advisers to aid us in the implementation of investment strategies for your portfolio. In certain circumstances, we may allocate a portion of a portfolio to an independent third-party investment adviser (“separate account manager”) for separate account management based upon your individual circumstances and objectives, including, but not limited to, your account size and tax circumstances. Upon the recognition of such situations, in coordination with you, we will hire a separate account manager or enter into a tri-party agreement with you and separate account manager for the management of those securities.

**Advisory Business.** See description above.

**Performance Based Fees and Side-By-Side Management.** We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). All fees are disclosed above.

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

#### **DBS Portfolio Strategies – Diversified, Balanced, Strategic Investing**

WTAM’ primary focus is the management of investment portfolios for individual and institutional clients. Our success is determined by how we perform against an assigned “benchmark” for each of our portfolios.

Because our portfolios are measured against an assigned benchmark index, we view this index as our competition. Fundamental to our success against this competition is the identification of the inefficiencies in the static nature of the stocks within these indexes. Indexes seldom change their holdings, yet many companies within the index underperform.

By using our quantitative approach to stock selection, we hope to identify those underperforming companies and exclude them from our DBS Portfolio Strategies. It is our belief that this quantitative approach can result in better performance over time, beating our “competition.”



## **Investment Philosophy**

The market will indeed fluctuate – and this creates risk. At any given time, certain sectors of the market may perform better than others, and certain companies (even in the same market sector) may do better than others. What does this mean for the investor? It means that they have to find a way to manage the risk of investing in companies or even entire market sectors so that they have broad exposure to stable or rising sectors and limited exposure to unstable or declining ones. Risk is best managed by maintaining a diversified investment portfolio.

Diversification can be achieved on many levels:

- Industry (for example, health care vs. retail)
- Size of company, otherwise known as market capitalization (for example, small cap. vs. large cap.)
- Geography (Domestic vs. foreign-based)
- Growth rate (For example, fast-growing companies vs. mature companies) • Cyclical or non-cyclical (for example, steel vs. food).

Studies have shown that successful market timing (even by professional investors) is very difficult to achieve — maybe even impossible over the long term. In our opinion, the most successful investors are usually fully invested in the market through both up and down cycles. While we in the WTAM primarily advocate being fully invested in the market, we also believe that investors should remain flexible in order to take advantage of opportunities when they arise while attempting to mitigate some of the risk associated with the markets

Risk means that you may lose some or all of your investment, or that the investment may not gain in value at the desired rate. Diversification can help us reach our goals but of course it doesn't eliminate the risk of fluctuating prices and uncertain returns. In pursuing financial objectives, investors can choose from a wide range of investment alternatives that vary greatly in their degree and type of risk and potential return.

At WTAM, we believe that the long-term market price of a stock is ultimately determined by its ability to generate earnings. Wall Street brokerage firms and independent research firms employ professional equity analysts to estimate the earnings growth of the companies they follow in order to develop their estimate of a company's "fair value" in relation to its current market price. The analysts then determine their Buy, Sell and Hold recommendations for the companies that they follow. For any given stock there may be numerous brokerage analysts following the company and making earnings-per share estimates. These numbers are collected and compared by various services to develop a "consensus" number for Earnings per Share (EPS) for every followed company. In most circumstances, the most recent analyst estimates are the most accurate. When a company announces a quarterly EPS amount that is higher than the consensus number, it is said to have "beat the street number" and may often experience an upward movement in stock price.

At WTAM, we believe that the real value of brokerage analyst estimates is not in the current consensus but in the trend of positive or negative changes in the individual brokerage analyst estimates from the former consensus. The WTAM strategy uses these EPS estimate (1) changes as a buy/sell signal for each company.

Using the analytical data compiled by our quantitative database and our in-depth proprietary screening process, our method uses the collective analysis of thousands of analysts following thousands of companies across all market segments to rank prospective companies for its portfolios.

The difficult task at hand is to effectively analyze equities, using reported company data as well as analysts' forecasts for a company's future earnings. We use our own methods and experiences to further analyze and decide if a particular company is a potential portfolio selection or if it meets the criteria to remain in a portfolio, taking into account our in-depth analysis and tactical economic outlook. We perform this additional proprietary screening process systematically across all stocks analyzed by our quantitative database.

We believe that this provides a strong, yet dispassionate, buy/sell discipline which assists us in avoiding market fads and helps us find or realize real value in companies across market segments that may be currently out of favor or to lighten up on companies or market segments that may be peaking.

### **Investment Strategies**

With our database thousands of companies are continuously ranked on a daily basis using a composite of four factors:

1. Agreement: The extent to which all brokerage' analysts are in agreement, revising their earnings estimates in the same direction.
2. Magnitude: The larger the percentage increase or decrease in analysts' projected quarterly earnings, the more weight is assigned to an earnings estimate change. For example, a 10% increase in the earnings estimate revision is better than a 2% increase and would carry more weight in the analysis.
3. Upside: The deviation between the most accurate earnings estimate issued by the analyst determines to have the best track record and consensus earnings estimate.
4. EPS Surprise: The occurrence of a company's reported quarterly or annual profits-above or below analysts' expectations.

Once analyzed using the four factors above, our quantitative database assigns each equity position a ranking of 1-5, with 1 representing a strong buy and 5 representing a strong sell.

## **Equity Investment Portfolio Strategies**

Our Equity Investment Portfolio Strategies share our principals of fundamental investment selection: Identifying and purchasing shares of companies whose recent earnings estimate revisions are increasing, regardless of the economy, and selling the shares of those companies whose earnings estimate revisions are deteriorating, regardless of the economy. These strategies involve shares of U.S.-Based, global corporations as well as U.S. market-listed shares of foreign-based corporations. We may also include an allocation of cash, ETFs and mutual funds in our portfolio strategies.

### **Large-Cap Growth Portfolio Strategy**

This portfolio strategy invests primarily in large-cap companies with a market capitalization generally above \$10 Billion. We look for companies which we believe will offer above-average growth, and a low price-to-earnings ratio. While any given company's dividend may be raised, lowered or eliminated without notice, we place some emphasis on dividend yield. There are approximately 30 equally-weighted large cap stock positions held in this portfolio strategy at any given time.

### **Growth and Income Portfolio Strategies**

These portfolio strategies invest in shares of companies - across all levels of market capitalization - who we believe have a moderate growth potential for share price and who may provide an above-average income stream relative to their peers. We seek out companies that historically have exhibited a stable and positive cash flow. We offer two equity-focused Growth & Income Portfolio Strategies, each with approximately 25 equally weighted stock positions as well as an allocation of fixed income. The asset mix in these strategies will vary, dependent upon the portfolio manager's opinion of market conditions and at the portfolio manager's discretion.

- **Moderate Growth & Income Portfolio Strategy** – This portfolio strategy is allocated between equity and fixed income, with no more than approximately 70% of the total allocation being in either equity or fixed income.
- **Conservative Growth & Income Portfolio Strategy** – This portfolio strategy is allocated between equity and fixed income, with no more than approximately 60% of the total allocation being in either equity or fixed income.

### **Total Return Portfolio Strategy**

The Total Return Portfolio Strategy is made up of primarily large-cap and other dividend-paying stocks as well as an allocation of fixed income ETFs. There are approximately 30 equally weighted stock positions in this portfolio strategy at any given time. Stocks in this portfolio strategy are selected from the Large Cap Growth Portfolio Strategy and the Growth & Income Portfolio Strategy. The equity to fixed income allocation in this portfolio strategy is approximately 80%/20%.

## **Multi Asset Class “MAC” Portfolio Strategy**

The MAC Portfolio Strategy is approximately 45-50 equally weighted stock positions, which includes 30-35 positions from both the Large Cap Growth Portfolio Strategy and the DBS Growth & Income Portfolio Strategy. Also included are up to 15 primarily mid-cap growth stocks, selected by our own screening and analyzation process. This portfolio strategy seeks to provide the investor different levels of exposure to the broader markets while maintaining a more concentrated portfolio than an investor would have by owning each of the other Portfolio Strategies in full.

## **Mutual Fund & ETF Investment Portfolio Strategies**

We have Two DBS Mutual Fund/ETF Fixed Income Portfolio Strategies:

1. EF1000, Moderate Fixed Income Portfolio Strategy: This fixed-income focused strategy is designed for an investor with a Moderate Income investment objective and has an emphasis on overall yield with the potential for some capital appreciation. This strategy employs Exchange Traded Funds (“ETFs”) to achieve this objective.
2. EF2000, Conservative Fixed Income Portfolio Strategy: This fixed-income focused strategy designed for an investor with a Conservative Income investment objective has an emphasis on preservation of capital with the potential for modest capital appreciation. This strategy employs Mutual Funds to achieve this objective.

Both fixed income strategies seek diversification through a blending of maturities and credit qualities that we feel are in favor in relation to the current interest rate environment and/or macro-economic environment.

We have Two ETF Equity Portfolio Strategies:

1. EF3000, Equity Growth Portfolio Strategy: This equity-focused strategy seeks to provide above average capital appreciation. We start with a combination of broad market of U.S. Large, Mid-Cap and Small-Cap ETFs. We then compliment these positions with global sector and industry specific ETFs.
2. EF4000 Equity Value Portfolio Strategy: This equity-focused strategy seeks to provide a stream of regular income through the payment of cash dividends. We start with a combination of global broad market and value style ETFs that have historically paid regular cash dividends. Each of the ETF positions are weighted and re-balanced with the companies paying the highest dividends over the past 12 months as dividends can be eliminated, raised or reduced by a company without notice.

These fixed income and equity portfolio strategies can also be combined to create a blended asset allocation model that may be appropriate for your personal investment needs.

## **Risks**

You are advised and are expected to understand that our past performance is not a guarantee of future results and that certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account. Investing in securities involves risk of loss which you should be prepared to bear.

There are principal and material risks involved which may adversely affect the account value and total return. There are other circumstances (including additional risks that are not described here) which could prevent your portfolios from achieving its investment objective. It is important to read all the disclosure information provided and to understand that you may lose money by investing in the any of our strategies. You should be aware that

Your account is subject to the following risks:

- **Stock Market Risk** – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- **Managed Portfolio Risk** – The manager's investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- **Industry Risk** – The portfolio's investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.
- **Non-U.S. Securities Risk** – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- **Emerging Markets Risk** – To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- **Currency Risk** – The value of your portfolio's investments may fall as a result of changes in exchange rates.
- **Interest Rate Risk**. The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- **Credit Risk**. Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss.
- **Inflation Risk**. Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down.

- **ETF and Mutual Fund Risk** – When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs.
- **Management Risk** – Your investment with us varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Options Risk** - Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

**Voting Proxies on Client Securities.** We do not vote proxies on behalf of clients who will receive such notices from their account’s custodian. We also do not take any action on legal notices we or a client may receive from issuers of securities held in a client’s managed account. However, we are available to answer questions regarding such notices.

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## **ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

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We do not use outside portfolio managers for our wrap program. All client information is maintained by DMI. Client information is reviewed and updated at least annually.

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## **ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS**

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As the portfolio manager, clients are free to contact us at any time.

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## **ITEM 9 - ADDITIONAL INFORMATION**

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### **Disciplinary Information**

WTAM does not have any legal, financial or other “disciplinary” item to report.

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

#### **Insurance**

We offer financial and retirement planning services. These services are offered to clients with or without investment advice. We spend a portion of our time providing financial and retirement planning services without investment advice. In addition, we are also licensed insurance agents and can sell various life insurance products. As a result, DMI or certain associated persons may

receive compensation for these activities as insurance agents. A small portion of the time we spend is in connection with these activities.

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

DMI and persons associated with us are allowed to invest for their own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any potential conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by deterring misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of DMI and WTAM, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of DMI and WTAM shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of DMI or WTAM shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings for anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of WTAM.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We emphasize the unrestricted right of the client to select and choose any broker-dealer (except in situations where we are granted discretionary authority) he or she wishes.
5. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; attn: Chief Compliance Officer.

## **Review of Accounts**

### **Account Reviews and Reviewers – Investment Supervisory Services**

The underlying securities within the investment supervisory services are regularly monitored. These reviews will be made by John G. McHugh and Darlene S. Duncan. An annual review is usually conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

### **Statements and Reports**

DMI will have the ability to provide clients with Performance/Position summary reports upon request. Reports may also be provided at every client meeting.

The custodian for the individual client's account, Charles Schwab, will also provide clients with an account statement at least quarterly.

**You are urged to compare the reports provided by DMI against the account statements you receive directly from your account custodian.**

## **Client Referral and Other Compensation**

### *Schwab Support Products and Services*

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. We do not base particular investment advice, such as buying particular securities for our clients, on the availability of Schwab's products and services to us.

### *Outside Compensation*

We may enter into written referral agreements with third parties by which the third party may, from time to time, refer clients that may establish accounts and enter into advisory relationships with us. In such circumstances, we agree to pay the third party a referral fee equal to a percentage of fees received by us from the referred client. The referral fee may be split between third parties who have jointly participated in referring a client to WTAM. The fee to be paid by WTAM will be borne entirely by us and there will be no additional fee, cost or expense to the referred client resulting from the referral agreement. WTAM makes disclosure of such referral arrangement, if any, to the client before entering into an advisory agreement. All referral agreements are governed by Rule 206(4)-3 under the Investment Advisers Act of 1940.



DMI only refers clients to professionals we believe are competent and qualified in their field, but it is ultimately the client's responsibility to evaluate the provider, and it is solely the client's decision whether to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and DMI has no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by DMI or WTAM.

If the client desires, DMI will work with these professionals or the client's other advisers (such as an accountant or attorney) to help ensure that the provider understands the client's investments and to coordinate services for the client. DMI nor WTAM will never share information with an unaffiliated professional unless first authorized by the client.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

IARs endeavor at all times to put the interest of our clients first as a part of their fiduciary duty. However, you should be aware that the receipt of additional compensation through expense reimbursements creates a conflict of interest that may impact the judgment of the IARs when making advisory recommendations.

We have established relationships with other investment advisors through which we act as a solicitor referring you to the other investment advisors' management programs. When acting in this solicitor/referral capacity, we will receive a portion of the fee paid to the other investment advisors by you.

### **Financial Information**

This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.