

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

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March 22, 2017

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) 460-8444. 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 IARD number. The IARD number for WealthTrust Asset Management is 174901.

## ITEM 2 – MATERIAL CHANGES

### Summary of Material Changes

Our last annual amendment filing was dated March 18, 2016.

Language in this Wrap Brochure has been updated since our last filing so please review the brochure in its entirety. 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.Duncan@dm.investments](mailto:Darlene.Duncan@dm.investments).

We encourage you to read this document in its entirety.

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**ITEM 3 - TABLE OF CONTENTS**

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<b>ITEM 2 – MATERIAL CHANGES</b>	<b>2</b>
<b>ITEM 3 - TABLE OF CONTENTS</b>	<b>3</b>
<b>ITEM 4 - SERVICES, FEES AND COMPENSATION</b>	<b>4</b>
<b>ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS</b>	<b>7</b>
<b>ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION</b>	<b>8</b>
<b>ITEM 7 - CLIENT INFORMATION PROVIDED TO ADVISORS</b>	<b>11</b>
<b>ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS</b>	<b>11</b>
<b>ITEM 9 - ADDITIONAL INFORMATION</b>	<b>12</b>

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

This document, offered by WealthPoint 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. We offer investment advisory services on both a “wrap” and a “non-wrap” fee basis. This brochure discusses our asset management services offered on a “wrap” fee program.

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 in 2014 by John G. McHugh, and became a registered investment adviser in 2015 with principal ownership by John G. McHugh and Darlene S. Duncan.

### **Portfolio Management Services**

The following Discretionary Portfolio Management Services are offered to our clients:

- 1) Portfolio management by your Investment Advisor Representative (IAR)
- 2) Portfolio management through our WTAM asset management program
- 3) Portfolio management services through a Third-Party Manager (TPM)

Each of these services begins with financial information gathered from you including net worth, risk tolerance, financial goals and objectives, investment restrictions, timeframe, and overall financial conditions. Based on this information, you are provided with recommendations designed to provide an appropriate asset mix (equity/fixed income/cash) consistent with your objectives. As a general rule, we believe that investing in equities is best suited to those investors who have a mid to long-term investment timeframe. Our firm urges you to communicate to us any significant changes to your financial or personal circumstances, so that we can consider such information in managing your investments.

Your execution of the DMI Discretionary client engagement agreement authorizes full investment discretion for your account. This discretion includes your authorization for us to select the securities to buy and sell, the amount to buy and sell and when to buy and sell on your behalf, without obtaining specific consent from you for each trade. This trading discretion is executed in a manner believed to be suitable for you and your account. 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. We may also recommend the use of a TPM to manage any portion of your assets. Portfolio management services through a TPM may require you to sign an additional manager specific agreement, granting the same full discretion to that TPM. Your TPM may charge a management fee in addition to the wrap fee with DMI. Neither your IAR nor DMI have discretion over those assets enrolled in portfolio management services offered through a TPM.

DMI exercises discretionary trading authority for portfolio management services offered by your IAR or through our portfolio management services available through WTAM. For portfolio management services offered by your IAR, your IAR has direct responsibility and full investment

discretion to manage assets in your account based upon the goals, objectives and risk tolerances you have set forth. Portfolio management services offered by WTAM allows discretion to invest in our DBS portfolios which are managed by WTAM, our in-house asset management division. We may invest in a variety of securities, including 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. Our IARs are subject to individual licensing requirements as imposed by state securities boards. Our firm is required to confirm or update each IAR's Form U4 on an annual basis. IAR supervision is conducted by our Chief Compliance Officer or management personnel.

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.

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

Execution of securities transactions may be covered by the wrap service fee implemented through your Custodian 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.

If you direct us to effect transactions through a particular broker/dealer, we will do so as we are able. 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.

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 your portfolio and other aspects of the service.

We do not guarantee the results of the advice given or discretion used. 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, WTAM or a TPM.

### **Portfolio Management Services Wrap Fee**

Our firm manages assets for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. As a fiduciary it is our duty to always act in the client's best interest. This is accomplished in part by knowing the client. Our firm has established a service-oriented advisory practice with open lines of communication. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

Our wrap fee program allows clients to pay a single fee for investment advisory services and associated custodial transaction costs. Because our firm absorbs client transaction fees, an incentive may exist to limit trading activities in client accounts. Custodial transaction costs, however, are not included in the advisory fee charged by our firm for non-wrap services, and are to be paid by the client to their respective custodian. Depending on the client's account or portfolio trading activity, clients may pay more for using our wrap fee services than they would for using our non-wrap services.

The maximum annual fee charged for this service will not exceed 2.5%. Fees to be assessed will be outlined in the advisory agreement to be signed by the Client. 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 or the last day of the calendar quarter 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. In certain circumstances, our fees and the timing of the fees may be negotiated. A flat dollar Minimum Annual Advisory Fee may also apply.

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.

As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and

- c) If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

**Other Types of Fees & Expenses:**

The fees not included in the advisory fee for our wrap services are 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), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions.

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.

Because we absorb certain transaction costs, we may have a financial incentive not to place transaction orders frequently since doing so may increase costs to us, thereby reducing our revenue. Thus, an incentive may exist to place trades less frequently. Also, because fees may be asset-based, there may be 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**

Some 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.

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

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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**

### **Selection of Portfolio Managers**

Our firm's IARs, WTAM's asset management program through investment in the DBS Portfolios, and certain TPMs may be included as managers in this wrap fee program. A conflict arises in that other investment advisory firms may charge the same or lower fees than our firm for similar services.

Performance returns of wrap portfolios are reviewed at least annually. While these performance reviews are evaluated for their accuracy, such accuracy is not guaranteed. One of the objectives of these reviews is to learn whether client accounts are in line with their investment objectives. If these standards fall below your objectives, our firm will discuss the review with you for proactive action to realign the investment strategy.

### **Advisory Business:**

Information about our wrap fee services can be found in Item 4 of this brochure. Our firm offers individualized investment advice to our Wrap Portfolio Management clients. Each Wrap Portfolio Management client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

### **Participation in Wrap Fee Programs:**

Our firm does not manage wrap fee accounts in a different fashion than non-wrap fee accounts. All accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

### **Performance-Based Fees & Side-By-Side Management:**

Our firm does not charge performance-based fees.

### **Methods of Analysis, Investment Strategies & Risk of Loss:**

We may use the following methods of analysis or investment strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

*Asset Allocation:* Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

*Cyclical Analysis:* In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.



*Fixed Income Portfolio Management Investment Strategies:* We believe that a conservative, risk-averse approach to fixed income management will provide both steady incremental outperformance, and low relative volatility. The disciplined process we employ in an effort to realize this philosophy is generally grounded in four key decisions:

- Constraint of portfolio duration within a narrow range relative to the benchmark in order to limit exposure to market and interest rate risk.
- Strategic allocations to key sectors to add value relative to the benchmark.
- Proactive management of term structure to add value in different yield curve environments.
- Security selection based on rigorous credit and relative value analysis and broad diversification of nongovernment issuers.

*Fundamental Analysis:* We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

*Mutual Fund and/or ETF Analysis:* We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also look at sector and style of the mutual funds(s) or ETF(s) to determine whether that strategy fits into the portfolio objectives. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

*Long-Term Purchases:* When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically we employ this sub-strategy when we believe the securities to be well valued; and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. The potential risks associated with this investment strategy involve a lower than expected return, for many years in a row. Lower-than-expected returns that last for a long time and/or that are severe in nature would have the impact of dramatically lowering the ending value of your portfolio, and thus could significantly threaten your ability to meet financial goals.

*Technical Analysis:* We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

*Sector Allocation:* We may allocate client assets to various sectors of the fixed income market and equity market. These fixed income sectors include, US Treasury obligations, federal agency securities, corporate notes, mortgage-backed securities and others, based on our quantitative and qualitative analysis in order to manage client exposure to a given sector and to provide exposure to sectors we believe have good value. The risk of sector allocation is that clients may not participate fully in an increase in value in any specific sector. The sectors for equities include the sectors of the overall as well as certain industries within these sectors.

*Short-Term Purchases:* Short-Term purchases are categorized as investments sold within one year of their purchase. A short-term holding is primarily associated with trading to take advantage of short-term market volatility to produce a quick profit. Because of the nature of this strategy, it is common for holdings to deviate from expected trends, thus reducing profitability. It is also common for the number of trades to increase in order to open and close positions, resulting in increased ticketing and transaction charges.

## **Risks**

You are advised and are expected to understand that 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 – Investment in ETF or mutual funds, causes the client to 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.
- Management Risk – Your investment with us varies with the success and failure of our research, analysis and determination of portfolio securities and the investment strategy employed. If the investment strategy does 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. 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 ADVISORS**

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Client information is maintained by DMI. It is our intention to review and update client information at least annually. Our financial advisors work with you directly to understand your current financial situation, existing resources, financial goals, and tolerance for risk. Our firm urges you to communicate to us any significant changes to your financial or personal circumstances, so that we can consider such information in managing your investments.

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

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Clients are free to contact internal portfolio managers at any time.

## ITEM 9 - ADDITIONAL INFORMATION

### **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. In addition, some of our associates are also licensed insurance agents and can sell various life insurance products. As a result, certain associated persons may receive compensation for these activities as insurance agents. A small portion of the time spent 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 with you and your investment advisor 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 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. Statements received from your custodian are the only official records of your account.**

### **Client Referral and Other Compensation**

We may receive an economic benefit from a custodian in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts with a particular custodian. We do not base investment advice, such as buying particular securities for our clients, on the availability of a custodian's products and services to us. We do not process transactions through any custodian in return for that custodian referring new clients to DMI or WTAM.

#### *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 DMI and/or WTAM. The fee to be paid by DMI and/or 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. We make 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 is, 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 may 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.