

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

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July 10, 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.

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## ITEM 2 – MATERIAL CHANGES

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### Summary of Material Changes

Our last annual amendment filing was dated March 22, 2017.

- Item 6 has been updated with additional language on the strategies and philosophy for the Discretionary Portfolio Management Services and Portfolios.

Please refer to Item 8 to a complete description of the philosophy, strategies and risks. 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@duncan-mchugh.com](mailto:Darlene.Duncan@duncan-mchugh.com).

We encourage you to read this document in its entirety.

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

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This Disclosure document is being offered to you by WealthPoint Investments, LLC (“WPI”) doing business as Duncan McHugh Investments (“DMI”) in connection with the investment advisory services we provide. It discloses information about the services we provide and the manner in which those services are made available to you, the client. WealthPoint Investment LLC Asset Management Platform uses the name WealthTrust Asset Management (“WTAM”). 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 management firm located in Destin, Florida and Chesterfield, Missouri, specializing in investment advisory services for high net worth individuals, families, trusts, estates and profit sharing plans. 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.

### **Investment Management and Supervision Services**

We offer discretionary and non-discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. A flat dollar Minimum Annual Advisory Fee may also apply. These services include investment analysis, allocation of investments, quarterly portfolio statements and ongoing monitoring services for the portfolio.

The following 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)

We help determine your portfolio composition based on your needs, portfolio restrictions, if any, financial goals and risk tolerances. We will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This enables us to determine the portfolio we view as appropriate for your investment objectives and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we may recommend and/or engage the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio, and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review your portfolio at least quarterly.

We may rebalance the portfolio, as we deem appropriate, to meet your financial objectives. For discretionary accounts, we will trade these portfolios and rebalance them on a discretionary basis.

For non-discretionary accounts, we will render investment advice and recommendations, but all investment decisions will be made by you. No purchase, sale, or other transaction(s) will be made with respect to any security or other assets in the Account without your authorization. You retain control over all investment decisions in your Account. You have the discretion to follow, or not to follow the investment advice provided to you by WPI.

Our advisory services are tailored to meet your individual needs. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities. However, when using mutual funds or Exchange Traded Funds (“ETFs”) this multi-fund manager approach makes it difficult for us to ensure that your portfolio will not invest in a particular industry or security. We are happy to discuss your preferences regarding socially conscious investment concerns and, we’ll try as much as possible, to accommodate them.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct investment advisory fees, but only with the appropriate authorization from you.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account’s performance. This could result in capital losses in your account.

#### **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.

Fees for investment management are based upon the greater of the following pricing methods:

**Assets Under Management (“AUM”) Pricing:** An annual fee amount charged to an account based upon a) a negotiated fee schedule and b) the account’s market value of assets under management on the last business day of each month or quarter, as indicated in the Investment Advisory Agreement signed by the client. The account’s market value will be reported by the Custodian.

**Minimum Annual Advisory Fee Pricing:** A negotiated annual flat dollar amount.

AUM Pricing fees are assessed on all assets under management, including securities, cash and money market balances.

The fees are applied to the account asset value on a pro-rated basis, billed monthly or quarterly in advance. The initial fee will be based upon the date the account is accepted for management by execution of the investment advisory contract by the Firm and the assets are transferred through the last day of the current calendar month or quarter. All fees are stated in your Investment Advisory Agreement.

**Discretionary Accounts:** The maximum investment management fee schedule for AUM Pricing of Discretionary Accounts is as follows:

Assets Under Management	AUM Pricing Annual Maximum
First \$250,000	2.50%
Next \$250,000	2.25%
Next \$250,000	2.00%
Next \$250,000	1.75%
over \$1,000,000	1.50%

**Non-Discretionary Accounts:** Our maximum advisory fee for AUM Pricing for non-discretionary investment management shall not exceed 2.00%.

Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons which we determine. Our fees may be negotiable.

At our discretion, we may add (aggregate) asset amounts in discretionary accounts from your same household together to determine the advisory fee for all your accounts. We may do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a reduced advisory fee based on the asset levels available in our Discretionary AUM Pricing fee schedule.

### **General**

You authorize us to debit your account monthly for our fee. The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us.

You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account

statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. You are encouraged to review your account statements for accuracy.

Either WPI or you may terminate the discretionary and non-discretionary investment 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 respective period 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.

### **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. Furthermore, some existing variable annuities may be subject to trailing service fees, deferred sales charges, and mortality and expense fees. These fees are independent of our fees and should be disclosed by the custodian or contained in each fund's prospectus. You should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources.

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.

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

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### **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 and Risk of Loss**

Methodologies, analysis, and investment strategies may vary between portfolio managers. Your IAR, WTAM, and TPMs may each have unique processes that may or may not correlate with each other.

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

In accordance with the asset allocation developed, WPI will primarily invest in individual common stocks, bonds, Exchange Traded Funds (“ETFs”) and mutual funds. Other securities may be used for individual portfolios as necessary to meet investor objectives.

**Common Stocks** are generally evaluated by any or all of the following methods:

- *Fundamental Analysis* – a measure of the intrinsic value of a security by looking at economic and financial factors, including the overall economy, industry conditions, the financial condition and the management of the company. This method does not attempt to anticipate market movements which may present potential risk, as the price of a security may move up or down along with the overall market or industry group, regardless of the economic and financial factors evaluated.
- *Technical Analysis* – a security analysis methodology to attempt to forecast the direction of prices through the study of past market price movements and recognition of recurring patterns.
- *Quantitative Analysis* – a financial analysis technique that evaluates complex mathematical and statistical models, measurement, and analyst market research. A subjective numerical value is assigned to the variable criteria by the analyst in order to reflect and compare securities mathematically.

**ETFs and mutual funds** are generally evaluated on a variety of factors, including but not limited to, past performance, fee structure, expense ratio, portfolio manager tenure, fund sponsor, market size, standard deviation, tracking error, correlation to style and/or peer group, overall ratings of safety and returns, and reputation.

**Fixed income** investments may be used as a strategic investment, as an instrument of liquidity or to fulfill income needs in a portfolio, or to add a component of capital preservation. WPI may evaluate and select individual bonds or bond funds based on a number of factors, including but not limited to credit agency rating, coupon rate, maturity date, call date, yield to maturity, yield to call, duration, debt service coverage, company or project, geographic location, and industry outlook.

### ***WPI Investment Philosophy***

The stock markets will indeed fluctuate – creating 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 should employ strategies to manage the risk of investing in companies or even entire market sectors. It is WPI's philosophy that all investors should attempt to mitigate risk to a level acceptable to their risk tolerance and investment timeline. Risk is best managed by maintaining a diversified investment portfolio of equities/fixed income/cash.

Equity 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 WPI primarily advocates being fully invested in the market for your equity allocation, 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.

Diversification can help an investor reach their goals, but diversification alone doesn't eliminate risk. Prices fluctuate and make for uncertain returns. In pursuing financial objectives, investors can choose from a wide range of investment options that vary greatly in their degree and type of risk and potential return.

#### ***WealthTrust Asset Management and the DBS Portfolios***

The asset management platform of WPI, WealthTrust Asset Management ("WTAM"), is responsible for the management of our DBS portfolios. WTAM's equity methodology relies heavily on quantitative analysis with the belief that the long-term market price of a stock is ultimately determined by its ability to generate earnings.

Companies in our database are systematically ranked 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, each equity position is assigned a ranking of 1-5, with 1 representing a strong buy and 5 representing a strong sell.

To this initial quantitative analysis, WTAM applies an additional proprietary in-depth screening to further quantify equities for inclusion in or deletions from their DBS Portfolios.

WTAM's quantitative method provides a strong, yet dispassionate, buy/sell discipline for their management. This discipline assists them in avoiding market fads, helps them find or realize real value in companies across market segments, and assists in determining when to lighten up or sell companies or market segments.

### ***WTAM Investment Strategies - The DBS Portfolios***

#### **WTAM Equity Investment Portfolio Strategies**

Our Equity Investment Portfolio Strategies traditionally share our principals of fundamental and quantitative 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. There are currently nine (9) DBS Investment Options which we refer to as "sleeves." The sleeves can be stand-alone investments or, as traditionally is the case, they may be combined to create a portfolio that offers an optimal blend for an investor.

#### **Long Term Growth Allocation (LTGA)**

The LTGA Equity Allocation is made up of 10-20 stocks, primarily large- cap and other dividend-paying companies, and has total return as its investment objective. Turnover on this investment strategy is relatively low.

#### **Earnings "Surprise" Equity Allocation (ESEA)**

Five to ten (5-10) companies make up the ESEA investment sleeve. These companies may or may not meet the standard quantitative investment criteria of our LTGA. ESEA selections are intended to be short-term holdings, although those that meet WTAM's standard investment criteria may be moved to our LTGA and held for a longer time period.

#### **Price Momentum Equity Allocation (PMEA)**

Like the ESEA sleeve, the PMEA equity allocation may not meet the standard quantitative investment criteria of other DBS strategies. In this sleeve, WTAM focuses on point and figure and technical price movements of a company, looking for stocks that are showing relative strength vs. the market and their peers.

**Total Return (CORE)**

This flagship portfolio is comprised of our DBS Long-term Growth Allocation (LTGA), Earnings “Surprise” Equity Allocation (ESEA), and Price Momentum Equity Allocation (PMEA) Portfolios with total return as its investment objective. There are approximately thirty stock positions in this portfolio strategy at any given time, selected from equities we believe show value, growth potential and/or have a history of dividends to their shareholders.

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

**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 Mutual Funds and/or Exchange Traded Funds (“ETFs”) to achieve this objective.

**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.

These 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.

***WTAM ETF Equity Portfolio Strategies***

**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. WTAM then compliments these positions with global sector and industry specific ETFs.

**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.

***WTAM Precious Metal ETF Portfolio Strategy***

**GOLD (GLD)**, This DBS Sleeve utilizes SPDR Gold Shares (GLD) as an investment hedge to more traditional investments. GLD is the largest physically backed gold exchange traded fund (ETF) in the world and allows investing in this asset class without having to own the physical commodity. It has long been believed that investing in precious metals (like gold) can provide an investment hedge as, historically, the price of gold has responded differently to economic events when compared to other asset classes such as equities or fixed income.

**Risk:**

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. All investments carry risk.

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through WPI.

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. 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.

## **ITEM 7 - CLIENT INFORMATION PROVIDED TO ADVISORS**

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.

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

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.