

**Brochure**

**Form ADV Part 2A**

**Item 1 - Cover Page**

**Access Wealth Management, Inc.**

**CRD# 281616**

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This brochure provides information about the qualifications and business practices of Access Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at (502) 292-5800 or [tony.christensen@accesswm.com](mailto:tony.christensen@accesswm.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Access Wealth Management, Inc. is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Access Wealth Management, Inc. also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

**Item 2 - Material Changes**

This Brochure is prepared in the revised format required beginning in 2011. This is the initial Brochure of Access Wealth Management, Inc., and is prepared according to the SEC's requirements and rules. In the future, this Item will discuss only specific material changes that are made to the Brochure and will provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure. We will further provide you with a new Brochure as necessary based on changes, new information, or at your request, at any time, without charge.

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## ***Item 4 - Advisory Business***

### General Information

Access Wealth Management, Inc. ("AWM") registered as an investment adviser in 2015, and provides financial planning, portfolio management, and other ancillary services to its clients.

Anthony ("Tony") L. Christensen is the sole principal owner of AWM. Please see ***Brochure Supplements***, Exhibit A, for more information on Mr. Christensen and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

AWM is a newly formed Registered Investment Advisory firm and does not currently have any assets under management.

### **SERVICES PROVIDED**

AWM offers a wide range of services, primarily to high net worth individuals. Each engagement is tailored to the client's specific needs, but our services are generally encompassed in the two tiers of service described below. In some instances, clients retain AWM under the AWM Wrap Fee Program, which is described more fully in ***Item 5, Fees and Compensation*** and ***Appendix 1, Wrap Fee Program Brochure***.

Regardless of the service level selected, at the outset of each client relationship, AWM spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and reviewing options for the client. Based on its reviews, AWM generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile" or "Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan" or "Plan").

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments AWM will make or recommend on behalf of the client to meet those goals. The Profile and the Plan are discussed regularly with each client, but are not necessarily written documents.

### **Service Levels**

<b>AWM Portfolio Management Program</b>
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- Initial and ongoing asset allocation of Portfolio assets
- Management of Portfolio assets ("Portfolio Management")
- Ad hoc advice
- Client Communications, including
  - Unlimited telephone and email access
  - Quarterly investment performance statements

AWM Private Wealth Management Program
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Includes all of the Services set forth above under *AWM Portfolio Management Program*, plus:

- Financial Planning, including an initial plan and ongoing planning updates as needed
- Life, Health and Long Term Care insurance and Variable Annuity consulting
- Private banking assistance (assist Client with sourcing mortgages, letters of credit, etc.)
- Additional Client Communications, including
  - Quarterly in-person meetings, as requested
  - Regular phone meetings, as requested
  - Quarterly market commentary

To implement the client's Investment Plan, AWM will manage the client's investment portfolio on a discretionary or a non-discretionary basis. As a discretionary investment adviser, AWM will have the authority to supervise and direct the portfolio without prior consultation with the client. Under a non-discretionary arrangement, clients must be contacted prior to the execution of any trade in the account(s) under management. This can result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on AWM in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of AWM.

#### Separate Account Managers

When appropriate and in accordance with the Investment Plan for a client, AWM may recommend the use of one or more Separate Account Managers, each a "Manager". Having access to various Managers offers a wide variety of manager styles, and offers clients the opportunity to utilize more than one Manager if necessary to meet the needs and investment objectives of the client. AWM will select or recommend the Manager(s) it deems most appropriate for the client. Factors that AWM considers in recommending/selecting Managers generally include the client's stated investment objective(s), management style, performance, risk level, reputation, financial strength, reporting, pricing, and research.

The Manager(s) will generally be granted discretionary trading authority to provide investment supervisory services for the portfolio. Under certain circumstances, AWM retains the authority to terminate the Manager's relationship or to add new Managers without specific client consent. In other cases, the client will ultimately select one or more Managers recommended by AWM. Fees paid to such Manager(s) are separate from and in addition to the fee assessed by AWM.

In any case, with respect to assets managed by a Manager, AWM's role will be to monitor the overall financial situation of the client, to monitor the investment approach and performance of the Manager(s), and to assist the client in understanding the investments of the portfolio.

#### Wrap Programs

As described further below in **Item 5, Fees and Compensation** and in **Appendix 1, Wrap Fee Program Brochure**, AWM offers Portfolio Management and Private Wealth Management Services through its own Wrap Fee Program, under which AWM fees and brokerage expenses are combined into one inclusive fee.

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

#### General Fee Information

Clients enter into one of two fee arrangements with AWM. Generally clients elect to pay management fees to AWM separately from the brokerage expenses of the account. Accordingly, client accounts pay a management fee, plus the cost of transactions in the account. The brokerage expenses may take the form of asset-based pricing, meaning that the broker/dealer charges the account a flat-rate percentage to cover all brokerage expenses, or these expenses may be assessed on a per-trade basis. Please see **Item 12 - Brokerage Practices** for additional information.

Alternatively, clients may elect to participate in the AWM Wrap Fee Program. The Wrap Program fee structure includes the brokerage expenses (i.e., commissions, ticket charges, etc.) of the account as well as the management fee paid to AWM. Under this inclusive billing alternative, AWM will assess one client fee that captures the management, brokerage and administrative portions collectively. Inasmuch as AWM pays to the executing broker/dealer or qualified custodian the transaction and execution costs associated with client accounts, this may create a disincentive for AWM to trade securities in accounts.

In either of these arrangements, the fees noted above are separate and distinct from the internal fees and expenses charged by third party managers, mutual funds, ETFs (exchange traded funds), or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by managers, funds, brokers, AWM and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

Either AWM or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to AWM from the client will be invoiced or deducted from the client's account prior to termination.

#### Portfolio Management and Private Wealth Management Fees

Portfolio Management Services and Private Wealth Management Services are assessed based on the value of the investment accounts of the client. Annual fees are individually negotiated and agreed upon, and generally range from 1.0 to 1.5%, depending upon the specific needs of the client.

The minimum portfolio value for either of these service levels is generally set at \$1,000,000. AWM may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where AWM deems it appropriate under the circumstances.

Portfolio management and Private Wealth Management fees are generally payable quarterly in advance. If management begins after the start of a quarter, fees will be prorated accordingly. With client authorization, unless other arrangements are made fees are normally debited directly from client account(s).

#### Separate Account Manager Fees

In instances where the services of a Separate Account Manager are utilized, the Separate Account Manager fees will be charged in addition to AWM's fee, and will be detailed in the Management Agreement signed by the client.

#### Other Compensation

Certain of AWM's employees are also Registered Representatives of Purshe Kaplan Sterling Investments ("PKS"), a FINRA and SIPC member, and registered broker/dealer. As such, they are entitled to receive commissions or other remuneration on the sale of insurance as well as other products. To protect client interests, AWM's policy is to disclose all forms of compensation before any such transaction is executed. Clients will not pay both a commission to these individuals and also pay an advisory fee to AWM on the same pool of assets. These fees are exclusive of each other.

As a result of this relationship, PKS may have access to certain confidential information (e.g., financial information, investment objectives, transactions, and holdings) about AWM clients, even if the client does not establish any account through PKS. If you would like a copy of the PKS privacy notice, please contact Tony Christensen.

To protect client interests, AWM's policy is to disclose all forms of compensation before any such transaction is executed.

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

AWM does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because AWM has no performance-based fee accounts, it has no side-by-side management.

### ***Item 7 - Types of Clients***

AWM serves individuals, high net worth individuals, pension and profit-sharing plans, corporations, and charitable organizations. With some exceptions, the minimum portfolio value eligible for conventional investment advisory services is \$1,000,000. Under certain circumstances and in its sole discretion, AWM may negotiate this minimum.

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

#### Methods of Analysis

In accordance with the Investment Plan, AWM will invest in mutual funds, ETFs, common stock, individual bonds and alternative investments. AWM will also utilize third party managers (each a "Manager") as appropriate in light of client circumstances.

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

In making selections of individual stocks for client portfolios, AWM focuses on fundamental Analysis, which involves a review of the business and financial information about an issuer. Without limitation, the following factors generally will be considered:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. AWM will generally evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

#### Investment Strategies:

AWM's strategic approach is to invest each portfolio in accordance with the Plan that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances.

Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

Trading – generally considered holding a security for less than thirty (30) days.

Margin Transactions – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Options Trading/Writing: a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

#### Risk of Loss

While AWM seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While AWM manages client investment portfolios, or recommends one or more Managers, based on AWM's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that AWM or a Manager allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that AWM's specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, AWM or a Manager(s) may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Risks Related to Alternative Investment Vehicles.* From time to time and as appropriate, AWM may invest a portion of a client's portfolio in alternative vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in which they are invested, the success of each of which will depend heavily upon the efforts of their respective Managers. When the investment objectives and strategies of a Manager are out of favor in the market or a Manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the Manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the Managers make unsuccessful investment decisions at the same time.

*Equity Market Risks.* AWM and any Manager(s) will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* AWM and any Manager(s) may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).



*Foreign Securities Risks.* AWM and any Manager(s) may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

*Margin Risk.* AWM does not use margin as an investment strategy. However, clients may elect to borrow funds against their investment portfolio. When securities are purchased, they may be paid for in full or the client may borrow part of the purchase price from the account custodian. If a client borrows part of the purchase price, the client is engaging in margin transactions and there is risk involved with this. The securities held in a margin account are collateral for the custodian that loaned the client money. If those securities decline in value, then the value of the collateral supporting the client's loan also declines. As a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in the client's account. The brokerage firm may issue a margin call and/or sell other assets in the client's account to accomplish this. It is important that clients fully understand the risks involved in trading securities on margin, including but not limited to:

- It is possible to lose more funds than is deposited into a margin account;
- The account custodian can force the sale of assets in the account;
- The account custodian can sell assets in the account without contacting the client first;
- The account holder is not entitled to choose which assets in a margin account may be sold to meet a margin call;
- The account custodian can increase its "house" maintenance margin requirements at any time without advance written notice; and
- The account holder is not entitled to an extension of time on a margin call.

*Options Risk.* A small investment in options could have a potentially large impact on an investor's performance. The use of options involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that a hedging technique will fail if changes in the value of a derivative held by an investor do not correlate with the securities being hedged.

### ***Item 9 - Disciplinary Information***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of AWM or the integrity of AWM's management. AWM has no disciplinary events to report.

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

- Certain of AWM's employees, including Management Person, are also Registered Representatives of PKS. Please see ***Item 5 - Fees and Compensation*** for more information.
- AWM's affiliate, Access Family Office Services, LLC ("AFOS"), provides additional services for separate compensation and under a separate agreement entered into between the Client

and AFOS. Clients may engage AFOS to provide any or all of the following services, without limitation:

- Investment Management consulting, including on assets not included in Portfolio
- Tax Analysis
- Tax filing
- Consulting with respect to trust and estate matters
- Consolidated net worth reporting and management
- Concierge and Lifestyle Assistance
  - For example, personal bill pay and expense management services
- Business consulting
- Consulting with respect to family issues such as estate plans and family business continuity and leadership transition
- Additional Concierge and Lifestyle Assistance, including but not limited to:
  - Background checks, as requested
  - Electronic security – access and surveillance
  - Property management
- Additional Client Communications, including:
- Quarterly or monthly in-person meetings, as requested

The fees assessed by AFOS are negotiated individually with each client.

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

#### **Code of Ethics and Personal Trading**

AWM has adopted a Code of Ethics (the “Code”), the full text of which is available to you upon request. AWM’s Code has several goals. First, the Code is designed to assist AWM in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, AWM owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with AWM (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for AWM’s associated persons. Under the Code’s Professional Standards, AWM expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, AWM associated persons are not to take inappropriate advantage of their positions in relation to AWM clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time AWM’s associated persons may invest in the same securities recommended to clients. Under its Code, AWM has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code’s personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

### Participation or Interest in Client Transactions

As outlined above, AWM has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, AWM's goal is to place client interests first.

Consistent with the foregoing, AWM maintains policies regarding participation in initial public offerings ("IPOs") and private placements to comply with applicable laws and avoid conflicts with client transactions. If a person associated with AWM wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with AWM's written policy.

### ***Item 12 - Brokerage Practices***

#### Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, AWM seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, AWM may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of AWM's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

AWM may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of clients' assets. AWM may also effect trades for client accounts at Schwab, or may in some instances, consistent with AWM's duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although AWM may recommend that clients establish accounts at Schwab, it is ultimately the client's decision to custody assets with Schwab. AWM is independently owned and operated and is not affiliated with Schwab.

Schwab Advisor Services provides AWM with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of those services help AWM manage or administer our clients' accounts while others help AWM manage and grow our business. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. These services are not soft dollar arrangements, but are part of the institutional platform offered by Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For AWM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or

that settle into Schwab accounts. Schwab Advisor Services also makes available to AWM other products and services that benefit AWM but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of AWM accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist AWM in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide pricing and other market data; (iv) facilitate payment of AWM's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help AWM manage and further develop its business enterprise. These services may include: (i) technology compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to AWM. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to AWM. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of AWM personnel. In evaluating whether to recommend that clients custody their assets at Schwab, AWM may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### Directed Brokerage

AWM does not generally allow directed brokerage accounts.

#### Aggregated Trade Policy

AWM typically directs trading in individual client accounts as and when trades are appropriate based on the client's Investment Plan, without regard to activity in other client accounts. However, from time to time, AWM may aggregate trades together for multiple client accounts, most often when these accounts are being directed to sell the same securities. If such an aggregated trade is not completely filled, AWM will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by AWM or its officers, directors, or employees will be excluded first.

#### ***Item 13 - Review of Accounts***

Managed portfolios are reviewed at least quarterly, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by AWM. These factors generally include, but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. Tony Christensen, AWM's President, reviews all accounts.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all

trading activity, and year-end tax statements, such as 1099 forms. In addition, AWM provides at least a quarterly ` report for each managed portfolio. This written report normally includes a summary of portfolio holdings and performance results. Additional reports are available at the request of the client.

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

As noted above, AWM receives an economic benefit from Schwab in the form of support products and services it makes available to AWM and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described in ***Item 12 - Brokerage Practices***. The availability of Schwab's products and services to AWM is based solely on our participation in the programs and not in the provision of any particular investment advice. Neither Schwab nor any other party is paid to refer clients to AWM.

#### ***Item 15 - Custody***

Schwab is the custodian of nearly all client accounts at AWM. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify AWM of any questions or concerns. Clients are also asked to promptly notify AWM if the custodian fails to provide statements on each account held.

From time to time and in accordance with AWM's agreement with clients, AWM will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

#### ***Item 16 - Investment Discretion***

As described in ***Item 4 - Advisory Business***, AWM will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney ("LPOA") is executed by the client, giving AWM the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. AWM then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with AWM and the requirements of the client's custodian.

For *non-discretionary* accounts, the client also generally executes an LPOA, which allows AWM to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between AWM and the client, AWM does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to AWM's agreement with the client and the requirements of the client's custodian.

#### ***Item 17 - Voting Client Securities***

As a policy and in accordance with AWM's client agreement, AWM does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy

materials directly to the client. Clients may contact AWM with questions relating to proxy procedures and proposals; however, AWM generally does not research particular proxy proposals.

***Item 18 - Financial Information***

AWM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure with respect to this item.