

**Item 1: Cover Page  
Part 2A of Form ADV: Firm Brochure  
July 2017**



**Acumen Wealth Advisors, LLC®  
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Chattanooga, TN 37405  
[www.acumenwealth.com](http://www.acumenwealth.com)**

**Firm Contact:  
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Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of Acumen Wealth Advisors, LLC®. If clients have any questions about the contents of this brochure, please contact us at [amy.stone@acumenwealth.com](mailto:amy.stone@acumenwealth.com) or (423) 825-4796. 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. Additional information about our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #282565.

Please note the use of the term "registered investment adviser" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements on our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

## **Item 2: Material Changes**

Acumen Wealth Advisors, LLC® is required to make clients aware of information that has changed since the last annual update to the Firm Brochure ("Brochure") and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

Since our last annual amendment filing dated 3/6/2017 we have removed the tiered fee schedule from our Retirement Plan Consulting offering.

### Item 3: Table of Contents

Item 1: Cover Page .....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents .....	3
Item 4: Advisory Business.....	4
Item 5: Fees & Compensation .....	6
Item 6: Performance-Based Fees & Side-By-Side Management.....	9
Item 7: Types of Clients & Account Requirements .....	9
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss .....	9
Item 9: Disciplinary Information.....	11
Item 10: Other Financial Industry Activities & Affiliations.....	11
Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading.....	11
Item 12: Brokerage Practices .....	12
Item 13: Review of Accounts or Financial Plans.....	15
Item 14: Client Referrals & Other Compensation.....	16
Item 15: Custody.....	17
Item 16: Investment Discretion.....	17
Item 17: Voting Client Securities.....	17
Item 18: Financial Information .....	18

## Item 4: Advisory Business

Our firm is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed under the laws of the State of Tennessee in 2011 and has been in business as an investment adviser since 2016. Our firm is owned by Reese Veltenaar (50%) and John Owen (50%).

Our firm provides asset management and investment consulting services 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.

### **Types of Advisory Services Offered**

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#### **Comprehensive Portfolio Management:**

As part of our Comprehensive Portfolio Management service, clients will be provided asset management and financial planning or consulting services. This service is designed to assist clients in meeting their financial goals through the use of a financial plan or consultation. Our firm conducts client meetings to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what is learned, an investment approach is presented to the client, which can consist of individual stocks, bonds, ETFs, options, mutual funds and other public and private securities or investments. Once the investment objective is determined and agreed with the client, the portfolio is invested based on our investment strategies described in section 8 of this brochure. Portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client's individual needs, stated goals and objectives. Upon client request, our firm provides a summary of observations and recommendations for the planning or consulting aspects of this service.

Our firm may utilize the sub-advisory services of a third party investment advisory firm or individual advisor to aid in the implementation of an investment portfolio designed by our firm. Before selecting a firm or individual, our firm will ensure the chosen party is properly licensed or registered.

#### **Financial Planning & Consulting:**

Our firm provides a variety of standalone financial planning and consulting services to clients for the management of financial resources based upon an analysis of their current situation, goals, and objectives. Financial planning services will typically involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, or Business and Personal Financial Planning.

Written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. Implementation of the recommendations will be at the discretion of the client. Our firm provides clients with a summary of their financial situation, and observations for financial planning engagements. Financial consultations may not be accompanied by a written summary of observations and recommendations, as the process is less formal than the planning service. Assuming all the information and documents requested from the client are provided promptly, plans or consultations are typically completed within six (6) months of the client signing a contract with our firm.

### **Retirement Plan Consulting:**

Our firm provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education.

Retirement Plan Consulting services typically include:

- Establishing an Investment Policy Statement – Our firm will assist in the development of a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – Our firm will work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.
- Asset Allocation and Portfolio Construction – Our firm may develop strategic asset allocation models to aid participants in developing strategies to meet their investment objectives, time horizon, financial situation and tolerance for risk.
- Investment Monitoring – Our firm will monitor the performance of the investments.

In providing services for retirement plan consulting, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”).

All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our firm accepts appointments to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

### **Referrals to Third Party Money Managers:**

Our firm may utilize the services of a third party money manager for the management of client accounts. Investment advice and trading of securities will only be offered by or through the chosen third party money manager. Our firm will not offer advice on any specific securities or other investments in connection with this service. Prior to referring clients, our firm will provide initial due diligence on third party money managers and ongoing reviews of their management of client accounts. To assist in the selection of a third party money manager, our firm will gather client information pertaining to their

financial situation, investment objectives, and reasonable restrictions to be imposed upon the management of the account.

Our firm will periodically review third party money manager reports provided to the client at least annually. Our firm will contact clients from time to time to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third party money manager. Clients will be expected to notify our firm of any changes in their financial situation, investment objectives, or account restrictions that could affect their financial standing.

### **Tailoring of Advisory Services**

Our firm offers individualized investment advice to our Comprehensive Portfolio Management clients. General investment advice will be offered to our Financial Planning & Consulting, Retirement Plan Consulting, and Referrals to Third Party Money Management clients.

Each Comprehensive 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.

Clients may direct AWA to hold certain investments initially brought into their account, purchase additional investments outside of AWA's portfolio model, or place restrictions to exclude certain types of investments from being included in their portfolio. When this happens, clients should understand these investments or restrictions could result in the loss of investment capital or other unfavorable results. Further, clients should understand the performance of their account could differ from that of an account with the same investment objective. If we are holding certain assets due to tax implications, we may work with the clients to develop a strategy to slowly diversify these holdings.

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

Our firm does not offer or sponsor a wrap fee program.

### **Regulatory Assets Under Management**

Our firm manages \$100,165,775 on a discretionary basis and \$30,621,578 on a non-discretionary basis as of December 31<sup>st</sup> 2016.

## **Item 5: Fees & Compensation**

### **Compensation for Our Advisory Services**

#### **Comprehensive Portfolio Management:**

The maximum annual fee charged for this service will be 2.00%. The fee for the management of client assets and financial planning services will be assessed based on the information below.

- *Management of Assets Fee Schedule*

<b>Assets Under Management</b>	<b>Annual Percentage of Assets Charge</b>
First \$1,000,000	1.50%
Next \$1,000,000	1.30%
Next \$3,000,000	1.20%
Next \$5,000,000	1.00%
Next \$10,000,000	0.80%
Over \$20,000,000	0.75%

For the sub-advisory services rendered to our clients, third party managers will debit their fees directly in addition to the annual percentage of assets charge published above. The advisory fee paid to sub-advisors can range from 0.28% and 0.75%, and the total amount paid by the client shall never exceed the maximum fee of 2% published above.

The total fees to be assessed will be outlined in the advisory agreement to be signed by the client. Annualized fees are billed on a pro-rata basis monthly in advance based on the value of the account(s) on the last day of the previous month. The value used for billing could differ slightly from the custodian statement due to trade settlement and accrued income. Fees are negotiable and will be deducted from client account(s). Adjustments will be made for deposits and withdrawals in excess of \$25,000 during the month. In rare cases, our firm will agree to direct bill clients. As part of this process, clients understand the following:

- a) The client's independent custodian sends statements at least monthly 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.

### **Financial Planning & Consulting:**

Our firm charges either a flat fee, or an hourly basis for our services. The total estimated fee, as well as the ultimate fee we charge, is based on the scope and complexity of our engagement with you. The maximum hourly fee to be charged will not exceed \$400. Flat fees charged will be up to \$50,000 and determined by the type of client and complexity of the engagement.

Our firm requires a retainer of twenty-five percent (25%) of the ultimate financial planning or consulting fee at the time of signing. The remainder of the fee will be directly billed to the client and due within thirty (30) days of a financial plan being delivered or consultation rendered. Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

The fee to be charged and billing cycle will be outlined in the financial planning agreement for clients to sign. Payment for these fees are due within 30 days of invoicing.

### **Retirement Plan Consulting:**

Our Retirement Plan Consulting services are billed on hourly rate and/or fee based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client and are negotiable. The maximum hourly fee to be charged will not exceed \$400. Fees based on a percentage of managed Plan assets will not exceed 0.50% of the total plan assets. It should be noted that with certain custodians we do not have the ability to change fees until being added as the adviser to the plan, thus if higher fees were agreed to with the previous adviser, these may carry over for up to six months, after which point the above fee schedule shall be in place. The fee-paying arrangements for Retirement Plan Consulting service will be determined on a case-by-case basis and will be detailed in the signed consulting agreement.

### **Referrals to Third Party Money Managers:**

The total annual advisory fee for this service shall not exceed 2.00%. We debit the fee for our services separately and in addition to the fee agreed upon with your chosen TPMM. Clients will be provided with a copy of the chosen third party money manager's Form ADV Part 2, all relevant Brochures and the third party money manager's privacy policy, and the written separate disclosures made to clients regarding these fees comply with applicable state statutes and rules.

The billing procedures for this service vary based on the chosen third party money manager. The total fee to be charged, as well as the billing cycle, will be detailed in the third party money manager's ADV Part 2A and separate advisory agreement to be signed by the client.

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

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Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our firm's advisory fees and will be disclosed by the chosen custodian. Clients may also pay 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, initial or deferred sales charges, mutual fund sales loads, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses). Our firm does not receive a portion of these fees.

### **Termination & Refunds**

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Either party may terminate the advisory agreement signed with our firm for Comprehensive Portfolio Management service in writing at any time. Upon notice of termination our firm will process a pro-rata refund of the unearned portion of the advisory fees charged in advance at the beginning of the month.

Financial Planning & Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

Either party to a Retirement Plan Consulting Agreement may terminate at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing an agreement. After five (5) business days from initial signing,



either party must provide the other party thirty (30) days written notice to terminate billing. Billing will terminate 30 days after receipt of termination notice. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

### **Commissionable Securities Sales**

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Our firm and representatives do not sell securities for a commission in advisory accounts.

## **Item 6: Performance-Based Fees & Side-By-Side Management**

Our firm does not charge performance-based fees.

## **Item 7: Types of Clients & Account Requirements**

Our firm has the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Profit Sharing Plans;
- Corporations, Limited Liability Companies and/or Other Business Types

Our requirements for opening and maintaining accounts or otherwise engaging us:

- Our firm requires a minimum account balance of \$500,000 for our Comprehensive Portfolio Management. Generally, this minimum account balance requirement is negotiable.
- Written financial plans are generally assessed a minimum fee of \$2,500.

## **Item 8: Methods of Analysis, Investment Strategies & Risk of Loss**

### **Methods of Analysis**

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We use the following methods of analysis in formulating our investment advice and/or managing client assets:

*Cyclical Analysis:* statistical analysis of specific events occurring at a sufficient number of regular intervals that they can be forecasted into the future.

*Behavior Analysis:* highlights inefficiencies such as under or over-reactions to information as causes for market trends and in extreme cases bubbles and crashes. Such reactions have been attributed to limited investor attention, overconfidence, over optimism, mimicry and noise trading.

*Fundamental Analysis:* considers the economic, financial, and other qualitative/quantitative factors that may impact the price of a security. Fundamental analysis attempts to measure its intrinsic value as compared to its current price. Risks may include using incorrect assumptions, financial misreporting and/or failure by management to disclose key, material events, and unforeseen

micro/macroeconomic factors that may cause the price of a security to diverge from its intrinsic value.

### **Investment Strategies We Use**

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AWA creates investment models to build custom portfolios based on the client's household risk tolerance and investment goals. Our investment objectives include Aggressive Growth, Growth, Growth with Income, Balanced, Income with Growth and Current Income. AWA primarily utilizes common or preferred stocks, mutual funds, ETFs, corporate bonds, and municipal bonds. In addition, AWA may select one or more sub-advisors to manage all or a portion of a client's portfolio.

Acumen Wealth Advisors utilizes Envestnet Tamarac Advisor Rebalancing portfolio management software. Tamarac allows for the management of a household, a group of accounts, to be managed towards a single investment objective. The tax optimization feature allows Acumen Wealth Advisors to code the type of assets which is most likely to be tax efficient for various account registrations. Asset purchases can be directed to taxable, tax deferred, and tax free accounts. The resulting holdings may appear to be outside the suitability of the client on the account level; however, this is not the case when reviewed on the household level. This process is intended to optimize client accounts among multiple different registrations.

Institutional Intelligent Portfolio (IIP) is a solution utilized by Acumen Wealth Advisors to assist clients with smaller accounts values that make it hard to meet minimums to diversify in our current model portfolios. These account types are also helpful for clients making relatively small recurring deposits and wishing to participate in dollar cost averaging because there is no additional trading cost. In order for a client to participate in the IIP solution they should be willing to establish the account electronically. Acumen selects the ETF's within the IIP solution and conducts due diligence on them semi-annually. Acumen also sends quarterly performance reports and meets with the clients on at least an annual basis, as well as updates the ETF models when we make investment strategy changes.

**Role of the Portfolio Management Committee** - - Acumen's Portfolio Management Committee (PMC) consists of at least three members of the executive team. The intent of the committee is to conduct appropriate due diligence of selected portfolio holdings on an ongoing basis. The goal of this committee is to meet on a weekly basis to discuss economic developments, current events, and investment strategies that may affect our portfolio investments. Further, Acumen Wealth Advisors conducts due diligence on our model holdings semi-annually at a minimum.

### **Risk of Loss**

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Investing in securities involves risk of loss clients should be prepared to bear. While the stock market may increase and the account(s) could enjoy a gain, it is also possible the stock market may decrease and the account(s) could suffer a loss. It is important clients understand the risks associated with investing in the stock market, are appropriately diversified in investments, and ask any questions.

### **Description of Material, Significant or Unusual Risks**

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Our firm generally invests client cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, our firm tries to achieve the highest return on client cash balances through relatively low-risk

conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so our firm may debit advisory fees for our services related to our Comprehensive Portfolio Management service.

### **Item 9: Disciplinary Information**

There are no legal or disciplinary events material to the evaluation of our advisory business or the integrity of our management.

### **Item 10: Other Financial Industry Activities & Affiliations**

Acumen Wealth Advisors, LLC is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Managing Members, John Owen and Reese Veltenaar, are licensed and registered as insurance agents to sell life, health, long term care, and disability insurance. John holds additional licenses in Property and Casualty Insurance. Therefore, representatives of Acumen Wealth Advisors will be able to provide insurance products for any client in need of such services and will receive separate, yet typical compensation in the form of commissions for the purchase of insurance products.

Reese Veltenaar and John Owen are also the owners of Acumen Risk Advisors, LLC. Acumen Risk Advisors, LLC was created to distinguish between insurance compensation and financial fees charged. Acumen Risk Advisors no longer engages in developing new insurance business but may still receive compensation in the form of trails for insurance products sold.

Clients are not obligated to purchase insurance or use Acumen Risk Advisors, LLC for insurance products and services. A conflict of interest exists as these insurance sales creates an incentive to recommend products based on the compensation advisor and/or our supervised persons may earn. To mitigate this potential conflict, our firm will act in the client's best interest.

Please see Item 4 above for more information about the selection of third party money managers. Prior to referring clients to third party advisors, our firm will ensure the third party advisors are licensed or notice filed with the respective authorities. To minimize this conflict our firm will make our recommendations/selections in the best interest of our clients.

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

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times.

Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics.

Our firm recognizes the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes if investment goals are similar for clients and for our representatives, it is logical, and even desirable, there be common ownership of some securities.

To prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts<sup>1</sup>. To monitor compliance with our personal trading policy, our firm has pre-clearance requirements and an annual securities transaction reporting system for all of our representatives.

Neither our firm nor a related person recommends, buys, or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. To minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics.

Likewise, related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. To minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last. The aforementioned policies and procedures are applicable only to self-managed accounts; those managed by a third party are not supervised due to the fact that these accounts are traded alongside and in tandem with customer accounts.

## **Item 12: Brokerage Practices**

### **Selecting a Brokerage Firm**

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Our firm does not maintain custody of client assets (although our firm may be deemed to have custody of client assets if given the authority to withdraw assets from client accounts. (See *Item 15 Custody*, below.) Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Our firm recommends clients use Charles Schwab & Co., Inc. ("Schwab"), a

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

FINRA-registered broker-dealer, member SIPC, as the qualified custodian. Our firm is independently owned and operated, and not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when instructed. While our firm recommends clients use Schwab as custodian/broker, clients will decide whether to do so and open an account with Schwab by entering into an account agreement directly with them. Our firm does not open the account. Even though the account is maintained at Schwab, our firm can still use other brokers to execute trades, as described in the next paragraph.

### **How Brokers/Custodians are Selected**

Our firm seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. A wide range of factors are considered, including, but not limited to:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- capability to execute, clear and settle trades (buy and sell securities for client accounts);
- capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.);
- availability of investment research and tools that assist in making investment decisions quality of services;
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- reputation, financial strength and stability of the provider;
- prior service to our firm and our other clients; and/or
- availability of other products and services that benefit our firm, as discussed below. (See *"Products & Services Available from Schwab"*.)

### **Custody & Brokerage Costs**

Schwab generally does not charge a separate fee for custody services but is compensated by charging commissions or other fees to clients on trades that are executed or that settle into the Schwab account. For some accounts, Schwab may charge your account a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab's commission rates and/or asset-based fees applicable to client accounts were negotiated based on our firm's commitment to maintain a minimum threshold of assets statement equity in accounts at Schwab. This commitment benefits clients because the overall commission rates and/or asset-based fees paid are lower than they would be if our firm had not made the commitment. In addition to commissions or asset-based fees Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade our firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab account. These fees are in addition to the commissions or other compensation paid to the executing broker-dealer. Because of this, and to minimize client trading costs, our firm has Schwab execute most equity trades for the accounts. However, from time to time our firm does use resources from a third party to purchase bonds. To help ensure best execution we will check other available options with Schwab and have an agreement in place with the third party to limit the expense. Further, our firm does not benefit from mark-ups or mark-downs when utilizing an outside bond dealer.

## **Products & Services Available from Schwab**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like our firm. They provide our firm and clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help manage or administer our client accounts while others help manage and grow our business. Schwab's support services are generally available on an unsolicited basis (our firm does not have to request them) and at no charge as long as our firm keeps a minimum total of \$10 million of client assets in accounts at Schwab. If our firm has less than \$10 million in client assets at Schwab, our firm may be charged quarterly service fees. A more detailed description of Schwab's support services follows:

### **Services that Benefit Clients**

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, IIP, and custody of client assets. Schwab may also aid in the payment of fees associated with the custodial transfer. The investment products available through Schwab include some to which our firm might not otherwise have access to or that would require a significantly higher minimum initial investment by firm clients. Schwab's services described in this paragraph generally benefit clients and their accounts.

### **Services that May Not Directly Benefit Clients**

Schwab also makes available other products and services benefiting our firm but may not directly benefit clients or their accounts. These products and services assist in managing and administering our client accounts. They include investment research, both Schwab's and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

### **Services that Generally Benefit Only Our Firm**

Schwab also offers other services intended to help manage and further develop our business enterprise. These services include:

- marketing, educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases Schwab will arrange for third-party vendors to provide the services to our firm. Schwab may also discount or waive fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide our firm with other benefits such as occasional business entertainment for our personnel.



Irrespective of direct or indirect benefits to our client through Schwab, our firm strives to enhance the client experience, help clients reach their goals, and put client interests before that of our firm or associated persons.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits our firm because our firm does not have to produce or purchase them. Our firm does not have to pay for Schwab's services so long as a total of at least \$10 million of client assets in accounts are kept at Schwab. Beyond that, these services are not contingent upon our firm committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may serve as an incentive to recommend clients maintain their account with Schwab based on our interest in receiving Schwab's services benefiting our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. Our firm believes, however, that the selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services based on the factors discussed above (See *How Brokers/Custodians Are Selected.*) and not Schwab's services that benefit only our firm. Our firm does not believe that maintaining at least \$10 million in assets at Schwab to avoid paying Schwab quarterly service fees presents a material conflict of interest.

### **Aggregation of Purchase or Sale**

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Our firm provides investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when our firm believes that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation our firm attempts to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation.

Additionally, AWA will occasionally cross client bonds when one client holding bonds needs liquidity and another client has a need for a bond with similar characteristics. This is done to the direct benefit of both of our clients. We work with an independent fixed income specialist, most commonly Schwab's fixed income trading desk, to obtain a live bid quote on the position. When an impartial price is determined, we cross the bonds at a price above what was offered as the selling client's bid and below what we believe the acquiring client would pay otherwise.

## **Item 13: Review of Accounts or Financial Plans**

Our Chief Compliance Officer, Amy Stone, reviews client relationships to ensure client accounts are in line with their investment objectives, and investment policies, if applicable. All portfolio management clients (excluding employees) receive a quarterly performance report which includes

the client's investment objective and request clients please inform us of any changes to their financial situation or investment objective.

**Portfolio/Risk Monitoring** - Each Investment Objective Form, utilized by Acumen Wealth Advisors, states a Target Allocation and an Equity and Fixed Income Range. The ranges define the tolerance bands and the asset classes may vary from the target. Variance may be attributable to market value fluctuation. The variance may also be a tactical asset allocation decision by the Portfolio Management Committee. Based on market and/or economic conditions, the Portfolio Manager may adjust the target allocation for each Investment Objective within the allowable ranges.

The tolerance bands are defined in the portfolio management software for each objective. Saved Search Reports have been established and are reviewed at least monthly by the CCO to monitor variance from the defined tolerance ranges for each client's Investment Objective.

Our firm may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. Our firm does not provide ongoing services to Financial Planning clients but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately engage our firm for a post-financial plan meeting or to update their initial written financial plan.

Retirement Plan Consulting clients receive reviews of their retirement plans for the duration of the service. Our firm also provides ongoing services when clients request a meeting to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting clients do not receive written or verbal updated reports regarding their plans unless they choose to engage our firm for ongoing services.

#### **Item 14: Client Referrals & Other Compensation**

Our firm receives economic benefit from Schwab in the form of support products and services made available to our firm 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 above. *(See Item 12 – Brokerage Practices.)* The availability of Schwab's products and services is not based on our firm giving particular investment advice such as buying particular securities for our clients.

We may co-sponsor educational seminars and events with fund companies, custodians and other service providers in order to provide our firm and clients with information on various investment opportunities. These events do not obligate our firm or clients to make an investment in any particular opportunity and are typically for educational purposes.



## **Referral Fees**

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Our firm does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with relevant state statutes and rules.

## **Item 15: Custody**

Our firm does not have custody of client funds or securities. All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening an account. If our firm decides to also send account statements to clients, such notice and account statements include a legend recommending that the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety, or security of their assets and our custodial recommendations.

## **Item 16: Investment Discretion**

Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

## **Item 17: Voting Client Securities**

Third party money managers selected or recommended by our firm may vote proxies for clients. Except for proxies that may be voted by a third party money manager, our firm and/or the client shall instruct the qualified custodian to forward the copies of all proxies and shareholder communications relating to the client's investment assets for submission to Broadridge Investor Communication Solutions, Inc. unless the client selects to vote for themselves (described below).

SEC Rule 206(4)-6 requires investment advisers who have voting authority with respect to securities held in their clients' accounts to monitor corporate actions and vote proxies in their clients' interests. Our firm is required by the SEC to adopt written policies and procedures, make those policies and procedures available to clients, and retain certain records with respect to proxy votes cast.

Our firm votes client proxies when authorized to do so in writing by a client. Our firm understands our duty to vote client proxies and to do so in the best interest of our clients. Furthermore, it is understood that any material conflicts between our interests and those of our clients with regard to proxy voting must be resolved before proxies are voted. Our firm subscribes to a proxy monitor and voting agent service offered by Broadridge Investor Communication Solutions, Inc. ("Broadridge"), which includes access to proxy analyses with research and vote recommendations from Glass, Lewis & Co. ("Glass Lewis"). Our firm will generally vote in accordance with the recommendations of Glass

Lewis, but may vote in a different fashion on particular votes if our firm determines such actions are in the best interest of our clients. Where applicable, our firm will consider any specific voting guidelines designated in writing by a client. Clients may request a copy of our written policies and procedures regarding proxy voting and/or information on how particular proxies were voted by contacting our Chief Compliance Officer, Amy Stone by phone at (423) 825-4796 or email at [amy.stone@acumenwealth.com](mailto:amy.stone@acumenwealth.com).

### **Item 18: Financial Information**

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees and six or more months in advance.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

Our firm has never been the subject of a bankruptcy proceeding.