

## **Part 2A of Form ADV: *Firm Brochure***

### **Item 1: Cover Page**

#### **NB WEALTH MANAGEMENT LLC**

1 California Street, Suite 2450  
c/o U.S. Core Holdings LLC San Francisco, CA 94111

September 2016

This brochure provides information about the qualifications and business practices of NB Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us at (415) 417-5288. 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. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about NB Wealth Management LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 283016.

## **Item 2: Material Changes**

This is NWBM's Other-Than-Annual-Amendment to its Form ADV Part 2A. The material changes to this brochure, last filed in June 2016, include:

- Item 10, Other Financial Industry Activities and Affiliations – Michael Mosher disclosed as a registered representative of a broker-dealer.

This amendment also updates Item 4, Advisory Business – Regulatory Assets Under Management.

### Item 3: Table of Contents

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

## Item 4: Advisory Business

NB Wealth Management LLC ("NBWM" or the "Firm") is a Delaware limited liability corporation formed on December 30, 2015. NBWM's founder and principal firm member is Michael Chang (CRD# 2932622).

NBWM was formed to provide financial planning and investment advisory services to clients both through the acquisition of existing investment advisory businesses and through its independent marketing efforts. The Firm intends to provide these services to individuals, including high net worth individuals, corporations, and other institutional clients, all of whom are considered "Clients."

NBWM will obtain Clients primarily through the acquisition of existing investment advisory firms or through the hire of investment adviser representatives ("IAR(s)"). IARs that join NBWM will continue to service their existing Clients under a new investment management agreement with NBWM. New NBWM Clients will be serviced by IARs under the NBWM investment management agreement.

In the event that NBWM purchases a registered investment adviser that will continue to operate independently in service of its Clients, NBWM will adhere to Adviser's Act Rule (206(4)-3 ("Solicitor's Rule") when recommending its new Clients to such an adviser. In accordance with the rule, NBWM furnishes a written disclosure document ("Solicitor's Disclosure") to clients containing:

- The Firm's name;
- The nature of the relationship between NBWM and the purchased investment adviser;
- A statement that NBWM will be compensated for solicitation services by the investment adviser;
- The terms of such compensation arrangement, including a description of the compensation paid or to be paid to NBWM; and
- The amount, if any, for the cost of obtaining his or her account the Client will be charged in addition to the investment adviser's advisory fee and the differential, if any, among clients with respect to the amount or level of advisory fees charged by the investment adviser if such differential is attributable to the existence of any arrangement pursuant to which the investment adviser has agreed to compensate NBWM for referring Clients to the investment adviser.

NBWM also furnishes each investment adviser's brochure to each Client at the time the Solicitor's Disclosure is provided.

NBWM considers the investment goals and objectives for each Client before recommending an investment adviser. NBWM does not participate in any wrap fee programs.

As of September 20, 2016, NBWM manages over \$148,000,000 regulatory assets on either a discretionary or non-discretionary basis.

## Item 5: Fees and Compensation

NBWM evaluates each of its Clients on an individual basis and receives a management fee for its advisory services equal to the following fee schedule:

Client Assets Under Management	Fee
<\$1,000,000	1.5%
\$1,000,001 - \$5,000,000	1.0%
\$5,000,001 - \$10,000,000	0.80%
\$10,000,001+	0.70%

Clients will be charged fees quarterly in advance. Clients that redeem their accounts on any day other than the last day of the calendar quarter will be refunded a pro rata share of the management fee paid.

Descriptions of NBWM's services can be found in Item 4 of this document. In the event a Client is referred to an independent adviser, Clients should reference such adviser's ADV Part 2A as supplied by NBWM. Management fees are negotiable.

NBWM does not receive any fees from the sales commission for any securities transactions or from the sponsor of any investments that may be recommended to a Client by their selected advisor. NBWM Clients who have been recommended to an investment adviser will enter into a separate advisory agreement with a new advisor. Additional fees will be paid by the Client according to terms set forth in the advisory agreement with the investment adviser. Clients may terminate their relationship with the investment adviser but must do so in accordance with the terms of the separate advisory agreement they have with such adviser. NBWM recommends that clients carefully read an adviser's written relationship agreement, including the services provided, fees charged and the contract's termination provisions, before entering into such an agreement with an adviser.

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

NBWM does not charge Clients performance-based or side-by-side management fees.

## Item 7: Types of Clients

NBWM typically provides services to individuals, high net worth individuals, corporations, and other institutional clients with investable assets greater than \$1,000,000. NBWM may service Clients with less than the minimum investable assets and evaluates such accounts on a case-by-case basis.

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

NBWM and its IARs provide analysis of investments, risk assessments of Client portfolios, and may recommend other investment advisers that have demonstrated to NBWM's satisfaction that they utilize investment strategies intended to meet the needs of NBWM's clients. As NBWM's purchase of existing advisory businesses and employment of additional IARs continues, this Item 8 will be updated to include the full range of investment strategies offered by NBWM. An example of such investment strategies includes:

**Qualitative Analysis.** Evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and anticipate changes to share price based on that data.

A risk of using qualitative analysis is that the adviser's subjective judgment may prove incorrect or that the information upon which the adviser relies and the economic and social assumptions inherent in such analysis may not be accurate or continue to be relevant in times of change.

**Asset Allocation.** Rather than focusing primarily on individual securities selection, a Client's adviser may attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the Client's investment goals and risk tolerance utilizing investment funds with underlying portfolios intended to address certain asset or market indexes.

Among the risks of asset allocation is that a Client may miss sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash may change over time due to stock and market movements and, if not reallocated, will no longer be appropriate for the Client's goals.

**Risks for all forms of analysis.** Securities analysis methods rely on the assumption that the companies whose securities are purchased and sold, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While NBWM and a Client's selected adviser are alert to indications that data may be incorrect, there is always a risk that any form of analysis may be compromised by inaccurate or misleading information.

**Risk of Loss.** Please keep in mind that risks and returns are related. Securities investments and their returns are not guaranteed and Clients may lose part or all of an investment. NBWM asks that Client's work with us to help clarify your tolerance for risk and keep us informed should there be any change in your risk tolerance from what was previously disclosed.

NBWM recommends that each client read the brochure of each adviser carefully before entering into a relationship agreement.

## Item 9: Disciplinary Information

NBWM is required to disclose any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of NBWM's advisory business or the integrity of our management.

NBWM has no reportable disciplinary events to disclose.

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

NBWM's parent company, U.S. Core Holdings LLC, has applied for and received licensing approval from the California Department of Insurance for its wholly-owned subsidiary NBWM Insurance Agency LLC to conduct its insurance business in California. U.S. Core Holdings LLC also has an application filed pending with FINRA for its wholly-owned subsidiary NB Securities, LLC to obtain broker-dealer membership.

Neither NBWM nor any of NBWM's management persons are registered, or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entity.

NBWM may recommend or select other investment advisers for its Clients for compensation as disclosed and described above in Item 4.

Michael Mosher is a registered representative of Portsmouth Financial Services.

Michael Chang, managing member of NBWM, owns an interest in Noble Securities Company Limited, a broker dealer, The Core Trust Company Limited, a trust company, and The Core Group Insurance Brokers Limited, an insurance company. Both Noble Securities Company Limited and Core Trust Company Limited are involved in employee stock plan administration. Though Mr. Chang does not act in an advisory capacity for clients of either business, these interests have the potential to pose a conflict of interest to NBWM Clients. In order to mitigate this risk, NBWM does not accept compensation or share in commissions generated by either entity for referrals of Clients to their services. Likewise, NBWM does not accept compensation or share in commissions generated by Portsmouth Financial Services for referrals of Clients to their services

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

### **A. NBWM's Code of Ethics**

NBWM has adopted a Code of Ethics that sets forth the ethical standards of business conduct required of all of NBWM employees, including compliance with applicable federal securities laws.

NBWM and its employees owe a duty of loyalty, fairness and good faith to their Clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

NBWM's Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, NBWM's Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. The code also provides for oversight, enforcement and recordkeeping provisions.

The Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While NBWM does not believe that it has any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

NBWM's Code of Ethics is designed to assure that the personal securities transactions, activities and interests of its employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

NBWM's firm and/or persons associated with our firm may engage advisors identical to or different from those recommended to our clients.

A copy of NBWM's Code of Ethics is available to Clients and prospective ~~Cents~~ Individuals may request a free copy by calling NBWM at (415) 417-5288 during normal business hours, 8:30am-5:30pm Pacific Time.

#### B. Securities Recommendations

NBWM has no conflicts of interest to disclose.

Notwithstanding the foregoing, NBWM's Code of Ethics requires employees to place the interest of Clients over their own or those of NBWM, and all employees are required to acknowledge their receipt and understanding of the Code.

#### C. Securities Transactions of NBWM and its Related Persons

NBWM has no conflicts of interest to disclose.

Notwithstanding the foregoing, NBWM's Code also maintains policies and procedures to prevent insider trading, policies designed to prevent the misuse of material, non-public information. NBWM's personnel are required to certify their compliance with the Code.

#### D. Recommending Securities to Clients

NBWM recommends securities to its Clients that NBWM employees may also purchase for their personal accounts. This practice has the potential to create a conflict of interest, because NBWM employees may be able to capitalize on the price movements created by Client transactions. NBWM mitigates this risk, as described above, by requiring employees to disclose personal securities transactions.

### **Item 12: Brokerage Practices**

NBWM does not have any arrangements with brokerage firms to share in the commissions generated by the securities transactions of its clients, nor does it receive any other benefits from such transactions. NBWM may recommend the use of Purshe Kaplan Sterling or Portsmouth Financial Services for the opening of new brokerage accounts, but selects broker dealers with each Client on a case-by-case basis. NBWM is independently owned and operated and not affiliated with Purshe Kaplan Sterling nor Portsmouth Financial Services. NBWM uses Fidelity as its clearing and custodian firm, but does not currently maintain custody over any Client accounts.

The primary factor in suggesting a broker dealer for our Clients is that the services of the recommended broker dealer are provided in a cost-effective manner and in accordance with standard brokerage practices. While quality of execution at the best price is an important determinant in selecting our broker



dealers, best execution does not necessarily mean “lowest price” and, as such, is not the sole consideration. When a Client directs NBWM to use a particular broker dealer, the Firm may not be able to obtain the best execution for the transaction.

NBWM has implemented procedures reasonably designed to prevent trade errors, though errors in Client accounts cannot always be avoided. It is the Firm’s policy to correct trade errors in a manner that is in the best interest of our Clients. In cases where the Client causes a trade error, the Client will be responsible for any loss resulting from the correction. The Client may not be able to receive any gains generated as a result of an error correction. In all situations where the Client does not cause the trade error, the Client will not incur any loss resulting from the error.

Clients referred to independent advisers should carefully review the selected adviser’s contract and brochure for what arrangements the selected advisor may have with other third parties concerning a Client’s advised accounts.

NBWM does not engage in any soft dollar arrangements.

### **Item 13: Review of Accounts**

NBWM reviews every Client account no less than monthly for adherence to portfolio guidelines and objectives. Our Chief Compliance Officer is responsible for conducting the account reviews.

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

NBWM may compensate someone who is not an employee of NBWM for referrals of clients to NBWM. NBWM may receive compensation for referrals of clients to other advisers. NBWM will disclose the specifics of any compensation arrangements when the Firm executes an agreement for these services.

NBWM will not receive compensation for referrals to the affiliated entities disclosed above in Item 10.

### **Item 15: Custody**

NBWM does not maintain custody of client funds or securities. NBWM will disclose any relationship the Firm may have with the qualified custodian (brokerage firm holding your assets) of Client assets and the adviser’s billing practices regarding the collection of fees.

NBWM does not have actual or constructive custody of client accounts.

### **Item 16: Investment Discretion**

NBWM maintains investment discretion over Client accounts, meaning that NBWM can trade the securities in Client accounts and can direct the payment of any fees or transfer of funds from or to Client accounts. Clients grant discretion to NBWM through the execution of the Firm’s investment management agreement.

Clients may place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to NBWM as long as the limitations are specifically set forth in writing and included as an attachment to the investment management agreement.

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

As a matter of Firm policy, NBWM does not vote proxies on behalf of Clients. A Client’s adviser may provide such services, but this is usually not the case. Therefore, Clients maintain exclusive responsibility for: (1)

directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the Client's investment assets.

Please see the brochure provided by your selected advisor to determine the extent of voting the advisor will assume, if any.

## **Item 18: Financial Information**

NBWM does not require or solicit payment of more than \$500 in fees six or more months in advance. NBWM has no known financial circumstances to report that are likely to impair its ability to meet contractual commitments. NBWM has not been the subject of a bankruptcy petition at any time during the past ten years.