

*Item 1 - Cover Page*

**FILBRANDT WEALTH MANAGEMENT, LLC**

FORM ADV – PART 2A INFORMATION

January 1, 2018

Filbrandt Wealth Management, LLC  
8401 Greenway Boulevard  
Middleton, WI 53562

Phone (608) 836-3600 Fax (608) 836-7447

[www.filbrandtco.com](http://www.filbrandtco.com)

**This Brochure provides information about the qualifications and business practices of Filbrandt Wealth Management, LLC (“FWM”). If you have any questions about the contents of this Brochure, please contact us at (608) 836-3600. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about FWM (CRD No. 291914), including a copy of its Form ADV Part 1, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

*FWM is a registered investment adviser. Registration of an investment adviser does not imply any certain level of skill or training.*

***Item 2 - Material Changes***

This Form ADV Part 2A Brochure has been filed as a succession to Filbrandt Investment Advisers, Incorporated (“FIA”) (CRD No. 104562). FIA is the sole owner of FWM.

***Item 3 – Table of Contents***

**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 and Compensation.....	7
Item 6 - Performance Based Fees and Side-by-Side Management.....	9
Item 7 - Types of Clients/Minimum Account Size.....	9
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	10
Item 9 - Disciplinary Information .....	10
Item 10 - Other Financial Industry Activities and Affiliations.....	10
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	11
Item 12 - Brokerage Practices.....	11
Item 13 - Review of Accounts and Reports .....	13
Item 14 - Client Referrals and Other Compensation .....	13
Item 15 - Custody.....	13
Item 16 - Investment Discretion .....	13
Item 17 - Voting Client Securities .....	14
Item 18 - Financial Information.....	14
Notice Regarding Treatment of Confidential Information .....	15

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

Filbrandt Wealth Management, LLC (“FWM”) is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). FWM succeeded to the registration of Filbrandt Investment Advisers, Incorporated (“FIA”) on January 1, 2018. Prior to the succession, FIA had been offering advisory services since September 1994. FWM is solely owned by FIA.

The advisory services of FWM are described in detail below.

##### **Comprehensive Financial and Portfolio Analysis Services**

FWM provides Comprehensive Advisory Services to clients who have a need for financial counsel involving more than an analysis of a particular investment or financial situation. The scope of an FWM comprehensive plan is as broad and detailed as desired by the client. This service usually includes an analysis of a client’s existing assets, investments, insurance, cash flow, retirement and estate planning objectives. FWM provides a written analysis and at least one client meeting to discuss the analysis and its implementation.

Clients decide which investment recommendations to accept and implement. Clients are also free to select any brokerage, insurance or other product provider to purchase (or sell) the investments, insurance, or other products discussed with FWM. FWM does not guarantee results, and losses can occur from receiving Comprehensive Advisory Services.

Changes in client's financial condition, personal circumstances, goals, or general economic conditions may trigger changes to the advice provided by FWM. All Comprehensive Advisory Services advice is based on information provided by the client. It is the client's responsibility to be certain that FWM has current and accurate information.

##### **Project Advisory Services**

For clients wishing to receive advice about a specific financial situation, FWM will provide such services in the scope requested by the client. Project Services can be provided to new clients needing advice on a particular subject or to established clients wishing to expand upon the subjects covered by the Comprehensive or Ongoing Services provided by FWM. Project Advisory Services can include the following topics:

Financial Problem Solving	Estate Planning
Investment Planning	Risk Analysis
Portfolio Analysis	Employee Benefit Reviews
Cash Flow Planning	Charitable Giving Strategies
Retirement Planning	Education Planning

To the extent material changes have occurred to a client’s circumstances or goals, or to the extent a client requests a new project, the client may be asked to sign a new Services Agreement. The client may initiate contact with the client’s Representative as often as needed and the Representative will schedule conferences as needed, usually no less than annually.

All Project Advisory Services are based on information provided by the client. It is the client’s responsibility to be certain FWM has current and accurate information and it is the client’s responsibility to inform the Representative of material changes affecting the investments and planning strategies implemented so the Representative has them for future reference.

### Comprehensive Ongoing Financial and Portfolio Planning Services

FWM will provide personalized comprehensive ongoing planning and monitoring for client's financial situation. These services will include retirement income planning current and annual updating, estate planning including periodic reviews of beneficiaries, trusts, asset titles and suggest estate transfer strategies. FWM will provide analysis, recordkeeping and investment recommendations on the portfolio. FWM will provide tax planning suggestions across all spectrums of planning.

Clients decide which investment recommendations to accept and implement. Clients are also free to select any brokerage, insurance or other product provider to purchase (or sell) the investments, insurance, or other products discussed with FWM. FWM does not guarantee results, and losses can occur from receiving Comprehensive Ongoing Financial and Portfolio Planning Services.

Changes in client's financial condition, personal circumstances, goals, or general economic conditions may trigger changes to the advice provided by FWM. All Comprehensive Advisory Services advice is based on information provided by the client. It is the client's responsibility to be certain that FWM has current and accurate information.

### Asset Management Services

FWM also provides discretionary asset management services. This means that FWM Representatives will have authority to purchase and sell securities of their choice in the amounts and at the times they believe it is suitable for a client's account to do so. Asset management services begin with FWM analyzing information provided by the client pertaining to the client's financial situation and needs. FWM then selects investments having objectives consistent with the objectives of the client and with the risk tolerances identified by the client. Most often FWM recommends investments in mutual funds.

The initial investment and asset allocation recommendations are based on the financial information gathered from each client including net worth, risk tolerance, financial goals and objectives, investment restrictions requested by the client and overall financial conditions. Based on this information, the client is provided with initial investment recommendations designed to provide an appropriate asset mix consistent with the client's objectives. The client's portfolio and its performance are monitored by the client's FWM Representative in light of the client's stated goals and objectives. The frequency of these reviews and transactions made for a client's account are determined by the FWM Representative. Representatives typically meet with the client on an as-needed or as-requested basis to discuss the portfolio and other aspects of the service. Clients are free to contact their Representative at any time if they have questions about their accounts.

As a general rule, FWM believes that investing is best suited to those who believe in a long-term buy-and-hold policy. Therefore, clients should not expect frequent investment changes in the portfolio. However, as a result of monitoring the account, investment purchases and sales will be made where FWM has discretion. For non-discretionary relationships, FWM will contact a client before re-allocating an account.

Investments are not held by FWM. Instead, all investments managed by FWM are usually held at the brokerage firm through which transactions are placed.

FWM does not assure or guarantee the results of its Asset Management Services; thus, losses can occur following FWM's advice pertaining to any investment or investment approach, including using conservative investment strategies.

## Miscellaneous

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. As indicated above, to the extent requested by the client, FWM may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. FWM does not serve as a law firm or accounting firm, and no portion of its services should be construed as legal or accounting services. Accordingly, FWM does not prepare estate planning documents or tax returns. To the extent requested by a client, FWM may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.), including representatives of FWM in their separate individual capacities as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from FWM and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by FWM's representative that a client purchase an insurance commission product through FWM's representative in his/her separate and individual capacity as an insurance agent, presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment or insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products through such a representative. Clients are reminded that they may purchase securities and insurance products recommended by FWM through other, non-affiliated insurance agencies. FWM's Chief Compliance Officer, Patricia J. Filbrandt, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Retirement Rollovers-Potential for Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If FWM recommends that a client roll over their retirement plan assets into an account to be managed by FWM, such a recommendation creates a conflict of interest if FWM will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by FWM. FWM's Chief Compliance Officer, Patricia J. Filbrandt, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

ERISA / IRC Fiduciary Acknowledgment. If the client is: (i) a retirement plan ("Plan") organized under ERISA; (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an IRA acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then FWM represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by FWM or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

Use of Mutual Funds. While FWM may recommend allocating investment assets to mutual funds that are not available directly to the public, FWM may also recommend that clients allocate investment assets to publically-available mutual funds that the client could obtain without engaging FWM as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging FWM as an investment adviser, the client or prospective client would not receive the benefit of FWM's initial and ongoing investment advisory services.

Non-Discretionary Service Limitations. Clients that determine to engage FWM on a non-discretionary investment advisory basis must be willing to accept that FWM cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that FWM would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, FWM will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

Client Obligations. In performing its services, FWM shall not be required to verify any information received from the client or from the client's other designated professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify FWM if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising FWM's previous recommendations and/or services.

Disclosure Statement. A copy of FWM's written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of a Services Agreement.

#### Assets Under Management

As of December 31, 2016, FIA, FWM's predecessor firm, had assets of \$670,746,683 under discretionary management and \$220,270,099 under non-discretionary management.

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

Fees paid to FWM are for FWM advisory services only. The fees do not include, for example, the fees charged by third parties such as accountants and attorneys assisting with providing the client with accounting and legal advice. Commissions on transactions and other account fees will also be charged by brokerage firms in accordance with the account's brokerage firm's normal commission schedule. See Item 12, Brokerage Practices. Customary commissions on insurance are also not included.

Prospective clients should be aware that in addition to FWM's advisory fees, each mutual fund or ETF in which a client's assets are invested also pays advisory fees and other internal expenses which already have been deducted from the fund's reported performance. Depending on the fund, a client may be able to invest directly in the shares issued by the fund with or without incurring any sales or third-party management fees. Account maintenance fees are also deducted by the custodian.

In addition, there are tax effects pertaining to fund share redemptions, and other sales, made by FWM on behalf of clients. Redemptions and sales are taxable events which may accelerate the recognition of capital gains, and losses, and frequent redemptions and sales may result in short-term, rather than long-term, capital gains and losses.

### Comprehensive Financial and Portfolio Analysis Services Fee

The fee for these services is calculated in advance and is based upon the Client's investable net worth, the complexity of the Client's financial circumstances and scope of services requested. Fees will generally be negotiated between the client and FWM, but generally range from \$3,000 to quoted. The specific fee and the timing of the fee charged are set forth on a schedule attached to the services agreement. Clients pay ½ of fee at contract signing and ½ when analysis is completed. Services are subject to a minimum fee of \$3,000. In the event of contract termination, unearned prepaid fees are returned to the client, except for \$750 retained for information collection if the contract is terminated before services are provided.

### Analysis or Project Advisory Services Fee

The fee for this service is quoted in advance and based on the scope and nature of advisory services requested and number and qualifications of professional staff needed to complete the project. Per person hourly rates range from \$300-\$500. One-half of the quoted fee is due at the time the service agreement is signed, with the balance due after services are completed. Services are subject to a minimum fee of \$1,500. In the event of contract termination, unearned prepaid fees are returned to the client, except for \$750 retained for information collection if the contract is terminated before services begin. If FWM is unable to complete the work within 6 months of contract signing due to inability to collect Client data or other similar circumstance, this Agreement will be terminated.

### Comprehensive Ongoing Financial and Portfolio Planning Services Fee

The terms and conditions of FWM's ongoing financial planning services shall generally be set forth in a Services Agreement between FWM and the client. The fee for such service shall be based upon various objective and subjective factors, including but not limited to: the complexity of the engagement and the level and scope of the overall financial planning services to be rendered.

### Asset Management Services Fee

Fees for Asset Management Services are based upon the value of assets under management and are listed below. A minimum investment of \$250,000 is required to establish an investment advisory account, unless waived by FWM.

<u>Account Asset Value</u>	<u>Quarterly Fee</u>	<u>Annual Fee</u>
On the first \$1 million	.25%	1.00%
Next \$2 million	.1875%	.75%
Next \$2 million	.1625%	.65%
Over \$5 million	.1375%	.55%

Subject to a minimum quarterly fee of \$1,000.

Annual asset-based fees are calculated based upon the total market value of assets in a client's portfolio on the last business day of the quarter during which services are provided and are payable in advance,

before services are provided. Clients pay an initial fee which is pro-rated for the time remaining in the first billing period, plus the next quarter. Thereafter, fees are calculated for successive three month periods. For purposes of valuing assets, the assets of related accounts may, at the discretion of FWM, be combined for fee calculation purposes. In the event the service agreement is terminated, which can occur upon 30 days' notice by FWM or the Client, prepaid fees are prorated for the last billing period to date of termination and refunded. FWM can change its fee schedule by providing the Client 30 days advance written notice.

#### Other Information About Fees:

A one-time set-up fee of \$750 is due at contract signing.

The fee for providing quarterly reports only, or other limited services, on assets is quoted based on services requested.

If FWM performs background information gathering work, it charges \$100 per hour to do so, but such fees are outlined to a client prior to incurring such additional charges.

Fees for all of FWM services may be negotiated in isolated instances, thus may vary from client-to-client for similar services. Such negotiated fees may involve assets which are restricted from sale by a client, or subject to third party consulting services. For all services, FWM may, at its discretion, charge a client interest at the annual rate of 1% on all unpaid fees outstanding beyond 10 days from invoice date.

The fees paid to FWM are for FWM's advisory services only. Commissions and other account fees may be charged in accordance with the account's brokerage firm's normal commission schedule.

Fees payable to FWM for Asset Management Services are, with the client's prior permission, automatically deducted from the client's account when due. The client will receive reports from the account's custodian, showing the fee calculation and fee amounts debited. FWM will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the deduction of fees from the managed account is contained in the Services Agreement. The client may terminate the authorization for automatic deduction at any time by notifying FWM in writing.

#### Other Compensation

FWM Representatives are also licensed to offer insurance products. FWM Representatives will receive customary commissions for the sale of such products should a client decide to make purchases through the FWM Representative. Clients are free to purchase such products other than through FWM Representatives. This compensation creates a conflict of interest. All prospective and existing clients are hereby advised that this conflict exists. Advisory fees are not reduced by the amount of sales compensation a Representative receives, but Representatives may consider commissions as a factor when determining asset-based fees.

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

FWM does not charge any performance-based fees. All fees are disclosed above.

#### ***Item 7 - Types of Clients/Minimum Account Size***

FWM makes its advisory services available to a wide variety of clients including but not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

FWM does not require a minimum account size or fee for its advisory services except as set forth in Item 5.

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

FWM's security analysis methods include, but are not limited to, fundamental analysis (evaluating securities based upon its historical and projected financial performance). All securities analysis methods and strategies, even those used by FWM may involve a high degree of risk and losses can occur.

FWM employs investment strategies using a variety of securities including equity, corporate debt, municipal, U.S. government, annuities and investment company securities as well as certificates of deposit and real estate limited partnerships. Specific strategies implemented include long and short term purchases and limited short-term trading strategies. Except for Asset Management Services, FWM's representatives do not have authority to determine, without client consent, the securities or insurance to be bought or sold, amount of securities or insurance to be bought or sold, the broker or insurance agent to be used, or the commission rates to be paid.

FWM's main sources of information include, but are not limited to, financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, public filings and company press releases.

FWM does not guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including those recommended or applied by FWM.

FWM may recommend traditional exchange-traded funds ("ETF"). ETF shares are bought and sold at market price unlike mutual funds. ETFs are subject to risks similar to those of stocks.

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

FWM does not have any disciplinary information to report regarding itself or any of its counselors or other related persons.

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

As discussed in Item 5 above, certain FWM Representatives, in their individual capacities, are also licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 5 above, clients can engage licensed FWM Representatives to effect insurance transactions on a commission basis. The recommendation by licensed FWM Representatives that a client purchase an insurance commission products presents a **material conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from licensed FWM Representatives. Clients are reminded that they may purchase insurance products recommended by FWM through other, non-affiliated insurance agents.

In addition, the Family Trust for FWM's indirect owners, Patricia Filbrandt and Michael Filbrandt, owns a minority, non-controlling interest in a federally chartered trust company, National Advisors Trust Company ("NATC"). NATC is regulated by the Office of Thrift Supervision. The trust company intends to provide a low cost alternative to tradition trust service providers, and FWM intends to refer clients to NATC for trust services. The recommendation by FWM that a client engage the trust services of NATC presents a **material conflict of interest**, as the receipt of residual compensation by the Family Trust of

Patricia and Michael Filbrandt, as an owner of NATC, may provide an incentive to recommend NATC's trust services, rather than on a particular client's need. No client is obligated to engage NATC's trust services and clients are reminded that they may engage the trust services of other trust companies.

**FWM's Chief Compliance Officer, Patricia J. Filbrandt, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

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

When FWM Representatives make recommendations for the purchase of insurance they also receive customary commissions as insurance salespersons. The receipt of commissions in return for insurance product purchases creates a conflict of interest for Representatives when they recommend the purchase of such products to clients.

Representatives of FWM may buy or sell securities for themselves that they also recommend to clients. Where a transaction for a Representative, or an account related to a Representative, is contemplated, a client's transaction is given priority. FWM has developed a Code of Ethics applicable to all persons who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the Code requires, among other procedures, such "access persons" to obtain preapproval of certain securities transactions, to report transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for clients' accounts. The Code also established certain bookkeeping requirements relating to federal reporting rules. The Code is required to be reviewed annually and updated as necessary. A complete copy of the firm's Code is available upon request.

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

Although FWM will choose from a variety of investments when making recommendations and placing orders on behalf of clients, FWM will usually recommend clients receiving investment management service open an account with Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, Member FINRA/SIPC, to maintain custody of clients' assets and to process FWM's orders. Although a client is not obligated to utilize the services of Schwab, FWM believes that use of Schwab is a convenient means of obtaining efficient transaction executions, account reference and reporting services for investment positions. For FWM's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related, or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. FWM will recommend the use of Fidelity and Vanguard mutual funds for certain accounts, and also recommend TIAA custodial accounts when providing advice to clients regarding investments in their retirement annuities. FWM does not have authority to take possession of any client assets, except for withdrawal of fees permitted by each client in advance.

FWM is independently owned and operated and not affiliated with Schwab, Fidelity, Vanguard or TIAA (the "Custodians"). The Custodians provides FWM with access to their institutional trading and custody services, which may not be available to retail investors. These services generally are available to independent investment advisers, at no charge to them. Schwab

requires that FWM maintain a total of at least \$10 million of its clients' assets in accounts at Schwab, and are not otherwise contingent upon adviser committing to Schwab any specific amount of business (assets in custody or trading). The Custodians' services include brokerage, 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.

The Custodians makes available to FWM, at no cost, other products and services that benefit FWM but may not benefit its clients' accounts. Some of these other products and services assist FWM in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of FWM's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of FWM's accounts, including accounts not maintained at the specific Custodian. The Custodians may also make available to FWM other services intended to help FWM manage and further develop its business enterprise. These services may include consulting, publications and conferences on advisory services management, information technology, business succession, regulatory compliance, and marketing. In addition, the Custodians may make available, arrange and/or pay for these types of services rendered to FWM by independent third parties. The Custodians 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 FWM. On 11/11/16, we entered into an agreement with Schwab to receive a recurring quarterly discount of \$2,625 off an invoice for software. The maximum amount FWM could receive under this arrangement over four quarters is \$10,500. While as a fiduciary, FWM endeavors to act in its clients' best interests, FWM's recommendation that clients maintain their assets in accounts at a Custodian may be based in part on the benefit to FWM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the Custodians, which may create a potential conflict of interest.

Clients should be aware that the receipt of economic benefits by FWM described above, in and of itself, creates a potential conflict of interest and may directly or indirectly influence FWM's recommendation of those service providers for custody and brokerage service.

Thus, the receipt of these services creates an incentive and conflict of interest for FWM when it recommends the Custodians services.

Other than the services described above, FWM and its Representatives do not direct transactions and the commissions they generate (soft dollars) to brokerage firms or other parties to receive research or other benefits.

FWM does not process transactions through the Custodians in return for the Custodians referring new clients to FWM.

FWM may combine similar client orders into one aggregate order for the purpose of obtaining an average price for all customers participating in the order.

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

When performing Comprehensive Advisory Services, the initial review of a client's circumstances is performed by FWM's staff with at least one meeting with the Client within six months of the initial consultation. Ongoing Advisory Service account reviews are provided by FWM's staff at intervals selected by the client, and a review of each Asset Management Account occurs at least quarterly. All reviews and meetings are usually performed by one staff member.

One written financial analysis or project report is prepared in connection with Comprehensive or Project Advisory Services. The scope of the report is decided between the client and FWM before services begin. The number and type of reports prepared in connection with the Ongoing Services are also decided upon by client and FWM prior to the services being provided. A written report identifying the investments in a client's account, each investment's current value and the performance of the account is provided to each Asset Management client at least calendar quarterly. Clients typically receive services from one Investment Adviser Representative of the firm, although other representatives may assist.

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

FWM does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it. Also, as indicated above, the firm does not direct brokerage transactions to any third party in return for client referrals.

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

FWM does not take custody of client funds or securities. These safekeeping services are typically provided to managed accounts only by the brokerage firm processing the securities transactions ordered by FWM.

To the extent a client receives any account or other investment ownership statement from FWM, FWM recommends the client carefully compare the information in the report to that in the custodian's statements.

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

When providing Investment Management Services, FWM Representatives may exercise discretion when granted authority by clients and most clients grant discretionary authority to FWM. When doing so, it allows FWM to select the securities to buy and sell, the amount to buy and sell, when to buy and sell, and the commission rate paid, without obtaining specific consent from the client for each trade. Clients should be aware that FWM Representatives may make different recommendations and effect different trades with respect to the same securities and insurance to different advisory clients. Commissions and execution of securities transactions implemented through the custodian/broker dealer recommended by FWM may not be better than the commissions or execution available if the client used another brokerage firm. However, FWM believes that the overall level of services and support provided to the client by custodians and broker-dealers whom FWM recommends outweighs the potentially lower costs that may be available from other brokerage service providers.

When exercising discretion, FWM may combine orders for more than one client's account to form a "block" order for the purpose of seeking a better price and or execution. When a block order is executed, the broker/dealer executing the order typically allocates an average execution price to all shares in the block order, which FWM then allocates to each customer's account position on a pro rata basis. Should a block order only be partially filled, available shares are distributed in a manner fair to all accounts.

If a client directs FWM to effect transactions through a particular broker/dealer, including Schwab, FWM will do so. However, such an instruction may have implications to the client which may include incurring transaction costs and commissions that may be higher or lower than if the instruction had not been given. Also, restricting FWM to particular broker/dealers may limit FWM's ability to include a client account order within block orders to obtain the best price or execution. In addition, if FWM effecting transactions in a security for clients by means of a block order, as well as an order in the same security for a client who has directed FWM use a particular broker/dealer, FWM will effect the block order immediately prior to effecting the directed brokerage trade. Thus, clients directing FWM to use a particular broker/dealer may not receive the same average price for securities bought or sold that would be received if the order was part of a block order.

In those instances where an order error occurs by FWM, it is FWM's policy to reverse the order to make the client's account whole.

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

FWM and its Representatives do not vote proxies on behalf of clients who will receive such notices from their account's custodian.

FWM also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's managed account. However, it is available to answer questions regarding such notices.

### ***Item 18 - Financial Information***

FWM does not require or solicit fees of more than \$1,200 six months or more in advance, thus no financial statement for FWM is attached. FWM does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client.

## ***Notice Regarding Treatment of Confidential Information***

Privacy Notice to Our Clients: Filbrandt & Company and Filbrandt Investment Advisers Incorporated strongly believe in protecting the confidentiality and security of information we collect about you. This notice describes our privacy policy and describes how we treat the information we receive about you.

Why We Collect And How We Use Information: When we evaluate your request for our services, provide insurance and investment advice to you and process transactions for your account, you typically provide us with certain personal information necessary for us to provide advice and process transactions. We may also use that information to offer you other services we provide which may meet your investment needs.

What Information We Collect: The personal information we collect may include:

- Name and address;
- Date of Birth;
- Assets;
- Income;
- Account balance and positions;
- Investment activity;
- Social Security or Taxpayer Identification Number;
- Tax Statements;
- Estate Documents;
- Electronic Data; and
- Accounts at other institutions.

How We Protect Information: We do not sell your personal information to anyone.

We treat information about current and former clients and their accounts in a confidential manner. Our employees may access information and provide it to third parties only when completing a transaction at your request or providing our other services to you.

At your written request, we may disclose information to attorneys, accountants, lawyers, securities and insurance professionals and others to assist us, or them, in providing services to you. We may also share information with companies that perform services on our behalf, such as the companies that we hire to perform marketing or administrative services. Companies we may hire to provide support services are not allowed to use your personal information for their own purposes. We may make additional disclosures as permitted by law.

We also maintain physical, electronic, and procedural safeguards to protect information. Employees and our professional service representatives are required to comply with our established information confidentiality provisions.

Access to and Correction of Information: Generally, upon your written request, we will make available information for your review. Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available.

If your personal information with us becomes inaccurate, or if you need to make a change to that information, please contact us at the number shown below so we can update our records.

Further Information: For additional information regarding our privacy policy, please contact us by writing to us at 8401 Greenway Boulevard Suite 212, Middleton, Wisconsin 53562, or calling (608) 836-3600 or (800) 431-9740.