

Item 1 – Cover Page

**Form ADV Part 2A, Appendix 1**

**Wrap Fee Program Brochure**



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**This Wrap Fee Program Brochure provides information about the qualifications and business practices of Axiom Financial Strategies Group, LLC. (“Axiom”). You should review this brochure to understand your relationship with our firm and help you determine to hire or retain us as your investment adviser. If you have any questions about the contents of this brochure, please contact us at (812) 913-7701. The information in this Brochure has not been approved or verified by the United States of America Securities and Exchange Commission (“SEC”) or by any state securities authority.**

**Additional information about Axiom also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by our firm name or by using a unique identifying number, known as a CRD number. The CRD number for Axiom is 306618.**

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

## **Item 2 – Material Changes**

This section of the Wrap Fee Program Brochure discusses specific material changes that have been made to the brochure since the firm's last annual update. This is our 120-day registration filing and we have updated our regulatory assets under management. We will provide you with a Summary of Material Changes made to this brochure annually at no cost. You may receive an updated copy of this brochure at any time by contacting us at (812) 913-7701.

### **Item 3 – Table of Contents**

Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Services, Fees and Compensation.....	4
Item 5- Account Requirements and Types of Clients .....	7
Item 6 – Portfolio Manager Selection and Evaluation .....	7
Item 7 – Client Information Provided to Portfolio Managers .....	9
Item 8 – Client Contact with Portfolio Managers .....	9
Item 9 – Additional information .....	10

## Item 4 – Services, Fees and Compensation

### Our Services

Axiom is a registered investment adviser owned by limited liability corporations that Michael Grau and Vaughan Scott control and has been providing advisory services since 2019. This is our 120-day registration filing and as of March 31, 2020, Axiom had \$210,313,798 in discretionary assets under management and \$64,919,585 in non-discretionary assets for a total of \$275,233,383 to report.

Axiom offers a variety of advisory services, which include investment and wealth management, financial planning, and consulting services. Prior to Axiom rendering any of the foregoing services, clients are required to enter into one or more written agreements with Axiom setting forth the relevant terms and conditions of the advisory relationship (the ‘Advisory Agreement’). Axiom manages investment portfolios for individuals, high net worth individuals, trusts, foundations, businesses and corporations. Axiom will work with a client to determine the client's investment objectives and investor risk profile.

We work with our clients to determine their investment objectives and risk profile and develop a customized investment plan based on their individual needs and goals. Axiom will utilize the financial information provided by the client to analyze and develop strategies and solutions to assist the client in meeting their financial goals. These investment objectives may be set forth in a written Investment Policy Statement (IPS) that describes an asset allocation that conforms to a client’s risk tolerance level and expected rate of return requirements. Investment and portfolio allocation software is used to evaluate alternative portfolio designs. Axiom evaluates clients’ existing investments with respect to their IPS and works with new clients to develop a plan to transition from a client’s existing portfolio to the portfolio recommended by Axiom. Axiom then continuously monitors clients’ portfolio holdings and holds regular review meetings with clients regarding their accounts, as necessary.

Axiom offers portfolio management services through its wrap fee program. A bundled or “wrap fee” program is an advisory fee program under which you pay one bundled fee to compensate Axiom for portfolio management and trade execution. A wrap fee program may not be the lowest cost option if you would like to restrict your investments to open-end mutual funds or other long-term investment products.

Axiom manages portfolios on a discretionary and, in very limited circumstances, non-discretionary basis. Axiom may also provide its clients with a broad range of services, as described in more detail below. Axiom advises its clients by delivering tailored wealth management services and solutions. These services are based on a comprehensive understanding of each client’s current situation, past experiences, and future goals. With this acquired knowledge Axiom will create, analyze, strategize, and implement goal-oriented investment solutions. These solutions become our client’s investment policy. This policy and our matched strategies are designed to be risk appropriate, cost effective and tax efficient.

Axiom provides clients with wealth management services which generally include a broad range of comprehensive financial planning and consulting services, as well as discretionary and/or, in very limited circumstances, non-discretionary management of investment portfolios.

Clients may also retain Axiom to provide advisory services for their retirement plan account. When providing these services, the firm acts as an ERISA 3(21) fiduciary and is required to act under the standard of care in ERISA that is generally a higher standard than imposed on our firm under the Investment Advisers Act of 1940. Advisory services available to plan participants include:

- Non-discretionary investment advice
- Asset allocation models
- Strategic investment allocations
- Investment performance reporting

Axiom consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. You should promptly notify us if there are changes in your financial situation or if you wish to place any limitations on the management of your account. You may impose reasonable restrictions or mandates on the management of your account if Axiom determines, in our sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the firm's management efforts.

Axiom starts with an extensive review of a client's family situation which includes assets and liabilities as well as estate, tax, and insurance needs. The Firm then employs a risk tolerance and risk capacity-focused simulation to get a cash flow analysis and proposed asset allocation. Together, this information is analyzed to develop a proposed financial plan, which is designed to be dynamic in nature, ever-evolving due to life changes resulting from changes in cash flow needs, risk tolerance, time horizon, or investment objectives.

Axiom's financial planning and consulting services may include any or all of the following functions:

Business Succession Planning	Liability Management
Cash Flow Forecasting	Risk Management
Trust and Estate Planning	Charitable Planning
Financial Planning	Distribution Planning
Investment Consulting	Tax Planning
Insurance Planning	Retirement Plan Consulting
Business Strategy & Transition Planning	Family Strategy & Transition Planning

While each of these services is available on a stand-alone basis, some of these services may also be rendered in conjunction with investment portfolio management services, as part of a comprehensive wealth management engagement (described in more detail below). In performing these services, Axiom is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.), and is expressly authorized to rely on such information. Axiom may recommend clients engage the firm for additional related services, or we may recommend other professionals to implement recommendations made by Axiom. Such additional services by Axiom or

another professional will be provided for additional compensation, commensurate with the nature, extent, complexity, and other characteristics of such services. Clients are advised that a conflict of interest, or the perception of one, may exist because the firm may have additional incentive to recommend such additional services based on the compensation to be received, rather than solely based on the client's needs, and in some cases, based on the prospect of cross-referrals of advisory clients from the other professional or his or her firm.

Axiom will act solely in its capacity as a registered investment adviser and does not provide any legal, accounting or tax advice. You should seek the counsel of a qualified accountant and/or attorney when necessary. As part of our advisory services, we may assist clients with tax harvesting and will work with the client's tax specialist to answer any questions related to the client's portfolio.

## **Fees and Compensation**

Axiom offers investment and wealth management services for an annual fee based on the amount of assets under the firm's management. The specific manner in which fees are charged by Axiom is established in a client's written investment advisory agreement. Axiom will generally bill its fees monthly in arrears based on the client's average daily balance. Clients may elect to be billed directly for fees or to authorize Axiom to directly debit fees from the client's portfolio accounts. Accounts initiated or terminated during a calendar month will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

The following fee schedule is applicable as of this Brochure:

### **Fee Schedule:**

<b>Total Assets Under Management (By Family)</b>	<b>Fee</b>
First \$1,000,000	Up to 1.50%
Greater than \$1,000,000 - Less than or equal to \$5,000,000	Up to 1.25%
Greater than \$5,000,000 - Less than or equal to \$10,000,000	Up to 1.00%
Greater than \$10,000,000	Up to 0.75%

This fee schedule is a flat fee based on cumulative household assets under management and therefore may vary each quarter based on the client's assets under management. However, certain ERISA rules prevent householding corporate plans with personal assets for fee reductions. Additionally, for some clients, Axiom may enter into a fixed-fee arrangement, which can range from \$25,000 - \$250,000. You should refer to your advisory agreement for your specific fee rate(s).

Fees for our portfolio management services may be higher than fees charged by other advisers who sponsor similar programs, or if you paid separately for investment advice and other services. Fees for this program include clearing, custodial costs, trade execution and our portfolio management fee. You may be charged different fees than similarly situated clients for the same services. Your specific wrap fee is described in your investment management agreement. You should carefully review this brochure to understand the fees and other sources of compensation we receive prior to entering into an investment advisory contract with our firm. Axiom does not charge any performance-based fees or participate in side-by-side management.

## **Other Types of Fees You May Incur**

Axiom's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third-party investments and other third parties such as fees charged by independent managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Axiom's fee, and Axiom shall not receive any portion of these commissions, fees, and costs.

## **Our Compensation for Your Participation in the Program**

Axiom acts as both the sponsor and portfolio manager of the program. This means we receive compensation in the form of advisory fees as a result of your participation in the program. We are incentivized to recommend this wrap program over other programs or services. However, at this time, Axiom only offers this program to advisory clients. Your overall fees may be higher or lower if you paid separately for investment advice, brokerage, and other services. Effective January 2020, transaction costs have been waived by the broker-dealer and custodian for trade execution and clearing. We encourage you to not only consider your anticipated level of trading activity and compare the costs you may incur in this program versus an unbundled portfolio management program, but also the quality and overall breadth of service(s) that Axiom provides.

## **Item 5- Account Requirements and Types of Clients**

Axiom provides portfolio management services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, family entities, charitable institutions, foundations, corporations, and other business entities.

Axiom generally requires a minimum account of \$250,000.00 to open a portfolio. The firm, in its sole discretion, may accept client with smaller portfolios based upon each client's particular circumstances as it deems appropriate. Axiom may aggregate the portfolios of family/household members to meet the minimum portfolio size.

## **Item 6 – Portfolio Manager Selection and Evaluation**

Axiom acts as both the sponsor and portfolio manager of the program. We do not utilize any third-party money managers as the sponsor.

In an effort to mitigate any potential conflicts of interest, we have the ability to effect a large amount of trades within the wrap program with institutional pricing. This mitigates the incentive to recommend fewer trades in your account. The cost of trading is not material to our investment recommendations. It is our policy to always act in the best interests of our clients.

Axiom primarily allocates client assets among individual equity and debt securities, exchange-traded funds ("ETFs"), and institutional mutual funds in accordance with the client's stated investment objective and risk/volatility parameter. Axiom may also occasionally recommend clients allocate a certain portion of their assets to independent investment managers ("Independent Managers") under a dual-contract arrangement. Where appropriate, Axiom may also provide advice about many types of legacy positions or other investments held in client portfolios. Clients may engage Axiom to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts (to the extent permissible without an insurance license) and assets held in employer sponsored retirement plans and qualified tuition plans (e.g., 529 plans). In these situations, Axiom will direct or make recommendations on a non-discretionary basis for the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or custodian for the plan trustee or administrator and clients retain responsibility for effecting trades in these accounts.

Axiom provides all portfolio management services through its wrap free program. A bundled or "wrap fee" program is an advisory fee program under which you pay one bundled fee to compensate Axiom for portfolio management and your custodian for custody and trade execution expenses. A wrap fee program may not be the lowest cost option if you would like to restrict your investments to open-end mutual funds or other long-term investment products.

Axiom carefully constructs a tax-efficient and cost-effective asset allocation strategy based on a client's unique cash flow needs, stated return and risk profile. Security selection is based on qualitative, quantitative, technical, and relative strength metrics. Portfolios holdings are constantly monitored and adjusted as market conditions and our clients' circumstances dictate. Clients may hold or retain other types of assets as well, and Axiom may offer advice regarding those various assets as part of our services. Advice regarding such assets generally will not involve portfolio management services.

***Risk of Loss: Investing in securities involves risk of loss that you should be prepared to bear.***

All investments present the risk of loss of principal – the risk that the value of securities (e.g., stocks, bonds, ADRs, etc.), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment. There is no guarantee that investment recommendations made by Axiom will be accurate. We cannot assure that your account will increase, preserve capital or generate income, nor can we assure that your investment objectives will be realized. Although all investments involve risk, our investment advice seeks to limit risk through diversification among various asset classes.

Described below are the material risks associated with investing in the types of securities we generally use in client accounts:

**Equity Securities:** In general, prices of equity securities (common, convertible preferred stocks and other securities whose values are tied to the price of stocks, such as rights, warrants and convertible debt securities) are more volatile than those of fixed-income securities. The prices of equity securities could decline in value if the issuer's financial condition declines or in response to overall market and economic



conditions. Investments in smaller companies and mid-size companies may involve greater risk and price volatility than investments in larger, more mature companies.

**Fixed-Income Securities:** The return and principal value of bonds fluctuate with changes in market conditions. Fixed-income securities are subject to interest rate risk and credit quality risk. The market value of fixed-income securities generally declines when interest rates rise, and an issuer of fixed-income securities could default on its payment obligations. Changes in interest rates generally have a greater effect on bonds with longer maturities than on those with shorter maturities. If bonds are not held to maturity, they may be worth more or less than their original value. Credit risk refers to the possibility that the issuer of a bond will not be able to make principal and/or interest payments. High yield bonds, also known as “junk bonds,” carry higher risk of loss of principal and income than higher rated investment grade bonds.

**International Investing:** The risks of investing in foreign securities include loss of value as a result of political or economic instability; nationalization, expropriation or confiscatory taxation; changes in foreign exchange rates and foreign exchange restrictions; settlement delays; and limited government regulation (including less stringent reporting, accounting, and disclosure standards than are required of U.S. companies). These risks may be greater with investments in emerging markets. Certain investments utilized by Axiom may also contain international securities.

**Cash and Cash Equivalents:** A portion of your assets may be invested in cash or cash equivalents to achieve your investment objective, provide ongoing distributions and/or take a defensive position. Cash holdings may result in a loss of market exposure.

### **Voting Client Securities**

As a general policy, Axiom will have authority to and will vote proxies on behalf of advisory clients for positions in which Axiom has provided investment discretion. Axiom will not vote proxies for legacy positions that the client maintains in their portfolios. In such cases, we will follow the proxy voting guidelines outlined in our Proxy Voting Policies and Procedures. You may obtain a copy of our Proxy Voting Policies and Procedures and/or a record of ballots voted upon by contacting us at (812) 913-7701 .

## **Item 7 – Client Information Provided to Portfolio Managers**

As the sole portfolio manager of the program, Axiom does not communicate client information to any third-party portfolio managers.

## **Item 8 – Client Contact with Portfolio Managers**

Axiom does not use any outside portfolio managers as part of this program. You may contact us directly at (812) 913-7701 to discuss your account.

## **Item 9 – Additional information**

### **Disciplinary Information**

As a registered investment adviser, Axiom is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. Axiom has no disciplinary information to report.

### **Other Financial Industry Activities and Affiliations**

**Axiom Insurance Solutions, LLC:** Due to common control and ownership, Axiom is affiliated with Axiom Insurance Solutions, LLC. Certain members of Axiom are licensed insurance agents of Axiom Insurance Solutions LLC and may provide insurance services for compensation. Licensed insurance agents of Axiom Insurance Solutions, LLC may recommend and offer insurance coverage for clients desiring to implement their insurance needs through this entity. Clients are not under any obligation to engage Axiom Insurance Solutions when considering implementation of insurance recommendations. The implementation of any or all such recommendations is solely at the discretion of the client.

As a result of common control and ownership, Axiom is affiliated with Next Chapter IP, LLC. Next Chapter IP LLC is a business consulting firm for businesses, non-profit organizations, families, and family enterprises on the topics of leadership, succession, and transition planning and personnel development by providing advice and best practices on how they can leverage their time, talent, and treasure to evaluate, improve, and optimize their human, social, intellectual, and spiritual capital. Clients of Axiom may be referred to Next Chapter IP, LLC for business consulting services which would be deemed a conflict of interest due to the financial compensation received by Mr. Scott, owner.

### **Code of Ethics, Participation in Client Transactions and Personal Trading**

Axiom is committed to providing investment advice with the utmost professionalism and integrity. Our firm strives to identify manage and/or mitigate conflicts of interest and has adopted policies, procedures and oversight mechanisms to address conflicts of interest. We have adopted a Code of Ethics that emphasizes our fiduciary obligation to put client interests first and is designed to ensure personal securities transactions, activities, and interests of employees will not interfere with the responsibilities to make decisions in the best interest of clients. All supervised persons of our firm must acknowledge and comply with our Code of Ethics.

You may request a copy of our Code of Ethics by contacting us at (812) 913-7701

### **Participation in Client Transactions**

Axiom does not affect principal or agency cross securities transactions for client accounts. Axiom also does not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells a security to an advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any

person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Employee Personal Trading**

Axiom has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Axiom must acknowledge the terms of the Code of Ethics annually, or as amended.

Supervised persons of Axiom may purchase or sell the same security that we recommend for investment in client accounts. This creates a conflict of interest as there is a possibility that employees of our firm might benefit from market activity by a client in a security held by the employee. Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Axiom will not interfere with making decisions in the best interest of advisory clients and implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Axiom's clients. Our Code of Ethics also places restrictions on our employees' personal trading activities. These restrictions include, but are not limited to, a prohibition on trading based on non-public information and pre-clearance requirements for certain types of transactions. Employee trading is continually monitored under the Code of Ethics in an effort to prevent conflicts of interest between Axiom and our clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Axiom's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Axiom will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

## **Review of Accounts**

For those clients to whom Axiom provides investment management services, Axiom performs periodic account reviews. This informal review may include assessing client goals and objectives, monitoring the portfolios and addressing the need to rebalance. Individual securities held in client accounts will be periodically monitored by Axiom, while the firm will monitor any selected third-party managers on a quarterly basis. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, market conditions, or the political or economic environment.

Additional reviews that Axiom may periodically perform include tax-planning, cash-flow needs, as well as charitable giving, insurance, and estate planning. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Axiom and to keep Axiom informed of any changes thereto. Axiom shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

In addition to the account statements you receive for your account custodian at least quarterly, Axiom may also provide you with written performance reports for your account that provide details on account holdings and performance. As a convenience to our clients, in addition to reporting on clients' financial assets, at a client's request we may prepare a global consolidated report that also includes certain non-financial assets (e.g., real assets). In such instances, Axiom relies on the client to provide current and accurate price or other valuation information for those assets to be included in the client's consolidated account report. In no instance are non-financial assets included in performance reporting. Axiom does not independently verify, and expressly disclaims responsibility for, the accuracy of any non-financial asset values clients provided to us to include in their reporting.

### **Client Referrals and Other Compensation**

Axiom receives compensation from Trade-PMR, Inc., the broker-dealer used for your account, and your account custodian in the form of access to electronic systems that assist us in the management of client accounts, as well as research, software and other technology that provide access to client account data (such as trade confirmations and account statements), pricing information and other market data, facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), and client reporting capabilities. The account custodian also offers Axiom discounts for products and services offered by vendors and third-party service providers, such as software and technology solutions. These economic benefits create a conflict of interest in that it gives our firm an incentive to recommend one broker-dealer or custodian over another that does not provide similar electronic systems, support or services. We address this conflict of interest by disclosing to our clients the types of compensation that our firm receives so clients can consider this when evaluating our firm. It is important that you consider the fees, level of service and investment strategies, among other factors, when selecting an investment manager.

Axiom compensates certain independent third-party solicitors (the "solicitors") whereby a fee is paid quarterly based on a percentage of the investment advisory fee paid by clients introduced by the solicitors. Axiom is aware of the special considerations promulgated under Section 206(4)- 3 of the Investment Advisers Act of 1940 and similar state regulations. The solicitation fee is paid pursuant to a written agreement retained by both the investment adviser and the solicitors and required disclosures are provided to the introduced client prior to or at the time of entering into any advisory contract. The solicitors refer clients to Axiom to receive investment services and are compensated for such referrals.

### **Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Axiom's financial condition. Axiom has no financial commitment that impairs its

ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.