



ITEM 1

FERRELL WEALTH MANAGEMENT, INC.
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(407) 629-7008
www.ferrellwm.com

FORM ADV, PART II DISCLOSURE BROCHURE ANNUAL AMENDMENT

Information provided as of March 2020

This Brochure provides information about the qualifications and business practices of Ferrell Wealth Management Inc. ("ADVISER"). If you have any questions about the contents of this Brochure, please contact us at (407) 629-7008 and/or info@ferrellwm.com. 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.

Ferrell Wealth Management Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Ferrell Wealth Management Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2

MATERIAL CHANGES

Ferrell Wealth Management periodically updates the Form ADV, Part II Disclosure Brochure with information relating to the types of services offered, fees, types of clients served, types of investments generally recommended, and methods of analysis. As of this filing date there are no material changes.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Elaine Kirchner, Compliance Officer at (407) 629-7008 or ekirchner@ferrellwm.com.

Additional information about Ferrell Wealth Management Inc. is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Ferrell Wealth Management Inc. who are registered, or are required to be registered, as investment adviser representatives of Ferrell Wealth Management Inc.

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ITEM 4

ADVISORY BUSINESS

Ferrell Wealth Management Inc. is a private Investment Advisor, established in 1996 and registered with the Securities and Exchange Commission (SEC) and the state of Florida. The principle owner is James W. Ferrell, MBA, CPA, CFP®, PFS, CIMC, who is the President and Chief Executive Officer. We offer fee-based consulting for individuals, trusts, and estates. Services are strictly tailored to each client and include the following:

- Development of unique and personalized investment portfolios and policy statements based on client goals and objectives
- Preparation of Strategic Asset Allocations based on modern portfolio theory
- Evaluation and due diligence of style specific Separate Money Managers for tax-efficient and customized portfolios of individual securities
- Performance evaluation and monitoring of Separate Account Money Managers and Mutual Fund Money Managers
- Investment Management using no-load mutual funds at institutional pricing
- Comprehensive Financial and Estate Planning

We provide investment advisory services for managed accounts on a discretionary basis and have full authority to determine which securities are purchased and sold. However, you may have assets that are not managed by us (these assets are considered non-discretionary). We maintain custody of client funds, securities and assets. As an advisor with custody we ensure that client funds and securities are maintained with qualified custodians.

We also provide portfolio management services through Institutional Intelligent Portfolios™, an automated, online investment management platform for use by independent investment advisors and sponsored by Schwab Wealth Investment Advisory, Inc. Through the Program, we offer clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds and a cash allocation. As the investment advisor and primary point of contact with respect to the Program, we are responsible for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment need and goals, and managing that portfolio on an ongoing basis. Clients do not pay brokerage commissions or any other fees to Schwab as part of the Program.

As of December 31, 2019, we managed \$546 million for individuals, trusts and estates. Out of this total, \$519 million of client assets is managed on a discretionary basis and \$27 million on a non-discretionary basis.

ITEM 5

FEES AND COMPENSATION

The specific manner in which we charge fees is established in your written agreement with us. Fees are expressed annually and billed quarterly. Calculation of the fee is based upon the value of the portfolio (including cash or its equivalents) at the end of the prior quarter to which the fee relates. The fee schedule for investment advisory services is as follows:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Up to \$2,000,000	1.00%
\$2,000,000 to \$5,000,000	0.80%
\$5,000,000 to \$10,000,000	0.60%
\$10,000,000 and above	0.25%

You may elect to be billed directly for fees or to authorize us to directly debit fees from your accounts. We will charge a prorated fee for accounts initiated or terminated during a calendar quarter. You have the right to terminate an agreement without penalty within five business days after entering into the agreement.

It is your responsibility to determine if our fees are suitable for you. Our fees may be higher than other investment advisors offering similar services. Management fees are sometimes subject to negotiation. Fees cover our investment advisory, reporting, and account related services. We will provide pro-rata refunds.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which you will incur. You may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by 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. These charges, fees and commissions are exclusive of and in addition to our fee. We will not receive any portion of these commissions, fees, and costs (*see Item 12 for additional information on our brokerage practices*).

ITEM 6

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

ITEM 7

TYPES OF CLIENTS

We provide portfolio management services for individuals, trusts, estates, non-profit organizations, professional and religious organizations, corporations, pension plans, and private pooled funds. For our clients, the minimum account size is \$500,000. We may increase or decrease the account minimums for normal business reasons and considerations.

With respect to Institutional Intelligent Portfolios™, the Program is available to individuals, IRAs and revocable living trusts. Clients that are organization or government entities and clients subject to the Employee Retirement Income Security Act (ERISA) of 1974 are not eligible for the Program. For eligible clients, the minimum investment required to open an account is \$5,000.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

We look at quantitative and qualitative information to select the products and securities that will be used in your portfolio. Each portfolio that we construct involves the use of modern portfolio theory. This method attempts to maximize the expected return of portfolios relative to the amount of risk taken. This is achieved by combining different investments to form an efficient allocation of assets.

We develop your asset allocation model based on your desired rate of return and risk tolerance level. In general, mutual funds, ETFs, and separate account managers are utilized for managing assets in the portfolio. We use computer-based asset allocation software to construct your asset allocation model.

Our objective is to create an investment policy with a well-diversified asset mix that can be expected to generate acceptable long-term return at a level of risk suitable to you. Fluctuating rates of return are characteristic of the securities markets, so our greatest concern will be long-term behavior of the assets and consistency of portfolio returns. To achieve these investment objectives, you must be willing to accept the usual risks and volatility that accompany a properly balanced and diversified portfolio.

We may recommend to certain clients the use of alternative investments, such as real estate, private equity, hedge funds, and limited partnership investment trusts. Due to the complexities of these investments, we have guidelines and disclosures for client accounts we manage that address investment risk, liquidity, and payout structure.

ITEM 9

DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We have no information applicable to this Item.

ITEM 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

James W. Ferrell, President and Chief Executive Officer is licensed as a Certified Public Accountant and is the President and Managing Partner of Ferrell & Kelly, LLC, which provides tax and accounting services to a limited number of Ferrell Wealth Management's clients. Ferrell & Kelly, LLC shares supervised persons with us, but we have no reason to believe that this relationship with the firm otherwise creates a conflict of interest. Mr. Ferrell serves on the Board of Directors of Winter Park National Bank. Mr. Ferrell also holds an insurance and Real Estate Broker License.

In addition to providing investment advice to clients, we offer personal financial planning services. On behalf of our financial planning clients, we may occasionally review insurance alternatives pertaining to a client's estate plan. As part of this process, we may perform due diligence on insurance companies and recommend strategies utilizing insurance policies to meet client goals and objectives. On occasion, we may receive insurance commissions for this service on a fully disclosed basis.

ITEM 11

CODE OF ETHICS

We have adopted a Code of Ethics for all employees that describe our high standard of business conduct and fiduciary duty to you. The Code of Ethics includes provisions relating to the confidentiality of your information, our expectations and laws governing conduct, and ways to guard against violations of securities laws.

The general rules of the Code of Ethics include the following:

1. The duty at all times to place your interests first,
2. The requirement that all personal securities transactions be conducted in a manner that is consistent with the Code of Ethics and to avoid actual or potential conflicts of interest or any abuse of an employee's position of trust and responsibility,
3. That employees should not take inappropriate advantage of their position,
4. The fiduciary principle that information concerning the identity of your security holdings and financial circumstances is confidential,

5. The principal that independence in the investment decision-making process is paramount.

On occasion, our employees may buy or sell securities that we recommend to you. If an employee holds the same securities as you, purchasing and/or selling will occur first in your account so that you will not be disadvantaged. We generally do not buy securities from or sell securities to any investment Advisory client. To start a new product line, we (or an affiliate) may establish an account with funds provided by us (or the affiliate). This account will be managed along with other client accounts in such a way that our account does not receive favorable treatment over other client accounts. No one account will be favored over another including the personal accounts of our personnel. We have adopted Personal Trading Policies and Procedures to address potential conflicts of interest and trading issues related to providing investment advisory services to you. The procedures describe the appropriate actions necessary when addressing a trade error in your account. We consider a trade error to be an unintentional mistake, such as purchasing instead of selling a security, purchasing (or selling) an incorrect amount of a security, or purchasing (or selling) a security in contravention of an applicable guideline. Our Compliance Officer is responsible for ensuring that any such trade error is corrected in accordance with procedures designed to ensure that such error is promptly identified, corrected and documented. In correcting a trade error, we will generally reimburse your account for any losses arising from the error and any profits related to the error will generally remain in your account.

ITEM 12

BROKERAGE PRACTICES

Your assets must be maintained in an account at a qualified custodian, generally a broker-dealer or bank. We may recommend that our clients use Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, or TD Ameritrade Institutional, a division of TD Ameritrade Inc. (TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and NASD member, to maintain custody of your assets and to effect trades for your accounts. Clients who choose to participate in the portfolio management services provided by Institutional Intelligent Portfolios™ are required to use the brokerage services of Charles Schwab & Co., Inc.

We seek to recommend a custodian/broker who will hold your assets and execute transactions that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Capability to execute, clear, and settle trades (buy and sell securities for your account), as well as facilitate transfers and payments to and from your accounts (wire transfers, check requests, etc.)
- Competitiveness of the price of those services (commission rates, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, etc.)
- Reputation, financial strength, stability, and quality of services
- Availability of investment research and tools that assist us in making investment decisions

Schwab/TD Ameritrade Institutional provide us and our clients with access to their institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to their customers. Schwab/TD Ameritrade Institutional also make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include software and other technology that provide access to your account data, facilitate trade executions, provide research, pricing information and other market data, facilitate payment of our fees from our clients' accounts, and assist with back office support, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at Schwab/TD Ameritrade Institutional. Schwab/TD Ameritrade Institutional may also provide us with other services intended to help us manage and further develop our business enterprise. Schwab/TD Ameritrade Institutional 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 us. However, the availability of the forgoing products and services is not contingent upon committing any specific amount of business to Schwab/TD Ameritrade Institutional.

ITEM 13

REVIEW OF ACCOUNTS

We offer an initial review of your accounts and assist you with the development of an investment advisory policy statement. We determine an appropriate asset allocation based on your objectives and risk tolerance level. Our Financial Advisors review and monitor managed accounts at least quarterly. We review your investment goals and objectives as the need arises.

We provide quarterly written portfolio evaluation reports for managed accounts. We prepare reports for you according to your individual circumstances/preferences. All clients receive account statements from their broker/dealers, mutual funds, and other portfolios as appropriate.

We review and modify portfolios on a periodic basis. Based on the output of our evaluation methods, analysis of fundamental variables, portfolio optimization process based on risk tolerances, and portfolio constraints, the portfolio managers make any necessary changes to each individual portfolio.

ITEM 14

CLIENT REFERRALS AND OTHER COMPENSATION

We receive an economic benefit from Schwab/TD Ameritrade Institutional in the form of the support products and services they make available to us and other independent investment advisors whose clients maintain their accounts there. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage*

Practices). The availability to us of Schwab/TD Ameritrade Institutional products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We also receive client referrals from Schwab through the firm's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab does not supervise the firm and has no responsibility for management of our clients' portfolios or the firm's other advice or services. However, we pay Schwab fees to receive client referrals through the Service. Our participation in the Service may raise potential conflicts of interest described below.

We pay Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. Our Participation Fee is a percentage of the fees the client owes to us or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. We pay Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by us and not by the client. We have agreed not to charge clients referred through the Service fees or costs greater than the fees or costs that we charge clients with similar portfolios who were not referred through the Service.

We generally pay Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees we generally would pay in a single year. Thus, we will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of our clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, we will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit our fees directly from the accounts.

For accounts of our clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from our clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, we may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Nevertheless, we acknowledge our duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for our other clients. Thus, trades for

accounts held in custody at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

ITEM 15

CUSTODY

It is the policy and practice of Ferrell Wealth Management not to take possession of client cash or securities; the designated custodian(s) for each client holds their assets in custody. However, the firm is deemed to have limited custody of client funds, securities and assets. As an Advisor with custody we ensure that client funds and securities are maintained with qualified custodians. You will receive account statements directly from your custodian at least quarterly. You should carefully review those statements promptly when you receive them. We also urge you to compare them to the account statements that we provide to you on a quarterly basis. The reports include an evaluation of the current portfolio and a recap of past performance. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

We are deemed to have custody if you have authorized us to instruct your custodian to deduct our advisory fees from your accounts, and if you authorize us to move money to another person's account by designating the amount or timing of transfers with the qualified custodian. The SEC has set forth a set of standards intended to protect client assets in such situations which we follow.

We are deemed to have custody for those client trusts or estates in which the advisor may act as trustee. The advisors who act as trustees are related family members or appointed as a result of a personal relationship with the grantor and not as a result of professional services provided by the trustee.

We are also deemed to have custody for those client held-away accounts for which you have authorized us to access for the purpose of rebalancing and adjusting the investments in the accounts.

ITEM 16

INVESTMENT DISCRETION

We usually receive discretionary authority from you at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for your particular account. When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the clients for whom we advise. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of

investments once made. Investment guidelines and restrictions must be provided to us in writing.

ITEM 17

VOTING CLIENT SECURITIES

We may at times vote proxies for you when you have individual securities in your portfolio. Our voting policies and procedures adhere to SEC requirements and uphold the fiduciary standard for all ERISA accounts under our management.

Our policy with respect to voting proxies is as follows:

- All proxies in accounts where we maintain proxy voting authority will be voted promptly.
- We will make an effort to vote each proxy in your best interests, with your objectives and preferences in mind.
- A Proxy Committee helps resolve any conflicts of interest that may arise.
- We maintain records in accordance with SEC regulations. This includes a complete copy of our Policies and Procedures, proxy statements received, each vote cast, and all your written requests for proxy voting records and our response to each inquiry.

Upon your written request, we can send you a complete copy of our Proxy Voting Policies and Procedures and/or a report showing how we voted your proxies.

ITEM 18

FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you, nor have we been the subject of a bankruptcy proceeding.

ITEM 19

PRIVACY POLICY

Ferrell Wealth Management, Inc. is committed to safeguarding the confidential information of our clients. We hold all personal data provided to us in the strictest confidence and require your permission before discussing your affairs with anyone external to the firm. The information we compile includes what is collected from your previous advisors, information provided on our questionnaires, from statements, and other sources that you may provide.

We will never disclose information to nonaffiliated third parties (such as brokerage firms, credit-card companies, insurance companies, or banks) except as permitted by law or in carrying out

the duties for which you retained us. We disclose customer information in the course of doing business with our custodians, Charles Schwab & Co. and TD Ameritrade Institutional.

As you know, we use financial information you give us to assist you in meeting your personal financial goals while guarding against any perceived or real infringements of your privacy rights.

Our policy with respect to personal information is as follows:

- Access to your information is limited to those employees who have a business or professional reason for knowing it and to nonaffiliated parties as permitted or required by law – for example, federal regulations permit us to share a limited amount of information with brokerage firms in order to transact business on your behalf. Federal and state regulators, in the course of inspecting us, may also have access to your data.
- We maintain a secure physical office and a protected computer network. All email communications are guarded to ensure that your information is not placed at unreasonable risk.
- We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information (such as brokerage firms) and expect them to keep this information private.
- We do not provide your personal information to mailing list vendors or solicitors for any purpose.
- Disclosure of private client information is an offense that subjects employees to termination.
- We will maintain your files as long as you are a client and for as long thereafter as may be required by law and the CFA/CPA/PFS/CFP® Code of Ethics and Professional Responsibility. After this required period of retention, all such information will be appropriately destroyed.