

Aberdeen Wealth Management LLC

## **Firm Brochure**

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of ABERDEEN WEALTH MANAGEMENT LLC. If you have any questions about the contents of this brochure, please contact us at: (312) 456-3315, or by email at: [kpscullion@sbcglobal.net](mailto:kpscullion@sbcglobal.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about ABERDEEN WEALTH MANAGEMENT LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**March 11, 2020**

## **Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (312) 456-3315 or by email at: [kpscullion@sbcglobal.net](mailto:kpscullion@sbcglobal.net).

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# **Advisory Business**

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## **Firm Description**

ABERDEEN WEALTH MANAGEMENT LLC, ("FIRM NAME") was founded in 2000.

ABERDEEN WEALTH MANAGEMENT LLC provides personalized confidential investment management and financial planning to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: investment management, coordination of other investment managers as may be requested by the client, determination of financial objectives, identification and resolution of financial problems, cash flow management, debt management, tax planning, company benefits planning, insurance review, education funding, charitable entity counseling, retirement planning, and estate planning.

ABERDEEN WEALTH MANAGEMENT LLC is strictly a fee-only investment management and financial planning firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. In addition, ABERDEEN WEALTH MANAGEMENT LLC advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

ABERDEEN WEALTH MANAGEMENT LLC does not act as a custodian of client assets. The client always maintains asset control. ABERDEEN WEALTH MANAGEMENT LLC places trades for clients under a limited power of attorney.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur. In some instances, ABERDEEN WEALTH MANAGEMENT LLC may employ third parties as approved or requested by the client to provide additional services. Specifically, By All Accounts is used to retrieve and aggregate client financial data from other sources if requested by the client. Also, Asset Dedication may be employed at the client request to handle part or all of the fixed income component of a client's investment portfolio.

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## **Principal Owners**

ROBERTA B. FERGUSON is a 50% member. KEVIN P. SCULLION is a 50% member.

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## **Types of Advisory Services**

ABERDEEN WEALTH MANAGEMENT LLC provides investment supervisory services, also known as investment management services; manages investment advisory accounts not involving investment supervisory services and furnishes investment advice through consultations.

In addition, ABERDEEN WEALTH MANAGEMENT LLC furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of December 31, 2019, ABERDEEN WEALTH MANAGEMENT LLC manages approximately \$444,600,000 in assets for approximately 206 clients. Approximately \$427,600,000 is managed on a discretionary basis, and \$17,000,000 is managed on a non-discretionary basis.

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## **Tailored Relationships**

An Investment Objectives statement is created for each client that reflects the risk tolerances and investment objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without the client's consent.

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## **Types of Agreements**

The following agreements define the typical client relationships.

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### **Financial Planning Agreement**

If requested by the client, a financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; a review of company benefits, strategic tax planning; a review of debt, a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The minimum fee is \$5,000.00 and is *NOT NEGOTIABLE*. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement.

The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary. After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-up implementation work is billed separately at the rate of \$300.00 per hour.

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### **Investment Advisory Agreement**

Clients may choose to have ABERDEEN WEALTH MANAGEMENT LLC manage their investment assets in order to obtain ongoing in-depth advice and life planning

Prior to the start of the work, Investment Advisory Agreement is provided to the client for investment management services.

The annual Investment Advisory Agreement fee is based on a percentage of the investable assets according to the following schedule:

1.00% on the first \$3,000,000;  
0.75% on the next \$2,000,000 (from 3,000,001 to 5,000,000); and  
Negotiable on the assets above \$5,000,000.

The minimum annual fee is \$5,000.00 and is *NEGOTIABLE*. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Investment Advisory Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

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### **Retainer Agreement**

In some circumstances, a *Retainer Agreement* is executed in lieu of an *Investment Advisory Agreement* when it is more appropriate to work on a fixed-fee basis. The typical annual fee for a *Retainer Agreement* is \$5,000.00 and is *NEGOTIABLE*.

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### **Hourly Planning Engagements**

ABERDEEN WEALTH MANAGEMENT LLC provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$300.00.

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### **Asset Management**

Assets are invested primarily stocks, bonds and in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment

management fee that is disclosed in the fund prospectus. Brokerage firms may charge a transaction fee for the purchase of some funds.

The brokerage firm where the client account is held charges a fee for trades (purchase and sales) of stocks, bonds, certain mutual funds and exchange traded funds. ABERDEEN WEALTH MANAGEMENT LLC does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through ABERDEEN WEALTH MANAGEMENT LLC.

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### **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying ABERDEEN WEALTH MANAGEMENT LLC in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, ABERDEEN WEALTH MANAGEMENT LLC will refund any unearned portion of the advance payment.

ABERDEEN WEALTH MANAGEMENT LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, ABERDEEN WEALTH MANAGEMENT LLC will refund any unearned portion of the advance payment.

## **Fees and Compensation**

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### **Description**

ABERDEEN WEALTH MANAGEMENT LLC bases its fees on a percentage of assets under management, hourly charges, fixed fees, other (*retainer fees*).

Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are *NEGOTIABLE* as set forth herein.

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### **Fee Billing**

Investment management fees are billed quarterly, in *ADVANCE*, meaning that we invoice you *BEFORE* the three-month billing period has *ENDED*. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

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**Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

ABERDEEN WEALTH MANAGEMENT LLC, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.)

Third party service providers By All Accounts and Asset Dedication that client wishes to use will charge a fee which will be disclosed to clients choosing to use such service.

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**Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to ABERDEEN WEALTH MANAGEMENT LLC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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**Past Due Accounts and Termination of Agreement**

ABERDEEN WEALTH MANAGEMENT LLC reserves the right to stop work on any account that is more than 30 days overdue. In addition, ABERDEEN WEALTH MANAGEMENT LLC reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in ABERDEEN WEALTH MANAGEMENT LLC's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 60 days.

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**Performance-Based Fees**

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**Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

ABERDEEN WEALTH MANAGEMENT LLC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.



## Types of Clients

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### Description

ABERDEEN WEALTH MANAGEMENT LLC generally provides investment advice to individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

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### Account Minimums

For new accounts, the minimum account size is \$500,000.00 of assets under management, which equates to an annual fee of \$5,000.00.

When an account falls below \$500,000.00 in value, the minimum annual fee of \$5,000.00 is charged. Depending upon circumstances, ABERDEEN WEALTH MANAGEMENT LLC will sign an *Hourly Agreement* with the client if assets have diminished significantly below \$500,000.00.

ABERDEEN WEALTH MANAGEMENT LLC has the discretion to waive the account minimum. Accounts of less than \$500,000.00 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$500,000.00 within a reasonable time. Other exceptions will apply to employees of ABERDEEN WEALTH MANAGEMENT LLC and their relatives, or relatives of existing clients.

Clients receiving ongoing asset management services will be assessed a \$5,000.00 minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

## Methods of Analysis, Investment Strategies and Risk of Loss

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### Methods of Analysis

The main sources of information include research materials prepared by others, investment trade publications, inspections of corporate activities, financial newspapers, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

ABERDEEN WEALTH MANAGEMENT LLC also uses Morningstar Principia Complete (which provides information for stocks, ETFs, mutual funds and annuities), Morningstar Advisor, Charles Schwab & Company's Online Institutional Research, TDA Online Institutional Research, Barron's, Value Line, Independent Advisor Inside Information, and the other various sources.

Security analysis methods may include charting fundamental analysis, technical analysis, cyclical analysis and charting.

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## **Investment Strategies**

The primary investment strategy used on client accounts is strategic asset allocation utilizing stocks and bonds coupled with passively-managed index and exchange-traded funds, and then add actively-managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Objectives Statement that documents his or her risk tolerances and investment objectives.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

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## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the country where the investment is located. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it which is a lengthy process (before they can generate a profit). Such oil ventures carry a higher risk of profitability than an electric

company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance the operations of a business increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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### **Financial Industry Activities**

ABERDEEN WEALTH MANAGEMENT LLC is registered as an investment advisor.

### **Affiliations**

ABERDEEN WEALTH MANAGEMENT LLC does not have arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

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

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### **Code of Ethics**

The employees of ABERDEEN WEALTH MANAGEMENT LLC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

### **Participation or Interest in Client Transactions**

ABERDEEN WEALTH MANAGEMENT LLC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the ABERDEEN WEALTH MANAGEMENT LLC *Compliance Manual*.

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## **Personal Trading**

The Chief Compliance Officer of ABERDEEN WEALTH MANAGEMENT LLC is Kevin P. Scullion. He reviews those employees' trades each quarter who have client trading duties. His trades are reviewed by Roberta Ferguson. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small equity, mutual fund or exchange-traded funds, the trades do not affect the securities markets.

## **Brokerage Practices**

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### **Selecting Brokerage Firms**

ABERDEEN WEALTH MANAGEMENT LLC does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. ABERDEEN WEALTH MANAGEMENT LLC recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates. ABERDEEN WEALTH MANAGEMENT LLC does not maintain custody of your assets although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account for fee payment purposes (*see Custody, below*). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank.

ABERDEEN WEALTH MANAGEMENT LLC recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab & Co., Inc., and TD Ameritrade. ABERDEEN WEALTH MANAGEMENT LLC **DOES NOT** receive fees or commissions from any of these arrangements. We are independently owned and operated. We are not affiliated with any brokerage firm. The brokerage firm that you open an account with will hold your assets in a brokerage account. We direct the brokerage firm to buy and sell securities in your account. Even though your brokerage account may be held at one firm, we may still use other brokers to execute trades for your account as described below.

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### **How We Select Brokers/Custodians to Recommend**

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

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for your account)

- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us from Schwab”)
- efficiency and level of “back office” institutional support

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### **Your Custody and Brokerage Costs**

For our clients’ accounts it maintains, Schwab, TD Ameritrade and the brokers that we use generally do not charge you separately for custody services but are compensated by charging you commissions or other fees on trades that it executes or that settle into your brokerage account. Schwab’s commission rates and asset-based fees applicable to our client accounts were negotiated. In addition to commissions or asset-based fees (if any) Schwab or the other brokers charge you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab or other brokerage account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have the custodial broker execute most trades for your account.

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### **Products and Services Available to Us from Schwab**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. We are aware that Schwab has a policy of requiring advisors to keep a total of at least \$10 million of our clients’ assets in accounts at Schwab. If we have less than \$10 million in client assets at Schwab, they may charge us quarterly service fees.

However, our clients' assets which are held at Schwab far exceed that amount. Here is a more detailed description of Schwab's support services:

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**Services that Benefit You**

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

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**Services that May Not Directly Benefit**

Schwab also makes 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. Schwab includes their own investment research as well as that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

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**Services that Generally Benefit Only Us**

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

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

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

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**Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. However, the assets that we have at Schwab far exceed this \$10 million threshold. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above – see "How We Select Brokers/Custodians to Recommend") and not Schwab's services that benefit only us. We have in excess of \$100 million in client assets under management that is held by Schwab. As such, we do not believe that maintaining at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

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**Best Execution**

ABERDEEN WEALTH MANAGEMENT LLC reviews the execution of trades at each custodian each year. The review is documented by ABERDEEN WEALTH MANAGEMENT LLC. Trading fees charged by the custodians are also reviewed on an annual basis. ABERDEEN WEALTH MANAGEMENT LLC does not receive any portion of the trading fees.

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**Soft Dollars**

ABERDEEN WEALTH MANAGEMENT LLC has no soft dollar arrangements.

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**Order Aggregation**

Trades of mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit may not be aggregated.

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**Review of Accounts**

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**Periodic Reviews**

Account reviews are performed quarterly by advisors Roberta Ferguson and Kevin Scullion. Account reviews are performed more frequently when market conditions dictate.

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**Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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## **Regular Reports**

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications. *Financial Planning Agreement* clients, *Investment Management* clients, and *Retainer Agreement* clients receive written updates. Investment Management clients will receive quarterly updates which will include an appraisal report and billing invoice. The written updates may include a portfolio statement and other reports that the client may request from time to time.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

ABERDEEN WEALTH MANAGEMENT LLC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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### **Referrals Out**

ABERDEEN WEALTH MANAGEMENT LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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### **Other Compensation**

Officers of ABERDEEN WEALTH MANAGEMENT LLC may perform services, from time to time, for Firm clients and other non Firm clients as requested. These services may be provided in capacities other than as officers of the Firm. In addition, we receive an economic benefit from Schwab and other brokerage firms in the form of the support products and services that they make available to us and other independent advisors that have their client accounts at such brokerage firm. These products and services, how they benefit us, and the related conflicts of interest are described above in Brokerage Practices. The availability to us of products and services from brokerage firms is not based on us giving particular investment advice, such as buying particular securities for our clients.

## **Custody**

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Under government regulations, we are deemed to have custody of your assets if you (1) authorize us to instruct and (2) the brokerage firm to accept instructions to deduct advisory fees directly from your account.



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**Performance Reports**

Clients are urged to compare the account statements received directly from their custodians and/or brokerage firms to the appraisals and report statements provided by ABERDEEN WEALTH MANAGEMENT LLC for reconciliation purposes.

**Investment Discretion**

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**Discretionary Authority for Trading**

ABERDEEN WEALTH MANAGEMENT LLC accepts discretionary authority to manage securities accounts on behalf of clients. ABERDEEN WEALTH MANAGEMENT LLC has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, ABERDEEN WEALTH MANAGEMENT LLC consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. ABERDEEN WEALTH MANAGEMENT LLC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

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**Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. The client signs a limited power of attorney so that we may execute the trades that you have approved.

**Voting Client Securities**

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**Proxy Votes**

ABERDEEN WEALTH MANAGEMENT LLC does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, ABERDEEN WEALTH MANAGEMENT LLC will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

**Financial Information**

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**Financial Condition**

ABERDEEN WEALTH MANAGEMENT LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because ABERDEEN WEALTH MANAGEMENT LLC does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

# **Business Continuity Plan**

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## **General**

ABERDEEN WEALTH MANAGEMENT LLC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

## **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

## **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

# **Information Security Program**

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## **Information Security**

ABERDEEN WEALTH MANAGEMENT LLC maintains an information security program to reduce the risk that your personal and confidential information may be breached. Client information is kept in locked offices and on secure servers. Our Lake Bluff Office is protected by a security system.

## **Privacy Notice**

ABERDEEN WEALTH MANAGEMENT LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

ABERDEEN WEALTH MANAGEMENT LLC requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, JD, LL.M., CPA, a CFP®, or a CFA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Master in Business Administration (MBA): MBA requirements:

- Bachelor's degree from an accredited college or university.
- Successful Completion of two year academic program.

Juris Doctor (JD): Attorneys are licensed by the state. JD requirements:

- Bachelor's degree from an accredited college or university.
- Successful Completion of a three year academic program.
- Successfully pass a background check, an oral ethics exam and pass a written bar examination to practice law in the state of licensing.

Masters of Legal Letters (LLM): LLM requirements:

- Bachelor's degree from an accredited college or university.
- Law Degree from an accredited law school
- Successful Completion of the one-year to two-year program of academic course work in a particular subject matter discipline (i.e. tax, admiralty, etc).

Certified Public Accountant (CPA): Certified Public Accountants are licensed by the state. CPA certification requirements:

- Bachelors degree from an accredited college or university.
- Successful Completion of the CPA Examination.
- One-year qualifying full-time work experience in a CPA Firm  
Successfully pass a background check.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

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## **ROBERTA B. FERGUSON, CERTIFICATIONS**

### Educational Background:

- Institutions: Williams College; Wheaton College, A.B., 1976; University of Pennsylvania, Wharton School of Business, M.B.A., 1980.

### Business Experience:

- IDS, research analyst, (1980 - 1982)
- First National Bank of Chicago, investment officer trust department, (1982 - 1983)
- Optimum Investment Advisors and predecessor advisory firms, partner (1983 – 2000)
- Aberdeen Wealth Management LLC investment advisory firm, managing member and co-founder (2000 – present)

Disciplinary Information: None

Other Business Activities: Chartered Financial Analyst (1984) and Certified Financial Planner (1984)

Additional Compensation: None

Supervision:

Mylen Kimura and Rebecca Ferguson are supervised by Roberta Ferguson. She reviews the foregoing employees' work through frequent office interactions as well as remote interactions.

Supervision: Review Chief Compliance Officer for the Firm with respect to personal trading activities.

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**KEVIN P. SCULLION, CERTIFICATIONS****Educational Background:**

- Institutions: Purdue University; Northwestern University, B.A. 1974; DePaul University College of Law, J.D. 1977; Tulane University School of Law; University of Chicago, M.B.A., 1979; DePaul University College of Law, LL.M. (Tax), 1985

**Business Experience:**

- Quinn Jacobs and Barry law firm, associate (1979 – 1983)
- Price Waterhouse accounting firm, tax manager (1983 – 1986)
- Optimum Investment Advisors and predecessor advisory firms, partner (1986 – 2000)
- Aberdeen Wealth Management LLC investment advisory firm, managing member and co-founder (2000 – present)

Disciplinary Information: None

Other Business Activities: Licensed Attorney at Law (Illinois, Indiana, Florida, and Washington, D.C.), Series 65 Investment Advisor License and Licensed CPA (Illinois)

Additional Compensation: Varies based on request of service from Firm clients and others.

Supervision: Acts as Chief Compliance Officer for the Firm

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