

**Item 1 – Cover Page**



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March 26, 2020

This firm brochure (“brochure”) provides information about the qualifications and business practices of Bain Wealth Management Group, LLC. If you have any questions about the contents of this brochure, you may contact us at (503) 370-9003 or [mark@bainwealthmanagement.com](mailto:mark@bainwealthmanagement.com) to obtain answers and additional information. Bain Wealth Management Group, LLC is a registered investment advisor with the United States Securities and Exchange Commission (“SEC”). Registration of an investment advisor does not imply any level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Bain Wealth Management Group, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Bain Wealth Management Group, LLC is 281066.

## Item 2 – Material Changes

This item discusses material changes to this brochure since our last annual update made on January 17, 2019. Since that version of our brochure, we have made the following material changes:

- On November 13, 2019 our firm transitioned to registration with the SEC. Registration of an investment advisor with any state securities administrator or the SEC does not imply any level of skill or training.
- Item 4 was amended to better describe our advisory services, practices and fees. Item 4 was also updated to expand information about investments and clarify our use of third-party money managers.
- Item 5 was amended to update our fee schedules, billing policies and procedures, and standard disclosures of potential conflicts of interest related to our broker-dealer and insurance relationships.
- Item 8 was amended to more clearly describe our investment strategies and risks of investing.

We will ensure that all current clients receive a summary of material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. A summary of material changes is also included with our brochure on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Bain Wealth Management Group, LLC is 281066. We may further provide other ongoing disclosure information about material changes as necessary and 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 Mark L. Bain, a principal and owner of Bain Wealth Management Group, LLC, at (503) 370-9003 or [mark@bainwealthmanagement.com](mailto:mark@bainwealthmanagement.com). Our brochure is provided free of charge.

BAIN WEALTH MANAGEMENT GROUP, LLC  
Form ADV Part 2A – Firm Brochure

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#### Item 4 – Advisory Business

- A** Bain Wealth Management Group, LLC is an investment advisory firm registered with the SEC. Our offices are located in Salem, Oregon. We primarily provide integrated financial planning and portfolio management services with an “endowment style” approach to investment management. We also provide financial planning and consulting services on a stand-alone basis.

While we trace our roots in the financial services and insurance profession back to 1983 when co-founder, Frank L. Bain, first became licensed to sell insurance products, Bain Wealth Management Group, LLC was first registered as an investment advisor in 2015. The principal owners of our firm are Mark L. Bain and Frank L. Bain. Our investment advisory services are driven by and tailored to each client’s individual financial goals and circumstances. Our approach uses broadly diversified portfolios and a systematic strategy to manage investments. We follow strict fiduciary standards, putting our clients’ interests before our own, seeking to avoid conflicts of interest with our clients, and where we cannot avoid such conflicts, fully disclosing them to you.

The information contained in this brochure describes our investment advisory services, practices, and fees in detail. Please refer to the description of each investment advisory service we offer below for information on how we tailor our services to the needs of our clients. As used throughout this firm brochure, the words “we,” “our,” “us,” “firm,” “Bain,” “Bain Wealth Management,” and “Advisor” refer to Bain Wealth Management Group, LLC, and the words “you,” “your,” and “client” refer to you as either a client or prospective client of our firm.

- B, C** Bain generally requires that you grant our firm discretionary authority to manage your assets as a condition of participation in our integrated financial planning and portfolio management services. You will authorize us to determine, without obtaining your specific consent for each transaction, (i) the specific securities to be bought or sold; (ii) the amount of securities to be bought or sold; and (iii) the timing of such transactions, all for your account and risk. Unless you request otherwise, we will further require that you grant us the authority to engage and terminate certain unaffiliated third party money managers or sub-advisors (collectively, “TPMMs”) for management of all or a portion of your account, and to allocate and re-allocate your assets between and among such TPMMs in our discretion, without your specific consent for each transaction. Discretionary authority allows us to act on your behalf in most other matters necessary or incidental to the handling of your account, including monitoring certain assets, without your prior approval.

Our stand-alone financial planning and consulting services are provided on a non-discretionary basis, wherein you are free to accept or reject any of our investment recommendations and we will only implement our investment recommendations within your account after receiving your approval to do so. Under this non-discretionary

arrangement, you are never obligated to engage our firm for the implementation of any of our investment recommendations.

Clients may always request restrictions on investment in specific securities or types of securities. While we try to accommodate such requests, there are circumstances where a client-requested investment restriction may frustrate our ability to effectively advise and manage the client's account. Accordingly, we reserve the right to accept or reject such restrictions on a case by case basis. We will always consider any accepted client investment restrictions when advising or managing your account.

We offer the following investment advisory services:

***Integrated Financial Planning and Portfolio Management Services.*** We primarily offer integrated financial planning and portfolio management services that are tailored to the client's unique financial circumstances. This comprehensive suite of services is intended to help you coordinate, organize, and prioritize your financial life with your long- and short-term life goals.

Through in-depth periodic consultations with the client, the use of sophisticated financial software, and your completion of certain questionnaires, we will gather information regarding your financial goals, objectives, risk tolerance, and the time horizon for investments. The information we typically request in this process will include your current and expected income level, tax information, investment experience, current portfolio construction/asset allocation and the nature of your current assets, your current and expected expenses, and other items. Based on our analysis of this information, we will develop, design, and implement a customized investment portfolio (integrating investments across all of your enrolled taxable and non-taxable accounts and employee retirement accounts) and prepare and periodically update a written financial plan that aligns with your financial and life goals.

Ongoing client input and involvement are critical parts of this process, and you must notify us promptly if your financial circumstances, goals, objectives or needs change at any time during the course of our engagement. We will meet with you as needed (or reasonably requested) to review portfolio performance, discuss current issues, and re-assess your goals and financial plan.

- Ongoing Financial Planning – Our financial planning services will encompass some or all of the following financial topics, depending on your needs: (1) personal financial, budgeting, and cash management planning; (2) risk management, insurance planning, and analysis; (3) educational funding; (4) estate planning; (5) tax planning (required minimum distribution planning, etc.); (6) retirement planning; (7) gift and charitable planning; (8) legacy planning; and (9) financial planning for small business. We will also provide advice and planning recommendations related to long term care issues, the upsizing or downsizing of

the client's financial lifestyle, and other life planning matters as may be specifically requested by the client.

Following delivery of our initial written financial plan, we will meet with you periodically thereafter to (i) track our progress toward your financial goals (ii) review the performance of your investments, and (iii) consider any updates to your written financial plan and investment portfolio as needed or appropriate, in consideration of current economic conditions, our market opinions and assumptions, and any changes in your individual financial circumstances and goals. We will track the progress of your investment portfolio in view of the goals set forth in your written financial plan on an ongoing basis, reviewing your account performance, balance, asset allocation, and perceived risk level, and periodically alert you to any recommended changes.

- Ongoing Portfolio Management – Once we have gathered the necessary data points from you and developed your written financial plan, we will implement a proprietary model portfolio and investment strategy across your investment account(s) that is designed to meet with your unique needs and circumstances. We typically recommend and construct client portfolios utilizing a diversified combination of mutual funds, exchange traded funds (“ETFs”), real estate investment trusts (“REITs”), individual bonds and stocks, variable products (life insurance and annuities), and/or other publicly offered securities. In some circumstances, our investment recommendations may further include privately offered securities, including illiquid direct participation program (“DPP”) investments. We may also recommend the engagement of certain independent TPMMs to directly manage all or a portion of your account. Prior to selecting any TPMMs to manage your assets, we will confirm that such TPMMs are properly licensed or registered to provide investment advisory services. A copy of each recommended TPMM's Form ADV Part 2 firm brochure (or the equivalent) will be delivered to you at or prior to the time we allocate any of your assets to any TPMM(s).

In addition to the types of investments listed above, we may further recommend certificates of deposit, municipal securities, U.S. government securities, money market funds, and other fixed income securities for your account(s). We may also advise clients on any other types of investments held in their portfolio.

Following implementation of your initial investment portfolio, we will monitor the performance of your account on an ongoing basis (including assets managed directly by any TPMM(s)) and implement changes within your account as needed or appropriate, in consideration of current economic conditions, our market opinions and assumptions, and your individual financial circumstances and goals. We will make these changes without seeking your prior approval for each transaction based on our discretionary authority to manage your account.

NOTE REGARDING USE OF TPMMs: We do not act as a solicitor for any TPMM. Instead, we will act exclusively in a “co-advisory” capacity, wherein Bain and the TPMM are jointly responsible for the management of the client assets allocated to the TPMM (the “TPMM Account”). We will be responsible for the ongoing determination of suitability of your TPMM Account(s) and the periodic monitoring of the investment performance of your TPMM Accounts. The TPMM(s) shall be granted discretionary authority to directly manage your TPMM Account(s) and shall be responsible for all trading functions under this arrangement. Clients may be required to execute a limited power of attorney granting trading authority to any selected TPMM(s). The use of any TPMMs for management of your assets entails your payment of fees which are separate and in addition to Bain’s advisory fees. These fees may take the form of asset-based advisory fees and/or platform level fees charged to your account for access to such TPMM investment programs.

In recommending TPMMs to clients, we take into account a number of considerations, including, without limitation, the length of time the TPMM has been operating; the qualifications of the TPMM’s management and analytical team and their bench strength; whether the TPMM’s strategy fits your investment needs; the TPMM’s track record of executing well and consistently on their stated investment strategy; whether the TPMM’s reporting system is timely and user-friendly; and the TPMM’s commitment to customer service and problem resolution.

We currently utilize the Envestnet platform to access TPMM services, primarily because it provides our clients with access to a large pool of ETFs, mutual funds, and TPMMs which we utilize to construct our proprietary model portfolios. The resulting proprietary model portfolios typically hold approximately 10 to 20 positions that may include ETFs and mutual funds, and for some eligible clients, illiquid alternative assets. In the aggregate, thousands of securities may be represented within each client strategy. We may use other TPMM platforms to access these services and products in the future.

NOTE REGARDING DPP INVESTMENTS: Bain Wealth Management conducts extensive due diligence on different illiquid DPP investments on behalf of its clients. DPP investments may generally take the form of private equity or hedge fund offerings (for example, offerings made under Regulation D and Regulation A), public non-traded offerings (for example, S-1 offerings, intrastate offerings, Business Development Companies, and non-traded mutual funds), non-traded REITs, or non-traded oil and gas programs.

DPP investments generally will have heightened minimum investor suitability standards, such as minimum net-worth requirements, which are disclosed within an investment’s prospectus, private placement memorandum, operating agreement, offering circular and/or additional disclosure documents (collectively, the “Offering Materials”). We apply more restrictive firm-level suitability or concentration standards in order to fulfill the fiduciary duty owed to our clients when considering whether to recommend any DPP investments to you. Prior to discussing any DPP investments with the client, we require that you execute an additional risk acknowledgment form.

While each DPP security recommended may have its own early redemption program, in general, any DPP investment should be considered highly illiquid and clients are advised that there is likely to be no secondary market upon which to liquidate such investments. Consequently, clients may be required to remain invested in DPP investments for an indefinite period of time. All DPP investments are highly speculative in nature and involve a high degree of risk, including the risk of losing one's entire investment. Clients are urged to carefully review, together with their independent legal and tax counsel, all Offering Materials related to any DPP investment to obtain a comprehensive understanding of the terms, conditions, and risks of participation prior to making an investment decision.

***Financial Planning and Consulting Services.*** We also provide stand-alone financial planning and consulting services through a highly personalized financial planning process. Stand-alone financial planning and consulting does not involve the active management of the client's accounts, but instead focuses on analysis and recommendations with respect to the client's overall financial situation and goals. Financial planning and consulting services can be described as helping individuals determine and set their long-term financial goals through investments, tax planning, asset allocation, risk management, retirement planning, education planning, and other areas. Our role as your financial planner is to find ways to help you understand your overall financial situation and help you set your financial objectives. In addition to the financial topics enumerated above (with respect to our ongoing financial planning services platform), the stand-alone financial planning and consulting advice given by Bain Wealth Management includes assistance with answers to questions like:

- When will I be able to retire?
- What is the best withdrawal strategy for me when I am retired?
- How can I use my portfolio to help fund my lifestyle in retirement?
- Will I need to make any changes to sustain a long retirement?
- When should I take Social Security?
- How can I build a financial legacy?

A conflict exists between the interests of our firm and the interests of the client with respect to our stand-alone financial planning and consulting services. Where financial planning and consulting is provided as a stand-alone service (i.e., without portfolio management), it is a non-discretionary offering.

As part of the foregoing services offered to clients, we may provide certain advisory services with respect to assets of the client that include a (i) pension or other employee benefit plan (including any 401(k) plan) governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) tax-qualified retirement plan (including a Keogh plan) under Section 401(a) of the Internal Revenue Code, as amended (the "Code"), and not covered by ERISA; and/or (iii) an individual retirement account ("IRA") under Section 408 of the Code. If certain client assets are for a plan subject to ERISA, the

client appoints Bain, and Bain accepts its appointment, as an “investment manager” for purposes of ERISA and the Code. Bain further acknowledges that it is a “fiduciary” within the meaning of Section 3(21) of ERISA and Section 4957(e)(3) of the Code (but only with respect to the provision of the services described).

See Item 8 for a description of our investment strategy.

- D** We do not participate in or sponsor any wrap-fee programs.
- E** As of December 31, 2019, we managed approximately \$109,420,000 of client assets on a discretionary basis and \$0 of client assets on a non-discretionary basis. As of the same date, we further provided advice and counsel on approximately an additional \$ 9,528,758 in assets under advisement.

### Item 5 – Fees and Compensation

- A** ***Fees for Integrated Financial Planning and Portfolio Management Services.*** Bain Wealth Management charges annual asset-based advisory fees in connection with its offering of integrated financial planning and portfolio management services. The advisory fees charged vary according to the amount of assets under management, as detailed in the following fee schedule:

Market Value of Account(s)	Annual Advisory Fee
Under \$250,000*	1.00%
\$250,000-\$499,999	0.90%
\$500,000-\$999,999	0.75%
\$1,000,000-\$1,999,999	0.65%
\$2,000,000-\$4,999,999	0.50%
\$5,000,000+	0.45%

\* Bain Wealth Management typically has an account opening minimum of \$150,000, which is negotiable. Otherwise, our fees are generally not negotiable. Employees and their immediate family members may by request receive a discounted fee schedule on their personal investment accounts.

***Fees for Financial Planning and Consulting Services.*** Bain Wealth Management charges fixed fees for its stand-alone financial planning and consultation services. Fixed fees for these services are estimated to range from \$1,500 to \$5,000 (but may vary outside this range), and may be negotiated with the client. Pricing will be developed on a project-by-project basis for each client depending on our determination of the complexity of the project, scope of work to be performed, expertise of the firm personnel providing the services, and the estimated time and other resources required to complete the engagement. For fixed fee projects, typically 50% of our fixed fee shall be billed and prepaid up front, with the remainder immediately due and payable upon completion of the project. The fixed

fee and the amount, if any, to be prepaid, will be clearly disclosed in our written financial planning agreement.

We do not require the prepayment six months or more in advance of more than \$1,200 of advisory fees. Clients are advised that lower fees for comparable services may be available from other sources.

- B** ***Fee Payment Policies and Procedures.*** Our advisory fees for integrated financial planning and portfolio management services are charged to you quarterly, in advance, based on the market value of all the assets in your account(s) at the end of the prior billing period. Advisory fees for the initial period of our services are based on the opening market value of the client's account and are pro-rated from the time we begin charging a fee to the client. Advisory fees for partial quarters at the commencement or termination of our services will be billed on a pro-rated basis, contingent on the number of days the account was open during the quarter.

You will authorize us to directly deduct our advisory fees from your account at the custodian in our written advisory agreement and/or the custodian's account opening documentation. Advisory fees are paid directly to us from the account by the custodian upon our submission of our bill to the custodian. Payment of fees may result in the liquidation of the client's securities if there is insufficient cash in the account.

For purposes of calculating our advisory fees, "market value" means the value of all assets in the account (not adjusted by any margin debit). To determine such value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Other readily marketable securities and other instruments shall be priced using a pricing service or through quotations from one or more dealers.

All other assets shall generally be valued at fair value by Bain Wealth Management and in accordance with Bain Wealth Management's fiduciary duty.

- C** ***TPMM Fees.*** In circumstances where a TPMM is engaged to manage all or a portion of your account, you will pay a separate fee to the selected TPMM(s) in connection with their money management services (collectively, "TPMM Fees"). These fees are separate and in addition to Bain's advisory fees set forth above. TPMM Fees may consist of an asset-based advisory fee and/or a TPMM platform access charge. These fees typically range between 0.12% and 0.50% of the market value of the client's account per annum. TPMM Fees will be described in detail in the account opening documentation the Client will execute with Envestnet or other third party money manager platform provider. In most cases, TPMM Fees will be deducted and paid to the selected TPMM(s) directly from the client's account held at the custodian in the same manner as Bain's advisory fees (i.e., quarterly, in

advance). TPMM Fees generally are not negotiable. Bain does not receive any portion of the TPMM Fees paid by the client.

***Additional Fees and Expenses.*** In addition to Bain's advisory fees and any TPMM Fees, clients will also pay brokerage transaction and/or custodial costs and other customary fees and charges in connection with transactions in their account (including those transactions directed by any TPMMs) directly to the custodian and/or broker-dealer maintaining their account. See Item 12 for more information on our brokerage practices. To the extent your account is invested in any mutual funds or ETFs, you will also pay your proportionate share of any of such ETF or mutual fund's internal management fees and charges. For example, mutual fund operating expenses are paid out of the fund and are an additional expense incurred by the client. Bain does not share in any of these additional fees and charges.

- D** ***Our Termination Policies.*** All advisory services offered by Bain may be terminated at any time by the client or our firm by providing the other party with fifteen (15) days' written notice of termination. The effective date of termination will be the date the written termination request is received by the Advisor or the client. In the event of early termination of any of our services, generally any pre-paid but unearned advisory fees will be refunded to the client and any earned but unpaid advisory fees shall become immediately due and payable to our firm.

Where our integrated financial planning and portfolio management services are terminated mid-period, Bain shall be paid a pro-rated portion of the advisory fees due based on the number of days services were provided during the terminating quarter. For purposes of this calculation, our quarterly advisory fee will be converted into a daily rate and shall be multiplied by the number of days services were provided. Any excess pre-paid advisory fees shall be promptly returned to the client. Refunds or any TPMM Fees shall be in accordance with the account opening documentation executed by the client with the selected TPMM or TPMM platform provider. Generally, the client shall receive a pro-rated refund of any fees paid in advance to any TPMMs based on the number of days services were provided during the terminating billing period.

Termination of integrated financial planning and portfolio management engagements shall not affect any purchases of investment or insurance products made by the client based on advice or recommendations made by the Advisor; those investments will remain subject to the terms of their respective offering memorandum or contract. The client's funds and securities will remain in the position they are in on the effective date of termination and the Advisor shall have no further responsibilities with respect to the client's account(s). The client may not be able to liquidate or redeem illiquid investments upon termination. Additionally, some illiquid investments may not be transferable to other advisory firms.

Where our financial planning and consulting services are terminated prior to completion, Bain shall be paid a pro-rated portion of the agreed upon fixed fees based upon our good faith determination (which shall be conclusive and binding on the client) of the total percentage of work completed at the effective date of termination. Any excess pre-paid

fees will be promptly returned to the client and any earned but unpaid fees shall become immediately due and payable to Bain. The partially completed plan will be delivered to the client in its then current form, once the fees due to be paid or refunded have been reconciled and paid to the appropriate party.

If Bain Wealth Management has provided the client a copy of its Form ADV Part 2 less than forty-eight (48) hours prior to entering into any investment advisory contract or if Bain Wealth Management provided the client a copy of its Form ADV Part 2 at the time of entering into the investment advisory agreement, then the client may terminate the investment advisory agreement without penalty within five (5) business days after entering into the contract.

- E** ***Certain Conflicts of Interest.*** Certain investment advisor representatives (“IARs”) of our firm are also “registered representatives” of Purshe Kaplan Sterling Investments, Inc. (“PKS”) (CRD No. 35747), an SEC registered broker-dealer firm. PKS is not affiliated with Bain Wealth Management. These dually registered IARs maintain their status as registered representatives of PKS for the sole purpose of collecting trailing commissions on past securities transactions with certain advisory clients. Except as described in the prior sentence, neither Bain nor its dually registered IARs will conduct any other securities business or collect remuneration of any kind in connection with sales of securities to advisory clients.

Certain IARs of Bain Wealth Management are also licensed to sell insurance in one or more states, either through a licensed general insurance agency or as direct agent representative of a specific insurance company. Insurance related business is transacted with advisory clients, and individuals may receive commissions from insurance products sold to clients. Clients are advised that the fees paid to Bain Wealth Management for investment advisory services are separate and distinct from the commissions earned by any individual for selling clients insurance products. If requested by a client, we will disclose the amount of any insurance commission expected to be paid.

The receipt of commissions related to sales of insurance products to advisory clients by an affiliated entity or individuals associated with the firm presents a conflict of interest. As fiduciaries we must act primarily for the benefit of our investment advisory clients. As such, we will only transact insurance related business with clients when fully disclosed, suitable, and appropriate. Further, we must determine in good faith that any commissions paid to our representatives are appropriate. Clients are informed that they are under no obligation to use any individual associated with Bain Wealth Management for the purchase or sale of insurance products or services. Clients may use any insurance firm or agent they choose.

As part of our advisory services to you, we may recommend that you withdraw or “roll over” assets from an employer’s retirement plan to an individual retirement account (“IRA”) that we may advise on and which may therefore result in additional advisory fees payable to us. This type of recommendation represents a conflict of interest for our firm.

If we make this type of recommendation you are under no obligation to follow such advice. Alternatively, you may have the options of (1) maintaining your retirement plan as is, (2) rolling over your account to the employer's new retirement plan, (3) taking a taxable distribution, or (4) rolling over your account to a new IRA. It is important to understand the advantages and disadvantages of each approach, which will depend on individual financial circumstances. Prior to proceeding with any such action, we encourage you to contact us and your independent legal and/or tax professionals for more information.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Bain Wealth Management does not charge any performance-based fees for its services, nor does the firm engage in side-by-side management of client accounts. Accordingly, this item is not applicable to our firm.

#### **Item 7 – Types of Clients**

We provide investment advice to individuals, high net worth individuals, businesses, trusts, and estates. Because each client is unique, they must be willing to be involved in the planning and ongoing processes. Such involvement does not have to be time consuming, however we want our clients to remain informed and have a sense of security about their investments. Bain Wealth Management has a negotiable minimum of \$150,000 to establish an account. There is no minimum for maintaining an account with our firm.

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

A Bain Wealth Management generally utilizes a long-term, balanced, and well-disciplined investment philosophy with an “endowment style” approach to portfolio management. As such, we build globally diversified portfolios that typically include stocks, bonds, real estate, alternative asset classes, and cash. These asset classes are accessed via mutual funds and ETFs, as well as TPMM investment programs, private placements and DPPs. Investing takes place within the context of the financial plan that is tailored to each client's unique situation. We develop an investment policy statement (or similar document to establish each client's objectives and suitability) with each client, outlining the investment philosophy, management procedures, long-term goals, risk tolerance, and other factors as they pertain to the investor(s). Numerous studies and statistics have shown that a stable, disciplined investment approach with a long-term perspective yields better long-term results than a rapid trading, market timing approach.

As part of our core investment approach, we may recommend, without limitation, the purchase of some or all of the following types of investments to our clients:

- mutual funds;
- ETFs;
- common and preferred stocks;
- corporate debt securities;

- REITs;
- TPMM accounts (e.g., separately managed accounts);
- annuities (fixed, variable, and equity-indexed);
- certificates of deposit;
- municipal securities;
- United States government and agency securities; and
- DPPs (where appropriate based on client financial circumstances).

We primarily research and review securities using traditional fundamental analysis. The primary investment strategies used to implement investment advice given to clients include long-term (securities held at least one year) and short-term (securities sold within a year) purchases. The fundamental analysis of securities is used in conjunction with modern portfolio theory to generate diversified portfolios of securities based on the individual client's investment goals and risk tolerance profile. While this practice does mitigate some investment risk, it cannot mitigate all investment risk. This residual systemic risk includes, but is not limited to, interest rate risk, inflation risk, market risk, corporate risk, geopolitical risk, and risk due to war or natural disasters.

The main sources of information we rely upon when researching and analyzing securities include traditional research materials such as financial newspapers and magazines, annual reports, prospectuses, filings with the SEC, as well as research materials prepared by others and company press releases. We also subscribe to various professional publications deemed to be consistent and supportive of our investment philosophy.

- B** We use our best judgment and good faith efforts in rendering services to clients. We cannot and do not warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment recommendation we make will be profitable. **Investing in securities involves risk of loss that Clients should be prepared to bear.** Clients assume all market risk involved in the investment of account assets. Investments are subject to various market, currency, economic, political, and business risks.

Except as may otherwise be provided by law, we are not liable to clients for:

- any loss that clients may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; or
- any independent act or failure to act by a custodian of client accounts.

It is the responsibility of the client to give us complete information and to notify us of any changes in financial circumstances or goals.

## **C Summary of Investment Risks**

While all investing involves risks and losses can and will occur, our advisory services generally recommend a broad and diversified allocation of mutual funds and other securities intended to reduce the specific risks associated with a concentrated or undiversified portfolio. Nonetheless, you should consider the following high-level summary of investment risks. This list is not intended to be an exhaustive description of all risks you may encounter in engaging our firm for advisory services. We encourage you to inquire with us frequently about the risks related to any investments in your account.

**Risk of Loss.** Securities investments are not guaranteed, and you may lose money on your investments. As with any investment manager that invests in common stocks and other equity securities, our investment recommendations are subject to market risk—the possibility that securities prices will decline over short or extended periods of time. As a result, the value of your account(s) will fluctuate with the market, and you could lose money over short or long periods of time. You should recognize whenever you determine to invest in the securities markets your entire investment is at risk. Clients should not invest money if they are unable to bear the risk of total loss of their investments.

**Economic Risk.** The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

**Market Risk.** The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investment may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security's price due to company specific events (e.g. earnings disappointment or downgrade in the rating of a bond) or general market risk (e.g. such as a "bear" market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not a guarantee of future returns.

**TPMM Risks.** A TPMM's past track record of success cannot be relied upon as a predictor of success in the future. In addition, the underlying holdings of your TPMM account(s) are

determined by TPMM directly, and may change overtime without advance warning to Bain, creating the potential for overlap with other investments held in your account. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that a TPMM may deviate from the stated investment mandate or strategy of the account, which could make the holding(s) less suitable for the client's portfolio. Bain does not control any TPMM's daily business and compliance operations, and thus our firm may be unaware of any lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Private Investment Vehicle/DPP Investment Risks. Private investment vehicles and DPPs involve a substantially higher degree of risk and are more speculative than public (market-traded) securities. They are not appropriate for all clients. You should be financially capable of accepting an extremely high degree of risk and should have significant resources beyond those invested in any privately offered investment or fund. Stated differently, your private investments should purely represent "risk capital" within your overall investment portfolio, the complete loss of which would have insubstantial effect on your overall financial circumstances and financial goals. Clients are urged to carefully review, together with their independent legal and tax counsel, all Offering Materials related to any private investment vehicle or DPP investment to obtain a comprehensive understanding of the terms, conditions, and risks of participation prior to making an investment decision.

#### **D Potential Liquidity Issues with a Managed Investment**

Most investors understand managed investments to be "liquid," which is generally defined as the ability to convert an investment into cash without penalty by selling or redeeming that investment any day in which financial markets are open. However, investment sponsors have introduced various investment structures that do not follow this traditional definition of liquidity. For example, some open-ended no-load mutual funds may be subject to a period of time in which a contingent sales fee would be assessed if redeemed (commonly referred to as a "redemption fee"). These periods often range from as short as 30 days to as long as one year.

Another type of managed investment with a unique form of liquidity are closed-end mutual funds ("Interval Funds"). Shares of Interval Funds may be redeemed without a redemption fee, but the timing of redemption requests is limited. While each Interval Fund will have its own specific redemption rules, in general, redemptions are granted on a calendar quarter basis. Some Interval Funds may also limit the total amount of redemptions per period. For example, an Interval Fund may grant redemptions up to 5% of the fund's total assets under management. The Advisor may utilize Interval Funds in small allocations within its model portfolio.

#### **Item 9 – Disciplinary Information**

Bain Wealth Management is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our

management. No principal or person associated with Bain Wealth Management has any information to disclose which is applicable to this Item.

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

As disclosed in Item 5E above, certain IARs of Bain Wealth Management are also licensed as registered representatives of PKS. As described above, these dually registered IARS do not sell securities products to advisory clients that are offered through PKS.

Certain IARs of Bain Wealth Management are also licensed as insurance agents in one or more states, either through a licensed general insurance agency or as direct agent representative of a specific insurance company. The conflicts of interest associated with the above arrangements and how these conflicts are addressed are described in Item 5E, above.

Bain Wealth Management may recommend that all or a portion of a client's assets be managed by an unaffiliated TPMMs. Fees charged by TPMMs will be fully disclosed to clients and are separate an in addition to Bain's advisory fees. TPMM advisory fees are typically deducted directly from client's account at the custodian.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transaction & Personal Trading**

**A** Bain Wealth Management has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines our high standard of business conduct, and fiduciary duty to 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, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

A copy of the code of ethics is available to any Client or prospective Client upon request by contacting Mark L. Bain at (503) 370-9003 or [mark@bainwealthmanagement.com](mailto:mark@bainwealthmanagement.com).

**B, C, D** We do not have any proprietary interest or managerial authority with respect to any companies or investments that we advise our clients to buy.

Bain Wealth Management or individuals associated with our firm may buy and sell some of the same securities for their own account that Bain Wealth Management buys and sells for its clients. When appropriate, we will purchase or sell securities for clients before purchasing the same for our account or allowing representatives to purchase or sell the same for their own account. In some cases, Bain Wealth Management or representatives may buy or sell securities for their own account for reasons not related to the strategies adopted for our clients. Our employees are required to follow the Code of Ethics when making trades for their own accounts in securities which are

recommended to and/or purchased for clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with decisions made in the best interest of advisory clients while at the same time, allowing employees to invest their own accounts.

Bain Wealth Management will disclose to advisory clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

As any advisory situation could present a conflict of interest, we have established the following restrictions to ensure our fiduciary responsibilities:

1. A director, officer, associated person, or employee of Bain Wealth Management shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public on reasonable inquiry. No person of Bain Wealth Management shall prefer his or her own interest to that of the advisory client.

2. Bain Wealth Management maintains a list of all securities holdings for itself and for anyone associated with its advisory practice that has access to advisory recommendations. An appropriate officer of Bain Wealth Management reviews these holdings on a regular basis.

3. Any individual not in observance of the above may be subject to termination.

## **Item 12 – Brokerage Practices**

A Our clients' assets are held by independent third-party custodians. Except to the extent that the client directs otherwise, Bain Wealth Management may use its discretion in recommending the broker-dealer. The client is not obligated to effect transactions through any broker-dealer recommended by Bain Wealth Management. In recommending broker-dealers, Bain Wealth Management will comply with its fiduciary duty to seek best execution with the Securities Exchange Act of 1934 and will take into account such relevant factors as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order; and
- Any other factors that we consider to be relevant.

Generally speaking, we will recommend that clients establish brokerage accounts with TD Ameritrade ("TDA") a registered broker-dealer and member FINRA/SIPC, so long as TDA

continues to meet the above criteria. TDA has a division of their firm for investment advisors. We work primarily with TDA for administrative convenience and also because we believe that TDA offers a good value to our clients for the transaction costs and other costs incurred.

Clients should be aware that there is no direct link between TDA and Bain in connection with the advice Bain gives to clients. We are required to disclose that our firm receives certain economic benefits through the custody and operating relationships it has with TDA that are not typically available to retail investors. These benefits may include some or all of the following products and services, provided by TDA without cost or at a discount: duplicate client statements and confirmations, research and/or investment management related products and tools, consulting services, access to a trading desk serving representatives, access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares directly to or from client accounts), the ability to have advisory fees deducted directly from client accounts, access to an electronic communications network for client order entry and account information, access to mutual funds with no transaction fees, and discounts or no fees on compliance, marketing, research, technology, and practice management products and services provided by third-party vendors.

TDA may also pay for business consulting, professional services, and research received by Bain's affiliated persons and may also pay or reimburse expenses (travel, lodging, meals, and entertainment expenses) for Bain's personnel to attend conferences or meetings relating to their service platforms or to their advisor custody and brokerage services generally. Some of these products and services made available by TDA may benefit Bain, but may not benefit its clients. Such other services made available by TDA are intended to help Bain manage and further develop its business enterprise, and such services may or may not depend on the amount of brokerage transactions directed to TDA.

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

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

Bain does not process transactions through TDA in return for TDA referring new clients to Bain.

- B** In placing orders to purchase or sell securities, Bain may elect to aggregate orders (e.g., combine orders for multiple clients' accounts). In doing so, Bain will not aggregate transactions except to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Bain clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently.

Transactions will generally be averaged as to price and allocated among clients on a pro rata basis to the purchase and sale orders placed for each client on any given day. Before entering an aggregated order, Bain will prepare a written statement (“Allocation Statement”) specifying the participating client accounts and how it intends to allocate the securities purchased among those clients.

Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for a different allocation is explained in writing and approved in writing by Bain’s compliance officer no later than one hour after the opening of the markets on the trading day following the date the order was executed.

In the event that Bain determines that a prorated allocation is not appropriate, the allocation will be made based on other relevant factors, which may include:

- When only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios with similar mandates.
- Allocations may be given to one account when that account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts.

If an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed).

- With respect to sale allocations, allocations may be given to accounts low in cash.
- In cases when a pro-rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Bain may exclude the account(s) from the allocation.
- The transactions may be executed on a pro rata basis among the remaining accounts.
- In cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Bain may aggregate trades for itself or for its associated persons with client trades under the following conditions:

- Bain will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for clients and is consistent with the terms of Bain’s investment advisory agreement.

- No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all of Bain's transactions in a given security on a given business day.
- Bain will prepare a written Allocation Statement specifying the participating client accounts and how it intends to allocate the order among those clients.
- If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement; if the order is partially filled, it will be allocated on a pro-rate basis.
- Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reasons for different allocation are explained in writing and approved by Bain's compliance officer no later than one day after the opening of the markets on the trading day following the day the order was executed.
- For each client account, Bain's books and records will separately reflect the orders which are aggregated, as well as the securities held by, bought, and sold for that account.

Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the client's cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis.

Cash or securities held collectively for clients will be delivered to the custodian bank or broker-dealer as soon as practicable following the settlement. Bain will receive no additional compensation of any kind as a result of the proposed aggregation and individual investment advice and treatment will be accorded to each client.

### **Item 13 – Review of Accounts**

- A** Accounts are reviewed by Mark L. Bain, a firm principal and owner, who is responsible for overseeing all investment advisory activities for the firm.

The frequency of reviews is determined based on the client's investment objectives. Accounts are generally reviewed quarterly, but in any event, no less than annually. Stand-alone financial planning and consulting clients receive annual account reviews and updates only when specifically selected in the client agreement.

- B** More frequent reviews may be triggered by a change in client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in the economic climate.
- C** Clients receive standard account statements from the custodian of their accounts on a monthly basis. Bain Wealth Management may also provide clients with a written report summarizing the account activity on a periodic basis.

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

We do not compensate, nor receive compensation from, any third parties in connection with any services we provide for Clients, including referrals.

#### **Item 15 – Custody**

With the exception of Bain Wealth Management's ability to debit its advisory fees, we do not otherwise have custody of client cash or securities. Clients provide written authority to have fees debited from their accounts when they execute our written investment advisory agreement. They also provide the custodian the authority to release fee payments from their accounts when they sign the custodian's account opening documentation. Clients shall receive at least quarterly account statements from the selected broker-dealer. We urge clients to review those statements carefully and compare the accounts statements from the broker-dealer with any account statements from Bain Wealth Management.

Bain Wealth Management shall have no liability to the client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a custodian.

#### **Item 16 – Investment Discretion**

Clients may grant Bain Wealth Management ongoing and continuous discretionary authority to execute its investment recommendations in accordance with Bain Wealth Management's investment policy statement (or similar document used to establish each client's objectives and suitability) developed for the client, without the client's prior approval of each specific transaction. Under this discretionary authority, client allows Bain Wealth Management to purchase and sell securities and instruments in their account(s), arrange for delivery and payment in connection with the foregoing, select, engage and disengage TPMs, and act on behalf of the client in matters necessary or incidental to the handling of the account, including monitoring of the client's assets.

#### **Item 17 – Voting Client Securities**

- A** Without exception, we do not vote proxies on behalf of clients. Additionally, we will not provide advice to clients on how the client should vote.
- B** Clients will receive proxies and other solicitations directly from the custodian or transfer agent. If any proxy materials are received on behalf of a client, they will be sent directly to the client or a designated representative of the client, who is responsible to vote the proxy.

**Item 18 – Financial Information**

- A** Bain Wealth Management does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B** Bain Wealth Management maintains discretionary authority over client funds or securities. We have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to clients.
- C** Neither Bain Wealth Management, nor any of the principals, have been the subject of a bankruptcy petition at any time in the past.