

Item 1 – Cover Page

Prague Wealth Management

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This Brochure provides information about the qualifications and business practices of Prague Wealth Management (“PWM”). If you have any questions about the contents of this Brochure, please contact us at +420 222 201 333. 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.

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

Additional information about PWM also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for PWM is 157408.

Item 2 – Material Changes

There following are material changes to this Brochure since the last annual update on March 29, 2019.

PWM moved its office location.

Currently, our Brochure may be requested by contacting Karol Suchanek, CCO or Craig Comstock, Manager & Financial Adviser at +420 222 201 333. Additional information about PWM is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with PWM who are registered, or are required to be registered, as investment adviser representatives of PWM.

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Item 4 – Advisory Business

PWM is wholly owned by Ms. Irma Comstockova and has been providing advisory services since its founding in 2012. As of December 31, 2019, PWM managed \$276,543,702 on a non-discretionary basis.

Investment Management Services

PWM provides non-discretionary advisory services to a very limited number of high net worth clients. PWM will work with a client to determine their investment objectives and risk tolerance, then recommend balanced asset allocations tailored to the individual needs of clients. PWM continuously monitors portfolio holdings and the overall asset allocation strategy and conducts review meetings with clients regarding the account as necessary.

PWM will typically recommend a portfolio of no-load mutual funds and Exchange Traded Funds (ETFs) as part of a balanced portfolio approach. PWM will allocate the client's assets among various investments taking into consideration the overall management style selected by the client, including, if any, client trading restrictions. PWM primarily recommends portfolios consisting of passively managed asset class and index mutual funds. PWM also recommends mutual funds offered by Dimensional Fund Advisors (DFA). DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover.

PWM will help clients identify third party, unaffiliated investment advisers (“*Independent Managers*”) to manage portions of the client’s portfolio consistent with their investment strategy. PWM performs routine due diligence on such outside managers taking into consideration factors which include the client’s stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The terms and conditions under which the client shall engage the Independent Manager(s) shall be set forth in separate written agreements and PWM will not be party to the agreement. PWM shall continue to assist clients relative to the ongoing monitoring and review of account performance. Upon client request, PWM will also provide advice on fixed income securities portfolios, private equity funds and private equity investments as well as provide monitoring and reporting services for client stock portfolios. PWM generally carries forward DFA’s investment approach across the spectrum of client assets.

Item 5 – Fees and Compensation

Advisory Fees

The specific manner in which fees are charged by PWM is established in a client's written advisory agreement with PWM.

Clients will pay an annual fixed fee, as negotiated between the client and PWM. The fee will be invoiced every quarter in advance. The fee can be increased each year on the anniversary of the effective date of this contract by an amount equal to the consumer price inflation rate of the Czech Republic as published by the Czech Statistical Office for the previous year. Clients may also pay an annual performance-based bonus to PWM as set forth in Exhibit B of the client's written investment advisory agreement for any year in which such Bonus is earned.

Should there be exceptional expenses incurred for special projects undertaken by PWM on the Client's behalf and at their request, these expenses may be recharged to the Client upon mutual agreement by PWM and the Client. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Clients may terminate their agreement immediately upon 30 days written notice to PWM. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

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

Item 12 further describes the factors that PWM considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

PWM does not receive any performance-based fees.

Item 7 – Types of Clients

PWM provides investment management services to a limited number of sophisticated high net worth individuals and their related entities which may include family trusts and closely held limited liability companies.

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

Methods of Analysis and Investment Strategy

PWM's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. PWM's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. PWM recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds and ETF's.

Although all investments involve risk, PWM's investment advice seeks to limit risk through broad diversification among asset classes. PWM's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that PWM's strategy seeks to minimize. In the implementation of investment plans, PWM therefore primarily uses mutual funds and ETF's to represent a market sector.

Clients may hold or retain other types of assets as well, and PWM may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by PWM may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in PWM's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by PWM may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

Cybersecurity

The computer systems, networks and devices used by PWM and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business

operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of PWM or the integrity of PWM's management. PWM has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

PW Facilities Management, s.à.r.l., a Switzerland based affiliate of PWM, provides a broad range of family office "concierge services" to certain PWM clients, which may include non-investment advisory related personal and lifestyle services.

PWM is wholly owned by Irma Comstockova, who is also a lawyer. Ms. Comstockova may separately occasionally engage in business as an attorney with a limited number of clients.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

PWM has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. PWM's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth PWM's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with PWM may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of PWM that no person employed by the firm shall prefer his or her own

interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, PWM requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and, minimally, quarterly transaction reports to the firm's Chief Compliance Officer for review. PWM maintains policies and procedures for the review of such securities transaction reports that are submitted to PWM's CCO by PWM's associated persons. PWM also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

PWM's Code of Ethics also includes oversight monitoring, enforcement and recordkeeping provisions.

PWM's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. PWM requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

PWM will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Item 12 – Brokerage Practices

PWM participates in the Schwab Institutional (SI) services program offered to independent investment advisers by Charles Schwab & Company, Inc. Schwab is a FINRA registered broker dealer. The Schwab brokerage program will generally be recommended to advisory clients for the execution of mutual fund and ETF transactions. PWM regularly reviews the program to ensure that its recommendations are consistent with its fiduciary duty. The trading platform is essential to PWM's service arrangements and capabilities, and PWM may not accept clients who direct the use of other brokers. As part of the program, PWM receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As PWM will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid, clients must direct PWM as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that

PWM will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisers require clients to direct the use of specific brokers.

PWM will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained directly by the client.

SI does not generally charge clients a custody fee and is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers. Trading client accounts through other brokers may result in fees being charged by the custodial broker and an additional broker.

When trading client accounts, errors may occur. PWM's policy is for clients to be made whole should any error caused by PWM occur. Charles Schwab & Co, Inc. implements an internal policy in which it maintains trade error gains incurred in client accounts and will cover client losses up to \$100 per error caused by PWM.

PWM does not block affiliated trades with any client trades. PWM also does not have any arrangements to compensate any broker dealer for client referrals.

PWM generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which PWM arranges transactions.

Item 13 – Review of Accounts

Reviews:

Investment Management Services

Account assets are supervised continuously and formally reviewed quarterly by Craig Comstock, Manager & Financial Adviser of PWM. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

Reports:

All clients will receive quarterly performance reports that summarize the client's account and asset allocation. Clients will also receive monthly statements from their account custodian, which will outline the client's current positions and current market value.

Item 14 – Client Referrals and Other Compensation

As indicated under the disclosure for Item 12, SI provides PWM with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit PWM but may not benefit its clients' accounts. Many of the products and services assist PWM in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information

and other market data, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of PWM's accounts. Recommended brokers also make available to PWM other services intended to help PWM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. PWM does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, PWM endeavors to act in its clients' best interests, PWM's requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to PWM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

Item 15 – Custody

PWM does not maintain physical custody of client assets; client assets are custodied by one or more Financial Institutions or Qualified Custodians. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. PWM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Fees are invoiced every quarter in advance.

PWM's policy is to ensure that client funds and securities are maintained with "qualified custodians" which provide at least quarterly account statements directly to our clients or a selected "independent representative." PWM is deemed to have custody due to concierge bill paying services offered to PWM clients. PWM further maintains compliance with Rule 206(4)-2 of the Investment Advisers Act of 1940 by engaging an independent public accountant to conduct annual surprise examinations of client funds and securities.

Item 16 – Investment Discretion

PWM does not exercise discretionary authority to manage securities accounts on behalf of clients.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, PWM does not accept the authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. PWM, however, may provide advice to clients regarding clients' voting of proxies.

Clients should note that PWM will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct PWM to transmit copies of class action notices to the client or a third party. Upon such direction, PWM will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about PWM's financial condition. PWM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.