

Wrap Fee Brochure

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Imperium Wealth Management, LLC

a Registered Investment Adviser

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This wrap fee brochure provides information about the qualifications and business practices of Imperium Wealth Management, LLC (hereinafter "IWM"). If you have any questions about the contents of this brochure, please contact please contact Christopher Holden at (210) 332-9533. 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 Imperium Wealth Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Imperium Wealth Management, LLC is a state registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This section of the wrap fee brochure discusses only the material changes that have occurred since IWM's last annual update of the wrap fee brochure dated March 15, 2019. The firm has no other changes to disclose in relation to this Item.

Item 3. Table of Contents

Item 1. Cover Page	i
Item 2. Material Changes	ii
Item 3. Table of Contents.....	iii
Item 4. Services, Fees, and Compensation	4
Item 5. Account Requirements and Types of Clients.....	6
Item 6. Portfolio Manager Selection and Evaluation	6
Item 7. Client Information Provided to Portfolio Managers	10
Item 8. Client Contact with Portfolio Managers.....	10
Item 9. Additional Information	10

Item 4. Services, Fees, and Compensation

The IWM Wrap Fee Program (the “Program”) is an investment advisory program sponsored by IWM. The Program provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges.

To join the Program, a client must:

- (1) Complete an investor profile that describes the client’s financial needs, investment objectives, time horizon, and risk tolerance, as well as any other factors relevant to the client’s specific financial situation and any other supporting documentation the Program requires;
- (2) Complete the investment advisory wrap fee agreement (the “*Agreement*”) with IWM;
- (3) Complete a new account agreement with a custodian broker-dealer IWM approves for participation in the Program (“*Financial Institution*”); and
- (4) Open a securities brokerage account with the *Financial Institution* and deposit those assets designated for participation in the Program into the account.

After an analysis of any information provided by the client to IWM, IWM assists the client in developing an appropriate investment strategy for the assets in their accounts. Thereafter, all clients are encouraged to discuss their needs, goals, and objectives with IWM and to keep IWM informed of any changes thereto. IWM contacts ongoing clients at least annually to review its previous services and/or recommendations and to determine whether changes should be made to their investment strategy.

Management of Your Portfolio

All clients in the Program grant IWM discretionary authority to buy, sell, and otherwise trade in the type of securities described in Item 6, below for their accounts and to liquidate previously-purchased securities that the client has transferred to their Accounts. Assets are managed by IWM’s principal owner, Chris Holden.

Fees for the Program

Clients in the Program pay a single annualized fee for participation in the Program (the “*Program Fee*”). The *Program Fee* is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by IWM under Program on the last day of the previous quarter.

Imperium Wealth Management, LLC Wrap Fee Brochure

The *Program Fee* varies pending upon the market value of the assets under management, as follows:

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
up to \$750,000	1.15%
Next \$750,000	0.95%
Next \$1,000,000	0.75%
Next \$2,500,000	0.65%
above \$5,000,000	0.45%

IWM, in its sole discretion, may negotiate to charge a lesser *Program Fee* based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fee Comparison

As referenced above, a portion of the fees paid to IWM are used to cover certain securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios. Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs. Because the firm pays for the brokerage fees, the firm has an incentive to engage in less transactions, or transactions that cost less to the firm, including the use of mutual funds that do not have transaction charges, but have higher expenses to the client. The firm reviews the frequency and type of investments made in client accounts to act in the client's best interest.

Other Charges

In addition to the advisory fees paid to IWM, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively, "*Financial Institutions*"). These additional charges may include margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund Program Fees and other fund expenses), fees and commission for assets not held with the *Financial Institutions* offered in the Program such as 401(k) or 529 plan assets as well as for fees for trades executed away from that Financial Institution (a conflict of interest exists where the firm avoids expenses by trading through a different Financial Institution), mark-ups and mark-downs on fixed-income

transactions which cannot be paid by the firm (or it is overly burdensome to determine the amount of such mark-ups / downs), 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.

Item 5. Account Requirements and Types of Clients

The Program participants include individuals, pension and profit sharing plans, trusts, estates, corporations and business entities.

Minimum Account Size and Minimum Fee

IWM does not require a minimum portfolio size, but, as a condition for participating in the Program, does impose a minimum annual *Program Fee* of \$9,000. This minimum fee has the effect of making IWM's service impractical for some clients having portfolios with less than \$100,000 under IWM's management. IWM, in its sole discretion, may waive its minimum annual *Program Fee* based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities.

Item 6. Portfolio Manager Selection and Evaluation

IWM acts as the sponsor and portfolio manager to the Program. Certain wrap programs involve the services of multiple parties in these capacities, which may involve additional conflicts of interest that the sponsor would be required to disclose in this section. IWM has no disclosures to make under this section.

Investment Management Services

Clients can engage IWM to manage all or a portion of their assets on a discretionary basis or non-discretionary basis. The firm primarily allocates clients' investment management assets among mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities and/or options as well as real estate investment trusts ("REITs") in accordance with the investment objectives of the client. In addition, IWM may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which include debt, equity, and/or pooled investment vehicles when consistent with the clients' investment objectives. IWM also provides advice about any type of investment held in clients' portfolios.

The firm may provide its participants in the Program with a broad range of comprehensive financial planning services, which may include tax preparation and related tax consulting services. In addition, the

firm's financial planning services include cash flow analysis, review of employee benefits and insurance as well as estate, retirement and education planning.

The firm also may render non-discretionary investment management services to clients relative to variable life/annuity products that they own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that are not held by the client's primary custodian. In so doing, IWM either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

IWM tailors its advisory services to the individual needs of clients, consulting initially with clients and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact their investment needs. IWM ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify IWM if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon IWM's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in IWM's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Performance-Based Fees and Side-by-Side Management

The firm does not provide any services for performance-based compensation. Performance-based fees are those based on a share of capital gains or capital appreciation.

Methods of Analysis, Investment Strategies and Risk of Loss

IWM consults with clients initially and on an ongoing basis to develop an investment plan that is customized to each client's goals and objectives. The firm employs fundamental, technical and cyclical methods of investment analysis.

Methods of Analysis

Fundamental analysis involves the fundamental financial condition and competitive position of a company. IWM will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that IWM will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that IWM is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Investment Strategies

The firm's investment strategy is to build a diversified portfolio in light of a client's investment time horizon. An example of this includes investing long term dollars in long term assets such as unhedged stocks. IWM primarily allocates clients' investment management assets among mutual funds, ETFs, individual debt and equity securities and/or options as well as REITs in accordance with the investment objectives of the client.

Risks of Loss

Mutual Funds and Exchange Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However,

certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Market Risks

The profitability of a significant portion of IWM’s recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that IWM will be able to predict those price movements accurately.

Agency Cross Transactions

In very limited circumstances, IWM may engage in agency cross transactions pursuant to which IWM may affect transactions between a client’s account and the accounts of other individuals and/or entities which may include clients of IWM (i.e. arranging for the client’s securities trades by “crossing” these trades with securities transactions of other advisory and non-advisory clients). IWM will only engage in agency cross transactions when it believes that such transactions are beneficial to the client. IWM will provide written confirmation to the client of each agency cross transaction, as well as an annual summary of all such transactions. The client may revoke IWM’s agency cross transaction authority at any time upon written notice to IWM.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Voting of Client Securities

The firm is required to disclose if it accepts authority to vote client securities. The firm does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

Item 7. Client Information Provided to Portfolio Managers

IWM acts as the sponsor and portfolio manager to the Program. Certain wrap programs involve the services of multiple parties in these capacities. In those circumstances, the sponsor is required to disclose how and what type of information about client that it provides to portfolio managers. IWM has no disclosures to make under this section.

Item 8. Client Contact with Portfolio Managers

There are no restrictions on a clients' ability to contact and consult with IWM.

Item 9. Additional Information

Disciplinary Information

IWM is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. There are no such legal or disciplinary events to disclose.

Code of Ethics

The firm and persons associated with IWM ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with IWM's policies and procedures.

IWM has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by IWM or any of its associated persons. The *Code of Ethics* also requires that certain of IWM's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in IWM's *Code of Ethics*, none of IWM's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of IWM's clients.

When IWM is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when IWM is selling or considering the sale of any

security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact IWM to request a copy of its *Code of Ethics*.

Review of Accounts and General Reports

For those clients to whom the firm provides investment management services, it monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom IWM provides financial planning services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of the firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with IWM and to keep IWM informed of any changes thereto. IWM contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom IWM provides investment advisory services will also receive a report from IWM that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance from time to time. Clients should compare the account statements they receive from their custodian with those they receive from IWM.

Client Referrals and Other Compensation

The firm is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, the firm is required to disclose any direct or indirect compensation that it provides for client referrals. IWM does not have any required disclosures to this Item.

Financial Information

The firm is required to disclose whether it requires the prepayment of fees exceeding \$500 six months or more in advance of providing advisory services. In addition, the firm is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. The firm has no disclosures to report pursuant to this Item.

Brokerage Practices

IWM participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. IWM receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, IWM participates in TD Ameritrade’s institutional customer program and IWM recommends TD Ameritrade to Clients for custody and brokerage services. There is no direct link between IWM’s participation in the program and the investment advice it gives to its Clients, although IWM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving IWM participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to 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 to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to IWM by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor’s related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist IWM in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help IWM manage and further develop its business enterprise. The benefits received by IWM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, IWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by IWM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the IWM’s choice of TD Ameritrade for custody and brokerage services.

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