

Cover Page - Item 1

**Aegis Wealth Management Inc.**

**Form ADV Part 2A Brochure**

**March 2, 2020**

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Aegis Wealth Management Inc. is an investment adviser registered with the Securities and Exchange Commission ("SEC"). An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Aegis Wealth Management Inc. If you have any questions about the contents of this brochure, please contact us at (800) 579-7923. 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 Aegis Wealth Management Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The firm's CRD/IARD number is 301990.

### **Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this brochure. This is our firm's first brochure and therefore we have not made any material changes. We review and update our brochure at least annually to make sure that it remains current.

On March 2, 2020, we submitted our annual updating amendment filing for fiscal year 2019. We have updated Item 4 of our Form ADV Part 2A Brochure to disclose discretionary assets under management of approximately \$4,693,489 and non-discretionary assets under management of approximately \$0.

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#### **Advisory Business - Item 4**

Aegis Wealth Management Inc. (“Aegis Wealth” and/or “the firm”) is a corporation formed in the State of Colorado. Darin Wayne Edward Lucas, Carl Stephen Muehlemeyer and Rickey Lynn Rumelhart are the principal owners of Aegis Wealth. Aegis Wealth has been offering investment advisory services since 2019.

The following paragraphs describe our services and fees. You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly licensed or registered as investment adviser representatives.

#### **Financial Planning Services**

We offer broad-based financial planning services regarding management of financial resources based upon an analysis of the client’s individual needs. We will meet with you to gather information about your financial circumstances and objectives. Once we collect and analyze the documentation and information you provide, we work with you to develop a financial plan designed to help you achieve your financial goals and objectives. In this way, Aegis Wealth assists the client in developing a strategy for the management of income, assets, and liabilities. In general, financial planning services may include any one or all of the following:

- Cash Flow Analysis – Assessment of a client’s present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements, etc. The firm advises on ways to reduce risk, coordinate, and organize records and estate information.
- Retirement Analysis – Identification of a client’s long-term financial and personal goals and objectives includes advice for accumulating wealth for retirement income or appropriate distribution of assets following retirement. Tax consequences and implications are identified and evaluated.
- Portfolio Analysis/Investment Planning – We provide investment alternatives, including asset allocation, and effect on a client’s portfolio. We evaluate economic and tax characteristics of existing investments as well as their suitability for a client’s objectives. We identify and evaluate tax consequences and their implications.
- Insurance Analysis – Includes risk management associated with advisory recommendations based on a combination of insurance types to meet a client’s needs, e.g., life, health, disability, and long-term care insurance. This will necessitate an analysis of cash needs of family at death, income needs of surviving dependents, and disability income analysis.
- Education Savings Analysis – Alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education.

Financial plans are based on a client’s financial situation based on the information provided to the firm. The recommendations and solutions are designed to achieve the client’s desired goals, subject to periodic evaluation of the financial plan, which may require revision to meet changing circumstances. We should be notified promptly of any change to a client’s financial situation, goals, objectives, or needs.

Clients can also request financial planning services that cover a specific area, such as retirement, or asset allocation analysis. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage firm of your choice.

In some cases, our recommendations will involve the purchase of insurance products. Aegis Wealth is affiliated with Aegis Financial, Inc., a licensed insurance agency, through common ownership and control. Additionally, Associated Persons of Aegis Wealth are licensed insurance agents. Aegis Financial, Inc. and our dually licensed Associated Persons can effect transactions in insurance products and earn commission based compensation for these activities. Clients should be aware that a conflict of interest is inherent in such an arrangement. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Aegis Financial, Inc. and our dually licensed Associated Persons. Clients of Aegis Wealth are not required to purchase insurance products from Aegis Financial, Inc. or the firm's dually licensed Associated Persons and can purchase insurance products from any insurance agency and agent they choose.

Note: Information related to tax and legal consequences that is provided as part of the financial plan is for informative purposes only. Clients are instructed to contact their tax or legal advisers for personalized advice.

### **Portfolio Management Services**

Aegis Wealth offers discretionary portfolio management services. Discretionary portfolio management means that we chose the broker dealer/custodian to be used, we make investment decisions, and place buy or sell orders in your account without contacting you to receive your advance permission. If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. All restrictions or guidelines must be provided in writing. Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our firm to assist you with the management of your portfolio, an Associated Person of Aegis Wealth will meet with you and gather information about your financial situation, investment objectives, and any reasonable restrictions you would like to impose on the management of the account. The information we gather will help us implement an asset allocation strategy that will be specific to your needs and goals.

Currently, our asset allocation and advisory services are offered in conjunction with a sub adviser. The sub adviser assists our firm with back office support, trading, report preparation, and billing. We use model portfolios developed by the sub adviser and/or other registered investment advisers. These other investment advisers are responsible for the research and security selection, Aegis Wealth is responsible for the supervision of the account and the sub adviser is responsible for day to day trading, billing calculation and other back office operations. At this time, Aegis Wealth uses the following sub advisers:

**GeoWealth Management LLC (CRD#148222):** GeoWealth Management LLC gives us access to its proprietary portfolio models, along with models provided by State Street Global Advisors, Global X Management, and JP Morgan Asset Management, among others. All disclosure information about these entities is available on the SEC's public disclosure site, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). All clients will be provided with a current copy of GeoWealth Management LLC's Form ADV Part 2 Brochure at the inception of service. This document provides important disclosures about GeoWealth Management LLC's services, portfolio models, fees, conflicts of interest, disciplinary history (if any), and other important information that would help clients understand the scope of sub advisory services provided by GeoWealth Management LLC.

**Anfield Capital Management, LLC (CRD#165211):** Anfield Capital Management, LLC gives us access to its proprietary portfolio models. All disclosure information about Anfield Capital Management, LLC is available on the SEC's public disclosure site, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). All clients will be provided with a current copy of Anfield Capital Management, LLC's Form ADV Part 2 Brochure at the inception of service. This document provides important disclosures about Anfield Capital Management, LLC's services, portfolio models, fees, conflicts of interest, disciplinary history (if any), and other important information that would help clients understand the scope of sub advisory services provided by Anfield Capital Management, LLC.

**Foresight Investment Advisors, LLC (CRD#155800):** Foresight Investment Advisors, LLC gives us access to its proprietary investment strategies. All disclosure information about Foresight Investment Advisors, LLC is available

on the SEC's public disclosure site, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). All clients will be provided with a current copy of Foresight Investment Advisors, LLC's Form ADV Part 2 Brochure at the inception of service. This document provides important disclosures about Foresight Investment Advisors, LLC's services, portfolio models, fees, conflicts of interest, disciplinary history (if any), and other important information that would help clients understand the scope of sub advisory services provided by Foresight Investment Advisors, LLC.

All accounts are managed in accordance with the client's investment needs and may include various types of securities such as equity securities, Exchange Traded Funds (ETFs), mutual funds, corporate debt securities, commercial paper, certificates of deposit, municipal securities, and U.S. Government securities. Other types of investments may also be recommended where such investments are appropriate based on the client's stated goals and objectives.

Investments and allocations are determined and based upon the client's predefined objectives, risk tolerance, time horizon, financial horizon, financial information, and other various suitability factors. Further restrictions and guidelines imposed by the client may affect the composition and performance of a client's portfolio. For these reasons, performance of the portfolio may not be identical to the average client of Aegis Wealth. On an ongoing basis, Aegis Wealth reviews the client's financial circumstances and investment objectives, and instructs the sub adviser to make the necessary adjustments to the client's portfolio.

Clients are required to provide the firm with prompt notice of any changes in their personal financial circumstances, investment objectives, goals, and tolerance for risk. Aegis Wealth will contact the client at least annually to determine whether there have been any changes in the client's personal financial circumstances, investment objectives, and tolerance for risk.

#### **Wrap Fee Program**

Aegis Wealth does not sponsor or participate in a Wrap Fee Program.

#### **Assets Under Management**

As of December 31, 2019, we manage approximately \$4,693,489 in client assets on a discretionary basis and approximately \$0 in client assets on a non-discretionary basis.

### **Fees and Compensation - Item 5**

#### **Financial Planning Fees**

Aegis Wealth provides its clients financial planning and consulting services. Prior to engaging Aegis Wealth to provide consulting services, the client will be required to enter into a financial planning agreement with our firm. The Agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the fee that is due from the client. Aegis Wealth will charge a fixed fee and/or hourly fee for these services. We utilize the following financial planning fee schedules:

- *Fixed Fees:* Aegis Wealth will charge a fixed fee of up to \$10,000.00, for broad-based planning services.
- *Hourly Fees:* Aegis Wealth charges an hourly fee of up to \$400 for clients who request specific services (such as a modular plan or hourly consulting services).

Other fee payment arrangements may be negotiated with the client on a case-by-case basis. All such arrangements will be clearly set forth in the financial planning agreement signed by the client and the firm. Fees are payable as invoiced.

Either party may terminate the financial planning agreement by written notice to the other. In the event the client terminates Aegis Wealth's financial planning services, the balance of any prepaid, unearned fees (if any) will be refunded to the client promptly.

#### **Portfolio Management Services Fees**

Aegis Wealth's portfolio management fees are payable monthly in arrears and are based on the value of the account on the last business day of the calendar month. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar month. Other fee payment arrangements can be negotiated on a case by case basis. These arrangements will be listed in the advisory agreement signed by the firm and the client.

The fee is deducted from the client's account held at the custodian. The sub adviser calculates the fee and Aegis Wealth debits such fees from the client's custodial account, provided the client has authorized Aegis Wealth to debit the fee in writing. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. Our negotiable fee for portfolio management services is set forth in the following fee schedule:

	<b>First \$500,000</b>	<b>Next \$500,000</b>	<b>Next \$1.5 million</b>	<b>Over \$2.5 million</b>
<b>Maximum Annual Portfolio Management Fee</b>	2.15%	2.05%	1.80%	Negotiable

The fee listed above includes the compensation received by the model provider and the sub adviser. We may modify the fee at any time upon 30 days' written notice, subject to client's consent. In addition, each account included in our portfolio aggregation and reporting software will be charged an annual fee of \$35.00. This fee applies to accounts managed by Aegis Wealth and non managed accounts that are included in the software for reporting purposes.

Our annual fee is exclusive of and in addition to: brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. However, we will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

The portfolio management agreement may be canceled at any time by the client or by Aegis Wealth with 30 days' prior written notice to the other party. Upon termination, any earned, unpaid fees will be due and payable by the client. The client has the right to terminate the Asset Management Agreement without penalty within five business days after entering into the agreement.

#### **Additional Fees and Expenses**

Aegis Wealth's fees are negotiable based on the complexity of client goals and objectives and level of services rendered. As described above, the fees are charged as described and are not based on a share of capital gains of the funds of an advisory client.

All fees paid to Aegis Wealth for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, early redemption fee, and a possible distribution fee. A client could invest in a mutual fund directly, without the services of Aegis Wealth. In that case, the client would not receive the services provided by Aegis Wealth, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Aegis Wealth to understand fully the total amount of fees to be paid by the client and to

evaluate the advisory services being provided.

Advisory recommendations are based on financial information and situation that you disclose to us at the time the services are provided. Certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future returns. As your financial situation, goals, objectives, or needs change, you must notify us promptly.

#### **Sales Compensation**

Associated Persons who provide investment advice on behalf of our firm may also be registered representatives with various securities broker-dealers registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA"). As registered representatives, Associated Persons receive commission-based compensation for buying and selling securities and insurance products, including 12b-1 fees and other trails for the sale of mutual funds or annuity products. This commission compensation is separate and distinct from our advisory fees. Aegis Wealth's advisory clients are not obligated to purchase the products or services of any of these broker-dealers. Clients may purchase or sell insurance and securities at the brokerage firm of their choice.

Associated Persons of Aegis Wealth are also licensed as insurance agents and can effect transactions in various insurance products, including life, health, disability, long-term care, and annuities among others. These individuals earn commissions for these activities. The firm expects that clients to whom it offers advisory services may also be clients for whom such individuals act as insurance agents. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned for placing the client in insurance products.

The sale of mutual funds, annuity contracts, insurance instruments and other commissionable products offered by Associated Persons are intended to compliment Aegis Wealth's advisory services. However, a conflict of interest exists due to the potential receipt of dual forms of compensation. Aegis Wealth has policies and procedures in place to monitor all client transactions and all client transaction costs will be disclosed to the client. Clients to whom the firm offers advisory services are informed that they are under no obligation to use the firm's Associated Persons for securities brokerage or insurance services and may use the securities and insurance brokerage firm and agent of their choice.

We strive to outline all conflicts of interest between you, our firm, and our Associated Persons in this Disclosure Brochure. If additional conflicts arise in the future, we will notify you in writing and/or provide you an updated Disclosure Brochure.

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

Performance-based fees are based on a share of capital gains on or capital appreciation of the client's assets. Our firm and Associated Persons do not accept performance-based fees.

#### **Types of Clients - Item 7**

We generally offer investment advisory services to individuals, pension and profit sharing plans and their participants, trusts, estates, charitable organizations, corporations, and other business entities.

Aegis Wealth requires a minimum of \$25,000 to open and maintain an advisory account. In our sole discretion, we



may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members.

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

All asset allocation models are developed by the sub adviser and/or other third party investment advisers (listed under Item 4 above) in accordance with investment programs developed by these entities. Aegis Wealth will not implement its own methods of analysis and investment strategies. Clients should refer to the sub adviser's and/or third party investment advisers' brochures for more information about the methods of analysis and investment strategies used by those firms.

**Investing in securities involves risk of loss that clients should be prepared to bear.** Clients should fully understand the nature of the contractual relationship(s) into which they are entering and the extent of their exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources, and other relevant circumstances.

**Recommendation of Particular Types of Securities:** As disclosed under the "Advisory Business" section in this Brochure, we provide advice on various types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and governmental economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value,

the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Risks Associated with Investing in Equities:** Investments in equities generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Risks Associated with Investing in Private Funds:** Private investment funds are not registered with the Securities and Exchange Commission and may not be registered with any other regulatory authority. Accordingly, they are not subject to certain regulatory restrictions and oversight to which other issuers are subject. There may be little public information available about their investments and performance. Moreover, as sales of shares of private investment companies are generally restricted to certain qualified purchasers, it could be difficult for a client to sell its shares of a private investment company at an advantageous price and time. Since shares of private investment companies are not publicly traded, from time to time it may be difficult to establish a fair value for the client's investment in these companies.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

#### Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no history of

reportable material legal or disciplinary events by our firm or our management persons.

#### **Other Financial Industry Activities or Affiliations - Item 10**

Certain Management Persons and Associated Persons of our firm have an ownership interest in Aegis Financial, Inc., an insurance field marketing organization and insurance agency that markets/wholesales life insurance and fixed annuities to third-party insurance agents in exchange for marketing and/or override fees from the issuer of such insurance/annuity products. Associated Persons of Aegis Wealth, who are separately licensed as insurance agents, generally utilize the marketing and wholesaling services of Aegis Financial, Inc.

Management Persons and Associated Persons are licensed as insurance agents and can effect transactions in various insurance products, including life, health, disability, long-term care, and annuities and earn commissions for these activities. The firm expects that clients to whom it offers advisory services may also be clients for whom such individuals act as insurance agents. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned for placing the client in insurance products. Clients to whom the firm offers advisory services are informed that they are under no obligation to use the firm's Associated Persons for insurance services and may use the insurance brokerage firm and agent they choose.

The sale of insurance instruments and other commissionable products offered by Associated Persons are intended to compliment Aegis Wealth's advisory services. However, a conflict of interest exists due to the potential receipt of dual forms of compensation. Aegis Wealth has policies and procedures in place to monitor all client transactions and all client transaction costs will be disclosed to the client.

#### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Item 11**

##### **Description of Our Code of Ethics**

Aegis Wealth has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Aegis Wealth's policies and procedures developed to protect clients' interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of Aegis Wealth's Code of Ethics is available upon request to Rick Rumelhart, Chief Compliance Officer, at (800) 579-7923 or [rick@aegiswealthmanagement.com](mailto:rick@aegiswealthmanagement.com).

##### **Personal Trading Practices**

At times, Aegis Wealth and/or its Associated Persons may take positions in the same securities as clients, which may pose a conflict of interest with clients. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality, disclosure

will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

### **Brokerage Practices - Item 12**

We recommend the services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade") for our portfolio management program. TD Ameritrade is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisors services, which include custody of securities, trade execution, clearance, and settlement of transactions. Aegis Wealth receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosures below under Item 14.)

#### **Research and Other Soft Dollar Benefits**

We may receive benefits from TD Ameritrade for research services that include reports, software, and institutional trading support.

In selecting a broker dealer based on discretionary authority, Aegis Wealth will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience, and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. In addition, Aegis Wealth may cause the account to pay a higher commission in recognition of the value of "research services" and additional brokerage products and services a broker-dealer has provided or may be willing to provide.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians with which we have an institutional advisory arrangement. In addition, we do not receive other benefits from a broker-dealer in exchange for client referrals.

#### **Directed Brokerage**

The client may direct brokerage to a specified broker-dealer other than the firm recommended by Aegis Wealth. In the event that a client directs Aegis Wealth to use a particular broker-dealer, the firm may not be authorized under these circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct the Company to use a particular broker-dealer and those who do not.

#### **Trade Aggregation/Block Trading**

Aegis Wealth does not place transactions directly in client accounts. Sub advisers may or may not aggregate transactions. Where orders are not aggregated, some clients may pay a different price for their securities than other clients. The sub adviser's trade aggregation policy will be disclosed in the sub adviser's Form ADV Part 2 Brochure.

### **Review of Accounts - Item 13**

Accounts are reviewed by the Associated Person named as adviser of record on the account. The frequency of reviews is determined based on the client's investment objectives, but reviews are conducted no less frequently than annually. Additional reviews are usually triggered by a change in the client's investment objectives, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in corporate management, or changes in macro-economic climate.

The client's independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by Aegis Wealth.

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

As disclosed under Item 12 above, Aegis Wealth participates in TD Ameritrade's institutional customer program and Aegis Wealth may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Aegis Wealth's participation in the program and the investment advice it gives to its clients, although Aegis Wealth 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 Aegis Wealth participants; 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 Aegis Wealth by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Aegis Wealth's related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit Aegis Wealth but may not benefit its client accounts. These products or services may assist Aegis Wealth in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Aegis Wealth manage and further develop its business enterprise. The benefits received by Aegis Wealth 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, Aegis Wealth endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Aegis Wealth or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Aegis Wealth's choice of TD Ameritrade for custody and brokerage services.

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potential conflict of interest and may indirectly influence the Aegis Wealth's choice of TD Ameritrade for custody and brokerage services.

Our firm and related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for client referrals.

#### **Custody - Item 15**

Aegis Wealth is deemed to have custody over client funds because of its authority to deduct fees from the client's account at the qualified custodian.

Clients will receive account statements at least quarterly from their qualified custodian. Clients are urged to review their custodial account statements for accuracy.

#### **Investment Discretion - Item 16**

Aegis Wealth's portfolio management services are offered on a discretionary basis. This authority is granted to us by you in the Asset Management Agreement. This allows our firm and/or the sub adviser to choose the quantity of the securities to be purchased or sold and whether to place buy or sell orders for your account without obtaining your approval for each transaction.

If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. All restrictions or guidelines must be provided in writing.

#### **Voting Client Securities - Item 17**

Aegis Wealth does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

#### **Financial Information - Item 18**

We are required in this Item to provide you with certain financial information or disclosures about Aegis Wealth's, financial condition. Aegis Wealth does not require the prepayment of over \$1,200, six or more months in advance. Additionally, Aegis Wealth has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and Aegis Wealth has not been the subject of a bankruptcy proceeding.

**Requirements of State-Registered Advisers - Item 19**

**This section is not applicable because our firm is SEC-registered.**

**Miscellaneous**

**Confidentiality**

Aegis Wealth views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure.

Aegis Wealth does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, Aegis Wealth may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

Aegis Wealth restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. Aegis Wealth maintains physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to process a transaction, at the request of the client, or as required by law.

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the Asset Management Agreement. If you have any questions about this policy, please contact Rick Rumelhart, Chief Compliance Officer, at (800) 579-7923 or [rick@aegiswealthmanagement.com](mailto:rick@aegiswealthmanagement.com).