

**Item 1: Cover Page**  
**Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure**  
**May 19, 2020**

**Hawkins Wealth Management's Wrap Fee Program**

**Sponsored By:**

**HAWKINS**  
**WEALTH MANAGEMENT**

**1210 Jordan St., Suite 3**  
**North Liberty, Iowa 52317**

**Firm Contact:**

**Angela Breitsprecher,**  
**Chief Compliance Officer**

**Firm Website:**

**[www.hawkinswealth.com](http://www.hawkinswealth.com)**

This wrap fee program brochure provides information about the qualifications and business practices of TRH Financial LLC dba Hawkins Wealth Management. If you have any questions about the contents of this brochure, please contact Angela Breitsprecher, Chief Compliance Officer, at (319) 626-3580, by email to [angie@hawkinswealth.com](mailto:angie@hawkinswealth.com), or by fax at (319) 626-3610. 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 Hawkins Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD#: 165615.

Please note use of the term "registered investment adviser" and description of Hawkins Wealth Management and/or our associates as "registered" does not imply a certain level of skill or training.

You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and its employees.

## **Item 2: Material Changes**

There have been no material changes since the March 12, 2020 Form ADV filing on the IARD system.

### Item 3: Table of Contents

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## Item 4: Services, Fees & Compensation

Our firm manages assets for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished in part by knowing the client. Our firm has established a service-oriented advisory practice with open lines of communication. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

Our firm sponsors and offers a wrap fee program, which allows clients to pay a single fee for investment advisory services and associated custodial transaction costs. Transaction fees will be paid by our firm via individual transaction charges. Because our firm absorbs client transaction fees, an incentive exists to limit trading activities in client accounts.

Our recommended custodian TD Ameritrade, Inc. ("TD Ameritrade") does not charge transaction fees for U.S. listed equities and exchange traded funds. Since we pay the transaction fees charged by the custodian to clients participating in our wrap fee program, our firm's expenses may have decreased depending on the underlying investments. This presents a conflict of interest because we are incentivized to recommend equities and exchange traded funds over other types of securities in order to reduce our costs.

### **Wrap Comprehensive Portfolio Management:**

As part of our Wrap Comprehensive Portfolio Management service clients will be provided asset management and financial planning or consulting services. This service is designed to assist clients in meeting their financial goals through the use of a financial plan or consultation. Our firm conducts client meetings to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what is learned, an investment approach is presented to the client, consisting of individual stocks, bonds, exchange traded funds (ETF), Unit Investment Trust (UIT), mutual funds and other public and private securities or investments. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client's individual needs, stated goals and objectives. Upon client request, our firm provides a summary of observations and recommendations for the planning or consulting aspects of this service.

### **Fee Schedule**

<b>Assets Under Management</b>	<b>Annual Percentage of Assets Charge</b>
\$0 to \$100,000	1.85%
\$100,001 to \$500,000	1.45%
\$500,001 to \$1,000,000	1.35%
\$1,000,001 to \$3,000,000	1.15%
\$3,000,001 to \$5,000,000	1.05%
\$5,000,001 to 10,000,000	0.95%
\$10,000,001 to \$20,000,000	0.80%
\$20,000,001 and above	0.50%

Fees to be assessed will be outlined in advisory agreement to be signed by the client. Initial fees are billed on a pro-rated annualized basis in advance based on the value of the account in Orion, our billing software, on the date of transfer/funding. Subsequent fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account in Orion at the end of the previous quarter. Please note that Orion's statements may not match the custodial statements for the following reasons:

- Pending Trades: These are listed under "Pending Trades" in the Custodial Statements. These are trades that have not settled at the Custodian before statements are printed. However, they did settle at Orion and are included in the Orion Value. Thus, Orion uses Trade Date while the Custodians use Settle Date.
- Backdated Transactions: Backdated Transactions are included in the Orion Statements, but are not included in the Custodian statements. This is due to Orion's use of Trade Date.

Fees are negotiable and will be deducted from your managed account. In rare cases, we will agree to direct bill clients. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms. We send our invoice directly to the custodian; and
- c) If we send a copy of our invoice to you, it will include a legend urging you to compare information provided in our statement with those from the qualified custodian.

Our firm sponsors and offers a wrap fee program, which allows clients to pay a single fee for investment advisory services and associated custodial transaction costs. As noted above, our recommended custodian TD Ameritrade does not charge transaction fees for U.S. listed equities and exchange traded fund. All other transaction fees not related U.S. listed equities and exchange traded funds are paid by our firm via individual transaction charges. Because our firm absorbs client transaction fees, an incentive exists to limit trading activities in client accounts to just U.S. listed equities and exchange traded funds which do not have transaction charges..

#### **Other Types of Fees & Expenses:**

In addition to our advisory fees above, Clients may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Our firm does not receive a portion of these fees.

#### **Wrap Fee Program Recommendations:**

Our firm does not recommend or offer the wrap program services of other providers.

**Termination and Refunds:**

Either party may terminate the advisory agreement signed with our firm for Wrap Comprehensive Portfolio Management services in writing at any time. Upon notice of termination our firm will process a pro-rata refund of the unearned portion of the advisory fees charged in advance.

**Item 5: Account Requirements & Types of Clients**

Our firm mainly services individuals and high net worth individuals. We generally require a minimum account balance of \$500,000. Minimum account balances are negotiable on a case by case basis upon firm approval, but are generally required to be maintained throughout the course of the client's relationship with our firm.

**Item 6: Portfolio Manager Selection & Evaluation****Selection of Portfolio Managers:**

Our firm does not utilize outside portfolio managers. All accounts are managed by our in-house licensed investment adviser representatives ("IAR"s) of our firm. Prior to becoming licensed with our firm, each IARs industry experience, licensure, outside business activities, client complaints (if any), disciplinary or regulatory history (if any) and financial well-being will be reviewed. Each IAR will then have a Form U4 and ADV Part 2B on file with our firm.

Our firm's IARs act as portfolio manager(s) for this wrap fee program. A conflict arises in that other investment advisory firms may charge the same or lower fees than our firm for similar services. Our IARs are subject to individual licensing requirements as imposed by state securities boards. Our firm is required to confirm or update each IAR's Form U4 on an annual basis. IAR supervision is conducted by our Chief Compliance Officer or management personnel.

**Advisory Business:**

Information about our wrap fee services can be found in Item 4 of this brochure.

**Participation in Wrap Fee Programs:**

Our firm only offers wrap fee accounts to our clients, which are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

**Performance-Based Fees & Side-By-Side Management:**

Our firm does not charge performance fees to our clients.

**Methods of Analysis, Investment Strategies & Risk of Loss:**

*Fundamental Analysis.* We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition

and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

*Technical Analysis.* We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

*Long-term Purchases.* When utilizing this strategy, we purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

*Proprietary Model Portfolios:* Our firm develops proprietary asset allocation model portfolios as part of our investment process. The purpose of these portfolios is to create a foundation for clients' investments based on their individual risk tolerance, investment timeframe, and specific investment goals. Our model portfolios include:

- *ETF:* The goals of this portfolio are to grow capital over a long-term investment horizon;
- *Aggressive Growth:* The goals of this portfolio are to grow capital with an emphasis on capital appreciation;
- *Growth:* The goals of this portfolio are to grow capital with an emphasis on capital appreciation;
- *Growth with Income:* The goals of this portfolio are to balance capital growth and high current income with an emphasis on capital appreciation;
- *Growth with Income Plus:* The goals of this portfolio are to generate current income, preserve capital, and achieve some long-term capital growth; and
- *Conservative:* The goals of this portfolio are to Generate Current Income, preserve capital and purchasing power.
- *Dividend Sustainability:* The goals of this portfolio are to emphasis current income through dividend accumulation, dividend growth, and preserve capital with potential long-term capital growth.

The risks associated with our proprietary models reflect risks similar to that of asset allocation strategies. This includes that a client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that a client's actual holdings may deviate from the model over time and if not corrected, may no longer be appropriate for the client's goals.

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

**Voting Client Securities:**

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

**Item 7: Client Information Provided to Portfolio Manager(s)**

All accounts are managed by our in-house licensed IARs. The IAR selected to manage the client's account(s) or portfolio(s) will be privy to the client's investment goals and objectives, risk tolerance, restrictions placed on the management of the account(s) or portfolio(s) and relevant client notes taken by our firm. Please see our firm's Privacy Policy for more information on how our firm utilizes client information.

**Item 8: Client Contact with Portfolio Manager(s)**

Clients are always free to directly contact their IAR(s) with any questions or concerns they have about their portfolios or other matters.

**Item 9: Additional Information****Disciplinary Information**

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The Securities and Exchange Commission issued a Cease-and-Desist Order against TRH Financial LLC dba Hawkins Wealth Management on 09/26/2017 for failing to disclose that it received a forgivable loan of almost \$350,000 from LPL Financial, which provided clearing and custody services for Hawkins Wealth Management's advisory clients. Hawkins Wealth Management violated Section 206(2) of the Advisers Act by failing to disclose its conflict of interest completely and accurately and Section 207 of the Advisers Act by omitting material facts concerning its relationship with LPL Financial. Hawkins Wealth Management has been ordered to cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 207 of the Advisers Act, censured, and ordered to pay a civil monetary penalty in the amount of \$35,000 to the Securities and Exchange Commission. Additional information about the Cease-and-Desist Order is available at <https://www.sec.gov/litigation/admin/2017/ia-4776.pdf>.

**Financial Industry Activities & Affiliations**

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Our firm is not registered, nor does it have an application pending to register, as a broker-dealer, registered representative of a broker dealer.



Representatives of our firm are independent insurance agents/brokers. They offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest exists as these insurance sales create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn. To mitigate this potential conflict, our firm will act in the client's best interest.

In addition, certain representatives of our firm are also licensed with our affiliated entity, Hawkins Insurance, LLC as insurance agents/brokers. In such capacity, they may offer clients insurance products and receive normal and customary fees as a result of insurance sales. Clients are under no obligation to purchase these products. A conflict of interest exists as these insurance sales create an incentive to recommend products based on the compensation representatives and/or our supervised persons may earn. To mitigate this potential conflict, disclosure is made to the client at the time of purchase identifying the nature of the transaction and relationship, the role to be played, and any compensation paid to our representatives. In every case, the interests of the client are placed before that of our representatives.

Tim Hawkins and Aaron Robertson are part owners of several real estate holding companies. These activities are not investment-related, clients are not solicited to invest, and therefore no conflicts of interest exist.

Our firm has entered into an agreement with, Mutual Securities Inc., member FINRA/SIPC, whereby Mutual Securities will provide operational support services as a platform provider of clients directly held investments. These might include mutual funds, 529 plans, and variable annuities. This contractual engagement does not include assuming authority over Mutual Securities brokerage accounts. Clients will be solicited to utilize Mutual Securities, but are under no obligation to move their mutual funds, 529 plans, and variable annuities. For clients of Mutual Securities who provide Mutual Securities with written consent requesting ongoing investment advisory services, our firm will be engaged to provide ongoing sub-advisory investment-related services on a discretionary basis which may include a general review of client investment holdings, general investment advice, and specific securities recommendations on client's investment holdings. For our sub-advisory services, our firm is compensated by Mutual Securities through a percentage of the overall assets under management not to exceed 0.70%.

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

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Our firm recognizes that the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes that if

investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are not included in a block trade, our related persons will always trade personal accounts last. In all situations, related persons' personal accounts are traded at the end of the day.

### **Review of Accounts**

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Our management personal or financial advisors review client portfolios on at least a quarterly basis for our clients. Individual accounts are reviewed either annually or semi-annually, depending on the client's review schedule and if the client schedules an appointment. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we contact clients.

### **Other Compensation**

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Our firm participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/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

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

settlement of transactions. As such, our firm may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give our Clients, although our firm receives economic benefits through our 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 our 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 our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duty to clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Our firm also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include TD Ameritrade paying Orion Advisor Services up to \$55.00 per each new client account our firm opens with them for a period of one year as of April 2017. TD Ameritrade provides the Additional Services to our firm in its sole discretion and at its own expense. Our firm does not pay any fees to TD Ameritrade for the Additional Services.

Our firm's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to our firm, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our firm's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate these Additional Services with our firm, in its sole discretion. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, our firm may have an incentive to recommend to its Clients that the assets under management by our firm be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Our firm's receipt of Additional Services does not diminish our duty to act in the best interests of our Clients, including to seek best execution of trades for Client accounts.

We may receive from a custodian or a mutual fund company, without cost and/or at a discount support services and/or products, to assist us to better monitor and service client accounts maintained at such institutions. Included within the support services we may receive investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware

and/or software and/or other products used by us to assist us in our investment advisory business operations.

We occasionally co-sponsor client events with financial assistance from various unaffiliated mutual fund companies. Such sponsorship is not in connection with client securities transactions ("soft dollar benefits") and our clients do not pay more for investment transactions effected and/or assets maintained as result of this arrangement. Our firm only solicits financial assistance from mutual fund companies that we have conducted business with over the previous year to ensure that there are no conditions imposed on our firm in return for such financial assistance. We make no commitment to any mutual fund company or institution as a result of these arrangements. Additionally, our clients are not solicited to invest in the sponsoring funds unless the investment is in the best interest of the client.

In an effort to stay up to date on the various financial products we cover, representatives of our firm will occasionally accept travel accommodations or travel expense reimbursements provided by the sponsor of a given product to attend their events. These events are business related in nature, and obtainment of travel accommodations or reimbursement of travel expenses are not directly dependent upon the recommendation or use of any specific products. While a conflict of interest may exist to use or recommend products which provide more travel accommodations or travel expense reimbursements than those that don't, our representatives shall always adhere to their fiduciary duties in recommending or utilizing appropriate investments and products.

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### **Client Referrals**

Our firm does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

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### **Financial Information**

We are not required to provide financial information to our clients because:

- We do not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 (six) months.
- We do not take custody of client funds or securities.
- We do not have a financial condition or commitment that impairs its ability to meet contractual and fiduciary obligations to clients.
- We have never been the subject of a bankruptcy proceeding.

We have received a loan through the U.S. Small Business Administration ("SBA") Paycheck Protection Program ("PPP"), which allowed eligible individuals and small businesses to obtain loans during the COVID-19 crisis. A PPP loan is eligible for forgiveness, provided the terms of the loan forgiveness are satisfied. We certified to the SBA that the receipt of the loan was necessary to support our ongoing operations. The SBA has subsequently advised all PPP borrowers that they were required to make this certification in good faith, taking into account their current business activity and their ability to access other sources of liquidity sufficient to support their ongoing operations in a manner that is not significantly detrimental to their business. We received a \$225,500 PPP loan to assist with the payment of salaries for our employees, including those who are primarily responsible for performing advisory functions for our clients. We believe that the

PPP Loan was necessary to support our existing operations without layoffs or reductions of employee compensation. However, we do not believe we would have been unable to meet any contractual commitment absent our receipt of the PPP loan.