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**The Gilman Financial Group**  
*a Registered Investment Adviser*

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**February 23, 2021**

**Form ADV Part 2A Brochure**

This brochure provides information about the qualifications and business practices of Foresight Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (801) 462-2200 or by email at: [advice@foresightmgt.com](mailto:advice@foresightmgt.com). 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 Foresight Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Foresight Wealth Management, LLC's CRD number is: 153881. Registration does not imply any level of skill or training.

**Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous annual updating amendment filing of this brochure on March 18, 2020.

On June 10, 2020, our New York branch office moved from 150 Motor Parkway, Suite 401, Hauppauge, NY 11788 to 455 Route 304, Bardonia, NY 10954.

On July 17, 2020, we amended Item 10 of our brochure to reflect certain updates and clarifications regarding Regents Partners Equity Fund, LP. We amended Items 10, 11, and 15 to clarify disclosures related to our affiliated private offerings (Funds). We updated Item 6 to provide certain disclosures about performance fees and to describe conflicts related to side-by-side management. We also amended Item 12 to reflect that we now also recommend the brokerage and custodial services of Charles Schwab & Co., Inc. ("Schwab"). Specifically, we added additional disclosures about research and other soft dollar benefits received from Schwab, services that may not directly benefit our clients, and services that generally benefit only our firm.

On December 10, 2020, we amended the cover page of our Brochure to add a new branch office location at 10813 S River Front Parkway, Suite 100, South Jordan, UT 84095. We added certain investment risk disclosures to Item 8, and we made certain amendments to Item 10 to disclose that Agronomic Capital, LP was organized for the initial purpose of acquiring portions of cannabis businesses, and added a disclosure about a new Private Fund called Regents Partners Income Fund, LP to Item 10.

On February 23, 2021, we submitted our annual updating amendment filing for fiscal year 2020. We have updated Item 4 of our Form ADV Part 2A Brochure to reflect that as of December 31, 2020, we managed approximately \$863,125,366 in assets on a discretionary basis and approximately \$43,336,730 in assets on a non-discretionary basis. We also provided non-continuous advisory services (pension consulting advice) over approximately \$150,329,767 in plan assets.

Additionally we added certain disclosures to Item 8 regarding risks associated with futures trading, and we updated Item 10 to add disclosure about two new Private Funds called Regents Partners Equity Fund II, LP and Regents Partners Income Fund II, LP. We also amended Item 12 to reflect that we now also recommend the brokerage and custodial services of Interactive Brokers LLC ("IB"). Specifically, we added additional disclosures about research and benefits received from IB that may not directly benefit our clients and services that generally benefit only our firm.

We review and update our brochure at least annually to make sure that it remains current. If you have questions or if you would like a current copy of our brochure at any time, please contact us at (801) 462-2200 or email us at [advice@foresightwealth.com](mailto:advice@foresightwealth.com).

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**Advisory Business - Item 4**

Foresight Wealth Management, LLC (hereinafter "FWM") is a registered investment advisor based in Draper, Utah. We are a limited liability company under the laws of the State of Utah. We have been providing investment advisory services since 2010. Adam Edward Nugent is the Principal Owner of FWM.

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 registered as investment adviser representatives.

Currently, we offer the following investment advisory services, personalized to each individual client:

- **Investment Supervisory Services**
- **Pension Consulting Services**
- **Selection of Other Advisers**
- **Financial Planning Services**

**Investment Supervisory Services**

FWM offers discretionary and non-discretionary portfolio management services to Clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. Clients may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for their account. Simply provide us with your restrictions or guidelines in writing. Non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account.

Our portfolio management services are based on the individual goals, objectives, time horizon, and risk tolerance of each client. FWM gathers risk tolerance and suitability information from each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- |                       |                                |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy   |
| • Asset allocation    | • Asset selection              |
| • Risk tolerance      | • Regular portfolio monitoring |

FWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon.

FWM mainly uses equity securities, exchange traded funds, mutual funds, U.S. government securities, corporate debt securities, municipal securities, and options strategies in its portfolio management programs. In limited cases, we may also recommend investments in limited partnerships such as hedge funds and private equity funds, including affiliated private offerings as described below in Item 10.

*Delegation to sub-advisers: We may use one or more sub-advisers to manage all or a portion of your account. All sub-advisers that we recommend to clients must be registered as investment advisers with either the Securities and Exchange Commission or with the appropriate state authority(ies). You may be required to sign an individual agreement with the sub-adviser or a tri party agreement with the sub-adviser and FWM.*

*The sub-adviser will actively manage the client's portfolio and will assume investment discretionary and trading authority over the managed account. FWM will not actively manage the assets in any account managed by the sub-adviser. However, FWM will assume discretionary authority to hire and terminate sub-advisers and reallocate the client's assets to other sub-advisers, when such action is deemed to be in the best interest of the client. In some circumstances, FWM may also obtain investment discretion or trading authority over client assets managed by the sub-adviser.*

**GROUPIRA®**

FWM has an agreement with GROUPIRA, Inc. to provide investment advisory services to clients who are members of GROUPIRA®. We assume full discretionary authority for selecting and implementing a menu of investment options made available to GROUPIRA® members. Members have the ability to select one of the asset allocation models that we have developed. We will manage the investment options within the asset allocation model; however, the client will be responsible for the selection of the specific asset allocation model. We encourage GROUPIRA® members seeking guidance to provide us with information about their financial situation, investment objectives and risk tolerance so that we can properly advise them. We will base our advice on information made available by the client through forms and questionnaires that they complete with GROUPIRA®.

Methods of Analysis, Investment Strategies and Risk of Loss associated with this service are discussed in Item 8 below. FWM periodically makes changes to the investment options and asset allocation strategies as we see fit subject to any express special instructions or limits provided in writing by the client. Accounts utilizing our recommended allocations will also be rebalanced periodically.

**Pension Consulting Services**

FWM offers consulting and advisory services for employer-sponsored retirement plans that are designed to assist plan sponsors of employee benefit plans ("Sponsor(s)"). FWM may also assist Sponsors with enrollment and/or providing investment education to plan participants and beneficiaries. Clients may choose to use any or all of these services:

Selection of Investment Vehicles

FWM will review various investments, consisting of one or all of the following: individual equities, bonds, other investment products, and mutual funds (both index and managed) to determine which of these investments are appropriate to implement the client's Investment Policy Statement. The number of investments to be recommended will be determined by the client, based on the client's Investment Policy Statement.

Monitoring of Investment Performance

Client investments will be monitored continuously based on the procedures and timing intervals outlined in the Investment Policy Statement. Unless contracted for management services as described below, FWM will not be involved in any way in the purchase or sale of these investments, FWM will supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

Employee Communications

For pension, profit sharing and 401(k) plans where the individual account participant exercises control over assets in his/her own account (hereinafter "self-directed plans"), FWM also provides educational support and investment workshops designed for the Plan participants. The nature of the topics to be covered will be determined by FWM

and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide Plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

#### Management Services

Where contracted, FWM will provide discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintaining the plans' investments according to the goals and investment objectives of the plan.

#### Other Services

Other pension consulting services are available on request, including individualized investment advice and asset allocation recommendations to plan participants as contracted by the plan sponsor. All of our pension consulting services, whether general or customized, will be outlined in an Agreement that shows the services that will be provided and the fees that will be charged for those services.

#### **Selection of Other Advisers**

FWM may direct clients to third party money managers ("TPMMs"). FWM will be compensated via a fee share from the advisors to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. Before selecting other advisors for clients, FWM will always ensure those other advisors are properly licensed or registered as investment advisor.

The TPMM may customize the client's portfolio by blending traditional investment strategies with an allocation to asset classes. The investment strategy adopted by the TPMM may embrace value, growth, or contrarian investing styles. Generally, securities transactions will be decided upon and executed by the TPMM on a discretionary basis. This means that the manager selected will have the ability to buy and sell securities in your account without obtaining your approval. FWM and its Associated Persons will not manage, or obtain discretionary authority over the assets in accounts participating in these programs; however, clients may grant FWM the discretionary authority to hire and fire such TPMM. Generally, clients may not impose restrictions on investing in certain securities or types of securities in accounts managed by a TPMM.

Associated Persons of FWM will periodically review reports provided to the client. An Associated Person of FWM will contact the client at least annually, or more often as agreed upon with each client, to review the client's financial situation and objectives, communicate information to the TPMM managing the account as necessary, and to assist the client in understanding and evaluating the services provided by the TPMM. Clients will be expected to notify FWM of any changes in their financial situation, investment objectives, or account restrictions.

The TPMM may offer wrapped or non-wrapped pricing options. Wrap pricing structures allow the client to pay an all-inclusive fee for management, brokerage, clearance, custody, and administrative services. In a non-wrap pricing structure, the TPMM's fee may be separated from the advisory fee charged by FWM. Transaction costs may also be charged for the execution and clearance of advisory transactions directed by the TPMM. A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each program are detailed and disclosed in: i) the TPMM's Form ADV Part 2A Brochure; ii) the program wrap brochure (if applicable); iii) the disclosure documents of the portfolio manager(s) selected; or, iv) the TPMM's account opening documents. A copy of all relevant disclosure documents of the TPMM and of the individual portfolio manager(s) will be provided to anyone interested in these programs/managers.

### **Financial Planning Services**

We offer broad based financial planning which includes a variety of services, mainly advisory in nature, regarding management of financial resources. Such management is based upon an analysis of the client's individual needs and begins with an initial consultation. Once we collect and analyze all documentation, we provide a written financial plan designed to achieve the client's financial goals and objectives. In this way, FWM assists the client in developing a strategy for the successful 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.
- 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.
- 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.
- Education Savings Analysis – Alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education.
- Estate Analysis – We provide advice with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques.

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. Financial plans are based on a client's financial situation based on the information provided to the Firm. 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 estate planning, asset allocation analysis, manager due diligence and 401(k) platform due diligence. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly or flat 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.

### **Assets Under Management**

As of December 31, 2020, we managed approximately \$863,125,366 in assets on a discretionary basis and approximately \$43,336,730 in assets on a non-discretionary basis. We also provided non-continuous advisory services (pension consulting advice) over approximately \$150,329,767 in plan assets.

**Fees and Compensation - Item 5**

**Investment Supervisory Services Fees**

FWM charges an annual fee of up to 2.5% of market value of the assets under management. These fees are negotiable. Fees are payable monthly or quarterly in advance, based upon the market value of the Assets on the last day of the previous quarter. Clients may speak directly with a representative of FWM in order to discuss negotiations of fees and the final fees and fee payment arrangement, as negotiated, will be memorialized in Exhibit A of the Investment Management Agreement.

Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Thereafter, clients may terminate their contracts with thirty days' written notice.

If the Agreement is terminated prior to the end of the billing period, FWM will be entitled to a monthly or quarterly fee, prorated for the number of days in the billing period prior to the effective date of termination, and for asset-based fees, based on the market value of account at the close of business on the effective date of termination. Any remaining balance shall be refunded to the client in a timely manner.

We will instruct the custodian holding the client's account to deduct the fees directly from the account provided the client has given written authorization. The qualified custodian will send an account statement at least quarterly. This statement will detail all account activity. The custodian will usually deduct from a designated account to facilitate billing.

**GROUPIRA® Fees**

FWM will receive an advisory fee in accordance with the rates set forth in our Service Agreement with GROUPIRA® members. The fees are charged as a percentage of investable assets and generally range from 0.25% to 0.50%. They are paid electronically at least once per month, in advance, directly from the member's account.

**Pension Consulting Services Fees**

For Pension Consulting Services, FWM charges asset based fees of no more than 1.00 % of plan assets and/or an hourly or flat fee that is negotiable depending on the services elected

Fees Pension Consulting Services ("Fees") are flexible, and Sponsor may be charged a fee based on a percentage of plan assets or a flat dollar amount. Sponsor may specify whether to pay the Fees directly or may authorize the plan's record keeper or custodian to pay FWM from plan assets. All fees paid to FWM for Pension Consulting Services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds to their shareholders. These fees and expenses are described in each investment's prospectus. These fees will generally include a management fee, other expenses, and possible distribution fees. If the investment also imposes sales charges, a client may pay an initial or deferred sales charge. The Pension Consulting Services provided by FWM are designed to, among other things, assist the client in determining which Manager(s) are most appropriate to each client's financial condition and objectives and to provide other administrative assistance as selected by the client. Accordingly, the client should review both the fees charged by the funds, the Manager, the plan's other service providers, and the fees charged by FWM to fully understand the total amount of fees to be paid by the client and to evaluate the Pension Consulting Services being provided.



The Fees will be billed monthly or quarterly in arrears as per the existing policies of FWM. Because fees are charged in arrears, no refund is necessary. If the fee is not hourly, the initial Fee will be prorated based upon the number of days remaining in the initial billing period from the date of execution of the Agreement. If the Fee is based on a percentage of plan assets, the initial Fee will be based upon the market value of the plan assets at the close of business on the last business day of the initial billing period. Thereafter, the monthly or quarterly portion of any annual asset-based Fees will be based upon the market value of the plan assets at the close of business on the last business day of the previous billing period (without adjustment for anticipated withdrawals by plan participants or beneficiaries or other anticipated or scheduled transfers or distributions of assets). If the fee is a flat fee that is billed directly to the Plan Sponsor, then the plan sponsor will pay such fees on a monthly or quarterly basis. FWM will provide an invoice for all fees that are billed directly to the plan sponsor.

#### **Selection of Other Advisers Fees**

FWM may direct clients to third party money managers. FWM will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between FWM and each third party adviser. The fees shared will not exceed any limit imposed by any regulatory agency. The third party manager will be determined based on the client's investment goals, time horizon, risk tolerance, and investment objectives. The solicitor's fee will not result in a higher management fee being paid by the client.

These fees are negotiable depending upon the needs of the client and complexity of the situation. Depending on the third party money manager, fees are paid monthly or quarterly in advance or in arrears, and clients may terminate their contracts with 30 days' written notice. Clients should review the third party money manager's ADV Part 2A brochure document for more information regarding the collection of fees.

#### **Financial Planning Services Fees**

FWM provides its clients financial planning and consulting services. FWM will charge a fixed fee and/or hourly fee for these services. We utilize the following financial planning fee schedules:

- *Fixed Fees:* FWM will charge a fixed fee of up to \$10,000.00, for broad based planning services. *In limited circumstances*, the total cost could potentially exceed \$10,000.00. In these cases, we will notify the client and may request that the client pay an additional fee.
- *Hourly Fees:* FWM charges an hourly fee of up to \$400 for clients who request specific services (such as a modular plan or hourly consulting services) and do not desire a broad based written financial plan.

Prior to engaging FWM to provide consulting services, the client will be required to enter into a written 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 portion of the fee that is due from the client. Generally, FWM fee is due upon completion of the agreed upon 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.

Either party may terminate the Agreement by written notice to the other. Refunds are not applicable because the fee is payable in arrears.

#### **General Information on Advisory Services and Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by FWM. Please see Item 12 of

this brochure regarding broker/custodian.

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities, insurance products, or investment products recommended to clients.

**Compensation for the Sale of Securities or Other Investment Products**

Associated Persons who provide investment advice on behalf of our firm may also be registered representatives with Purshe Kaplan Sterling Investments ("PKS"), a securities broker/dealer registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA"). As a registered representative, an Associated Person may receive commission-based compensation for buying and selling securities, including 12b-1 fees (trails) for the sale of mutual funds or annuity products. This commission compensation is separate and distinct to FWM's advisory fees.

FWM's advisory clients are not obligated to purchase the products or services of PKS. You may purchase or sell securities apart from your advisory account at the brokerage firm of your choice. The sale of mutual funds, annuity contracts, insurance instruments and other commissionable products offered by Associated Persons of FWM through PKS are intended to complement FWM's advisory services. This presents a conflict of interest and gives the supervised person and FWM an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which FWM receives compensation, FWM will document the conflict of interest in the client file and inform the client of the conflict of interest.

If additional conflicts arise in the future, we will notify you in writing or supply you with 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. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Some of our affiliated Funds (described in more detail in Item 10 below) charge performance-based fees to investors in those Funds. We and our affiliates will receive a portion of those fees. Generally, the annual management fee would typically equal 2% of value of the fund adjusted for deposits and withdrawals made during the year, payable monthly or quarterly in advance or as set forth in the management agreement with FWM and as disclosed in the Fund documents. The performance fee would typically be 20% of the annual, quarterly, or monthly net profits payable in arrears or as set forth in the Fund documents. For some Funds, the performance fee allocation may be subject to a "high water mark" provision, meaning that no performance fee will be charged, except to the extent that the amount of the capital increase exceeds the sum of any cumulative loss in the account on a monthly, quarterly, or annual basis. Clients should note that a fee in excess of 3.00% of assets under management is in excess of industry standards and similar advisory services may be available for lower fees.

We manage accounts that are charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees ("side-by-side management").

Performance-based fees and side-by-side management create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fees create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to address this potential conflict of interest, a senior officer of our firm periodically reviews client accounts to ensure that investments are suitable and that the account is being managed according to the client's investment objectives and risk tolerance.

Performance-based fees may also create an incentive for our firm to overvalue investments, which lack a market quotation. In order to address such conflict, we have adopted policies and procedures that require our firm to "fairly value" any investments, which do not have a readily ascertainable value.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities, such as initial public offerings, to clients who are charged performance-based fees over clients who are charged asset based fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

#### Types of Clients - Item 7

FWM generally provides investment advice and/or management supervisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Pension and Profit Sharing Plans
- Trusts, Estates, or Charitable Organizations
- Corporations or Business Entities

The Funds:

- Investments in Auto Loan Fund, LLC are offered and sold only to "Accredited Investors" as that term is defined in Rule 501(a) of the Securities Act.
- Investments in Agronomic Capital, LP, are offered and sold only to "Accredited Investors" who are also "Qualified Clients" as that term is defined in Section 2(a)(51) of the Investment Company Act of 1940.
- Investments in Regents Partners Equity Fund, LP are offered and sold only to "Qualified Clients" or a "knowledgeable employee" as such terms are defined in either Section 3(c)(1) or Rule 3c-5 of the Investment Company Act of 1940 or Rule 205-3(d)(1) of the Investment Advisers Act of 1940, as amended unless otherwise determined by the General Partner.
- Investments in Regents Park Equity Fund, LP are offered and sold only to "Accredited Investors" or a "knowledgeable employee" as such terms are defined in either Section 3(c)(1) or Rule 3c-5 of the Investment Company Act of 1940.
- Investments in Regents Partners Income Fund, LP are offered and sold only to "qualified purchaser," (as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940 (the "Investment Company Act")), "qualified client," (as defined in Rule 205-3(d)(1) of the Investment Advisers Act of 1940, as amended (the

“Advisers Act”)), or “accredited investor” (as defined in either Section 3(c)(1) or Rule 3C-5 promulgated under the Investment Company Act), unless otherwise determined by the General Partner.

Investors to whom the Funds are offered will receive a private placement memorandum and other offering documents. Please refer to the offering documents for a complete description of the fees, investment objectives, risks and other important information associated with investing in the Funds.

**Minimum Account Size**

There is an account minimum of \$100,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

**Methods of Analysis**

FWM’s methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

- Charting analysis involves the use of patterns in performance charts. FWM uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.
- Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.
- Technical analysis involves the analysis of past market data; primarily price and volume.
- Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Investment Strategies**

FWM uses long term trading, short term trading, and option contracts as investment strategies.

- Long Term Trading – securities held for over a year.
- Short Term Trading – securities held for less than a year.
- Covered Options – covered option is a strategy in which an investor writes an option contract while at the same time owning an equivalent number of shares of the underlying stock.

**Material Risks Associated with Our Methods of Analysis**

- Charting analysis strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.
- Fundamental analysis concentrates on factors that determine a company’s value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.
- Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

- Cyclical analysis assumes that the markets react in cyclical patterns that, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

#### **Material Risks Associated with Investment Strategies**

- Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.
- Short term trading generally holds a greater risk and clients should be aware that there is a material risk of loss using any of those strategies.
- Hedging Strategies using Options and Margin Transactions:
  - Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. FWM utilizes Covered Calls as an option strategy. Covered Calls are Options that are sold on existing positions held in the account. This strategy has the potential to add additional income to the portfolio while reducing volatility in the account. 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. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk, and interest rate risk. We do not utilize "uncovered" or "naked" calls as those transactions carry high risk with the potential of unlimited loss.
  - Margin Transactions – margin strategies allow an investor to purchase securities on credit and to borrow on securities already in their custodial account. Interest is charged on any borrowed funds for the period of time that the loan is outstanding. When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your broker/dealer. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the broker/dealer of your account. The securities purchased in such an account are the broker/dealer's collateral for its loan to you. If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account. It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any Margin Account that may be established as a part of our advisory services and held by your broker/dealer. These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The broker/dealer can force the sale of securities or other assets in your account.
- The broker/dealer can sell your securities or other assets without contacting you.
- You may not be able to choose which securities or other assets in your margin account are liquidated or sold to meet a margin call.
- The broker/dealer may move securities held in your cash account to your margin account and pledge the transferred securities.
- You may not be entitled to an extension of time on a margin call.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

**Material Risks Associated with Specific Securities**

FWM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

**Alternatives Risk:** Non-traded REITs, business development companies, limited partnerships, and direct alternatives are subject to various risks such as liquidity and property devaluation based on adverse economic and real estate market conditions and may be not suitable for all investors. A prospectus or a private placement memorandum that discloses all risks, fees, and expenses may be obtained from your advisor. Read this document carefully before investing. This disclosure is not a solicitation or offering which can only be made in conjunction with a copy of the prospectus. Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or only a few alternative investments.

**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.

**Illiquid Securities:** Illiquid securities involve the risk that investments may not be readily sold at the desired time or price. Securities that are illiquid, that are not publicly traded, and/or for which no market is currently available, may be difficult to purchase or sell, which may impact the price or timing of a transaction. An inability to sell securities can adversely affect an account's value or prevent an account from taking advantage of other investment opportunities. Lack of liquidity may cause the value of investments to decline and illiquid investments may be difficult to value. A Client may not be able to liquidate investment in the event of an emergency or any other reason.

Certain investment strategies used by our firm may invest in illiquid asset vehicles, such as private equity and real

estate. Investment in an illiquid asset vehicle poses similar risks as direct investments in illiquid securities. In addition, investment in an illiquid asset vehicle will be subject to the terms and conditions of the illiquid asset vehicle's investment policy and governing documents, which often include provisions that may involve investor lock-in periods, mandatory capital calls, redemption restrictions, infrequent valuation of assets, etc. In addition, investments in illiquid securities or vehicles will normally involve investment in non-marketable securities where there is limited transparency. Investments in illiquid securities or vehicles may include restrictions on withdrawal rights and shares may not be freely transferable.

**Futures Trading:** The prices of futures and options are highly volatile. Price movements of futures and options contracts are influenced by, among other things, changing supply and demand relationships, domestic and foreign governmental programs and policies, national and international political and economic events, interest rates and governmental monetary and exchange control programs and policies. Moreover, commodity exchanges limit fluctuations in commodity futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." During a single trading day, no trades may be executed at prices beyond the daily limit. Commodity futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the portfolio from promptly liquidating unfavorable positions and subject the portfolio to substantial losses.

**Note: Material Risks Associated with Investments in our affiliated private funds described in Item 10 below, including the Regents Park Funds, the Regents Partners Funds, Auto Loan Fund, LLC, and Agronomic Capital, LP, are listed in the funds' offering documents.**

#### 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 are separately licensed as registered representatives with Purshe Kaplan Sterling Investments ("PKS"), a securities broker/dealer registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA").

As dually licensed representatives, these individuals will receive commissions for the purchase and sale of securities. This commission revenue is separate and in addition to revenue received from advisory fees. This arrangement represents a conflict of interest due the receipt of dual forms of compensation. FWM has policies and procedures in place to monitor all client transactions and all client transaction costs will be disclosed to the client.

Associated Persons also licensed insurance agents, while Mr. Nugent is also owner of Foresight Group Insurance, an insurance agency. Mr. Gilman operates under the business name of The Gilman Financial Group, which he uses to market advisory services and the entity through which he conducts his insurance sales. Mr. Allred operates under the business name of Foresight Retirement Solutions, which he uses to market advisory services and



insurance sales. Mr. Tullis operates under the business name of Regents Park Advisors, which he uses to market advisory services.

From time to time, clients will be offered advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. FWM always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of FWM in such individual's outside capacities.

#### **Affiliated Private Funds**

As described below, associated persons and/or entities affiliated with FWM through common control and/or ownership serve as the general partners and/or managing members to various related private funds (Funds) for which FWM serves as the Investment Manager and/or are involved in the day-to-day management of the Funds.

- **Regents Partners Equity Fund, LP:** FWM is the Investment Manager of Regents Partners Equity Fund, LP (the Fund), an SEC Rule 506(c) Regulation D Private Placement offering excluded from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940. Investments in Regents Partners Equity Fund, LP are offered and sold only to "Qualified Clients" or a "knowledgeable employee" as such terms are defined in either Section 3(c)(1) or Rule 3c-5 of the Investment Company Act of 1940 or Rule 205-3(d)(1) of the Investment Advisers Act of 1940, as amended unless otherwise determined by the General Partner. Regents Partners Equity Partners, L.L.C. is the General Partner to the fund; R. Matthew Tullis, an investment adviser representative of FWM, is the managing member of the General Partner to the Fund. Mr. Tullis is also primarily responsible for the investment selection and positioning of the Fund.
- **Regents Partners Equity Fund II, LP:** FWM is the Investment Manager of Regents Partners Equity Fund II, LP (the Fund), an SEC Rule 506(c) Regulation D Private Placement offering excluded from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940. Investments in Regents Partners Equity Fund II, LP are offered and sold only to "qualified purchasers," (as such term is defined in either Section 2(a)(51) of the Investment Company Act or Rule 205-3(d)(1) of the Advisers Act of 1940, as amended) unless otherwise determined by the General Partner. Regents Partners Equity Partners II, L.L.C. is the General Partner to the fund; R. Matthew Tullis, an investment adviser representative of FWM, is the managing member of the General Partner to the Fund. Mr. Tullis is also primarily responsible for the investment selection and positioning of the Fund.
- **Regents Park Equity Fund, LP:** FWM is the Investment Manager of Regents Park Equity Fund, LP (the Fund), an SEC Rule 506(b) Regulation D Private Placement offering excluded from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940. Investments in Regents Park Equity Fund, LP are offered and sold only to "Accredited Investors" or a "knowledgeable employee" as such terms are defined in either Section 3(c)(1) or Rule 3c-5 of the Investment Company Act of 1940. Regents Park Equity Partners, LLC is the General Partner to the fund; R. Matthew Tullis, an investment adviser representative of FWM, is the managing member of the General Partner to the Fund. Mr. Tullis is also primarily responsible for the investment selection and positioning of the Fund. This fund is closed to new investors, but some existing or former clients of FWM hold investments in the Fund.
- **Regents Partners Income Fund, LP:** FWM is the Investment Manager of Regents Partners Income Fund, LP (the Fund), an SEC Rule 506(c) Regulation D Private Placement offering excluded from the definition of



investment company under section 3(c)(1) of the Investment Company Act of 1940. Investments in Regents Partners Income Fund, LP are offered and sold only to “qualified purchaser,” (as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940 (the “Investment Company Act”)), “qualified client,” (as defined in Rule 205-3(d)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”)), or “accredited investor” (as defined in either Section 3(c)(1) or Rule 3C-5 promulgated under the Investment Company Act), unless otherwise determined by the General Partner. Regents Partners Income Partners, L.L.C. is the General Partner to the fund; R. Matthew Tullis, an investment adviser representative of FWM, is the Manager of the General Partner to the Fund. Mr. Tullis is also primarily responsible for the investment selection and positioning of the Fund.

- **Regents Partners Income Fund II, LP:** FWM is the Investment Manager of Regents Partners Income Fund II, LP (the Fund), an SEC Rule 506(c) Regulation D Private Placement offering excluded from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940. Investments in Regents Partners Income Fund II, LP are offered and sold only to “qualified purchasers,” (as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940 (the “Investment Company Act”)), “qualified client,” (as defined in Rule 205-3(d)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”)), or “accredited investor” (as defined in either Section 3(c)(1) or Rule 3C-5 promulgated under the Investment Company Act), unless otherwise determined by the General Partner. Regents Partners Income Partners II, L.L.C. is the General Partner to the fund; R. Matthew Tullis, an investment adviser representative of FWM, is the Manager of the General Partner to the Fund. Mr. Tullis is also primarily responsible for the investment selection and positioning of the Fund.
- **Auto Loan Fund, LLC:** FWM is the Manager of Auto Loan Fund, LLC (the Fund), an SEC Rule 506(b) Regulation D Private Placement offering engaged in the business of lending funds to Timberline Financial, Inc., a Utah corporation, and possibly other Subprime Lenders. Investments in Auto Loan Fund, LLC are offered and sold only to “Accredited Investors” as that term is defined in Rule 501(a) of the Securities Act. Adam Nugent and Eric Stats are involved in the management of Auto Loan Fund, LLC.

The Auto Loan Fund, LLC currently has a note to Statewide Auto Lending, LLC, which is involved in the business of identifying and lending money to borrowers and/or acquiring loans from auto dealers. Adam Nugent and Eric Stats of FWM also have an ownership interest in Statewide Auto Lending, LLC. This situation creates a conflict of interest since funds invested by clients will be loaned to a related person of FWM. FWM adheres to its fiduciary duty of acting in the best interest of clients and clients are under no obligation to invest in Auto Loan Fund, LLC. To mitigate the potential conflict of interest, Adam Nugent and Eric Stats will recuse themselves and will have no vote as manager of Statewide Auto Lending, LLC on any matters presenting a conflict between Auto Loan Fund, LLC and Statewide Auto Lending, LLC.

- **Agronomic Capital, LP:** FWM is the investment adviser to Agronomic Capital, LP (the Fund), an SEC Rule 506(b) Regulation D Private Placement offering organized for the initial purpose of acquiring portions of cannabis businesses. Additionally, the Fund may enter into transactions where the Fund acquires (directly or indirectly) the underlying real property used in such operations, or a secured position as a creditor in such real property. Investments in Agronomic Capital, LP are offered and sold only to “Accredited Investors” who are also “Qualified Clients” as that term is defined in Section 2(a)(51) of the Investment Company Act of 1940. Adam Nugent, Managing Member of FWM, is also one of the principal owners and managers of Agronomic Capital GP, LLC, the General Partner to the Fund. Mr. Nugent and other persons associated with FWM are involved in the day-to-day management of the Fund, Agronomic Capital GP, LLC, the General Partner to the Fund, and in Agronomic Enterprises. They have a financial incentive to

recommend investments in the Fund. Investors to whom the Fund is offered will receive a private placement memorandum and other offering documents. Investors in the fund are urged to carefully review the offering documents for a complete description of the fees, conflicts of interest, investment objectives, risks and other important information associated with investing in the Fund.

FWM clients may be invested in or solicited to invest in one or more private funds (Funds) affiliated with FWM. Clients should note that the recommendation of investments in those Funds creates a conflict of interest because our firm, our affiliates, and other persons associated with our firm have an incentive to recommend affiliated Funds over funds that have no relationship with FWM, for the purposes of generating additional revenue for the firm and for themselves. To address this conflict, FWM does not charge its clients invested in the Funds advisory fees on the portion of the clients' assets invested in the affiliated Funds, because FWM receives management fees from the Funds for the investment management and/or other services it and persons associated with the firm provide to the Funds. Investors in the Funds are urged to carefully review the offering documents for a complete description of the fees, conflicts of interest, investment objectives, risks and other important information associated with investing in the Fund.

#### **Recommendation of Other Advisors**

We may recommend that you use a TPMM as part of our asset allocation and investment strategy. FWM will share in the compensation received by the TPMM for managing your account. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of the third-party advisor. You are not required to use the services of any TPMM we recommend.

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

#### **Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting Matt Pendleton, CCO at (801) 462-2200.

#### **Participation or Interest in Client Transactions**

As noted above in Item 10, advisory clients of FWM may be invested in or solicited to invest in one or more private funds affiliated with FWM (Funds). Clients should note that the recommendation of investments in those Funds creates a conflict of interest because our firm, our affiliates, and other persons associated with our firm have an incentive to recommend affiliated Funds over funds that have no relationship with FWM, for the purposes of

generating additional revenue for the firm and for themselves. To address this conflict, FWM does not charge its clients invested in the Funds advisory fees on the portion of the clients' assets invested in the affiliated Funds, because FWM receives management fees from the Funds for the investment management and/or other services it and persons associated with the firm provide to the Funds.

Additionally, Associated Persons of the firm are required to uphold their fiduciary duties of always acting in our clients' best interests.

#### **Personal Trading Practices**

Our firm or persons associated with our firm may buy, sell, or recommend securities for you at the same time we or persons associated with our firm buy or sell such securities for our own accounts, including investments in our affiliated Funds. A conflict of interest exists in cases where we have the ability to potentially trade ahead of you and potentially receive more favorable prices than you will receive. To address this conflict of interest, it is our policy that persons associated with our firm or our firm shall not have priority over any client transactions in the purchase or sale of securities.

We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"), in which case we would receive the same average share price as clients participating in the block trade. Please refer to the "Brokerage Practices" section in this brochure for information on our block trading practices.

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

Associated Persons of FWM are registered representatives of PKS, a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. If a client chooses to implement securities transactions through Associated Persons the broker/dealer used for client accounts is PKS. PK For FWM's portfolio management programs we recommend and request clients to implement trades and maintain custody of assets through discount brokers. We will recommend the services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"); National Financial Services LLC and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity"); Charles Schwab & Co., Inc. ("Schwab"); and/or Interactive Brokers LLC ("IB"). These firms are independent and unaffiliated SEC-registered broker-dealers and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). These firms offer us services that include custody of securities, trade execution, clearance, and settlement of transactions.

#### **Research and Other Soft Dollar Benefits received from TD Ameritrade**

There is no direct link between FWM's use of TD Ameritrade and the investment advice it gives to its clients, although FWM 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 FWM 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 FWM by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by FWM's related persons.

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

**Research and Other Soft Dollar Benefits received from Fidelity**

Fidelity's brokerage services provide access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Fidelity include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Fidelity's services described in this paragraph generally benefit you and your account.

*Services that May Not Directly Benefit You:* Fidelity also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include limited scope investment research. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Fidelity. In addition to investment research, Fidelity also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

**Research and Other Soft Dollar Benefits Received from Schwab**

*Services that Benefit You:* Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

*Services that May Not Directly Benefit You:* Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);

- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Services that Generally Benefit Only Us: Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

#### **Research and Other Soft Dollar Benefits Received from IB**

Based on the client's specific needs and circumstances, we may recommend the brokerage and custodial services offered through IB. In making such recommendations, we consider not only best execution of orders at reasonable commission rates, but also the quality of client services offered by IB. We may receive additional benefits from IB, such as electronic delivery of client information, electronic trading platforms, institutional trading support, proprietary and/or third party research, continuing education, practice management advice, and other services provided by IB for the benefit of clients. The receipt of additional benefits creates a conflict of interest, as we have an incentive to recommend that clients maintain their accounts with IB based on our interest in receiving IB's services rather than based solely on clients' interests in receiving the best value and the most favorable execution of their transactions. However, we also consider the scope and quality of services IB provides to our clients rather than the services that only benefit us when making such recommendations. Moreover, clients are not required to utilize recommended custodians or brokers. Additionally, these benefits are offered to all investment advisers that use IB for brokerage and execution services and not just our firm.

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

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

#### **Directed Brokerage**

FWM allows clients to direct brokerage. FWM may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage FWM may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

#### **Aggregation of Orders (Block Trading)**

When suitable, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). The shares are then distributed across

participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We combine multiple orders for shares of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm. We do not combine multiple orders for shares of the same mutual funds purchased for advisory accounts we manage because mutual funds do not trade in blocks.

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

##### **Account Reviews**

Client accounts are reviewed at least annually by Adam Edward Nugent or the Associated Person assigned to the account.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by the Associated Person preparing the plan. There is only one level of review and that is the total review conducted to create the financial plan.

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

##### **Reports Provided to Clients**

Each client will receive at least monthly or quarterly from the custodian, a written report that details the client's account including assets held and asset value, which will come from the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

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

Except for the receipt of additional economic benefits from the custodians described under Item 12 above, and the commissions received by certain Associated Persons for the sales of securities and insurance products (described under Item 5 and 10 above), we do not receive any other compensation from outside parties in connection with the investment advice we provide to you.

##### **Compensation for client Referrals**

Non-employee (outside) consultants, individuals, and/or entities, who are directly responsible for bringing a client to FWM, may receive compensation from the firm. Such arrangements will comply with the requirements set forth

in Rule 206(4)-3 of the Investment Advisers Act of 1940, including the requirement that the relationship between the solicitor and the investment adviser be disclosed to the client at the time of the solicitation or referral. Under these arrangements, the client does not pay higher fees than FWM's customary advisory fees.

#### **Recommendation of Other Advisors**

We may recommend that you use a TPMM as part of our asset allocation and investment strategy. FWM will share in the compensation received by the TPMM for managing your account. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of the TPMM. You are not required to use the services of any TPMM we recommend.

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

Client funds and/or securities (assets) are held at unaffiliated, qualified custodians. However, FWM is deemed to have custody of client assets invested in its affiliated Funds where it, its affiliates, or other persons associated with FWM serve as the General Partner or Managing Member to the Funds and therefore have access to the investments in the Funds. As required by SEC rules and in conformity with industry practice, the Funds are subject to audit at least annually and distribute their audited financial statements prepared in accordance with generally accepted accounting principles to all respective Fund investors. Also, as required, the audits are conducted by an independent public accountant that is registered with the Public Company Accounting Oversight Board in accordance with its rules.

FWM is also deemed to have custody of client assets where it has fee deduction authority granted by the client in the investment advisory agreement and in certain situations where we accept standing letters of authorization from clients to transfer assets to third parties. We maintain safeguards in accordance with regulatory requirements regarding custody of client assets. Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian holding their assets. Clients are urged to review custodial account statements for accuracy.

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

For those clients' accounts where FWM provides ongoing supervision, the client has given FWM written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides FWM discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian. When offering non-discretionary portfolio management services, FWM will obtain client approval prior to executing any transactions in the client's account(s).

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. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

**Voting Client Securities - Item 17**

FWM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

**Financial Information - Item 18**

**Balance Sheet**

FWM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure. While FWM may charge certain fees in advance in excess of \$1,200 per client, these fees are not charged six months or more in advance of FWM rendering the applicable advisory services.

**Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither FWM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

**Bankruptcy Petitions in Previous Ten Years**

FWM has not been the subject of a bankruptcy petition in the last ten years.

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

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