



**Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure**

4200 S. Hulen Street Suite 422 Fort Worth, TX 76109  
817-546-6353

January 21, 2021

**This brochure provides information about the qualifications and business practices of Aspen Wealth Management (“AWM”). If you have any questions about the contents of this brochure, please contact us at 817-546-6353. 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. AWM is a Registered Investment Adviser. Registration as a Registered Investment Adviser with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

**Additional information about AWM is available on the SEC’s website at [SEC Advisor Info](#). You can search this site by a unique identifying number, known as an IARD number. The IARD number for AWM is 159594.**

<b>Item 2 - Material Changes</b>
----------------------------------

*Summary of Material Changes*

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) SEC Adviser Info.

There following are material changes since our last ADV filing on February 14, 2020:

**Item 9 has been updated to reflect the receipt of a Paycheck Protection Plan Loan through the SBA in conjunction with the relief afforded from the CARES Act has been forgiven as of December 2020.**

A copy of our updated brochure and brochure supplements is available to you free of charge and may be requested by contacting us at (817) 546-6353 or [Helen@AspenWealthMgmt.com](mailto:Helen@AspenWealthMgmt.com).

Additional information about Aspen Wealth Management is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The IARD number for Aspen Wealth Management is 159594. The SEC’s web site also provides information about any persons affiliated with Aspen Wealth Management who are registered, or are required to be registered, as Advisory Representatives of Aspen Wealth Management.

<b>ITEM 3 – Table of Contents</b>
-----------------------------------

ITEM 1 – COVER PAGE.....	<b>1</b>
ITEM 2 – MATERIAL CHANGES .....	<b>2</b>
ITEM 3 – TABLE OF CONTENTS.....	<b>3</b>
ITEM 4 – SERVICES, FEES & COMPENSATION .....	<b>4</b>
ITEM 5 – ACCOUNT REQUIREMENTS & TYPES OF CLIENTS .....	<b>7</b>
ITEM 6 – PORTFOLIO MANAGER SELECTION & EVALUATION .....	<b>7</b>
ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGER(S) .....	<b>10</b>
ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGER(S).....	<b>10</b>
ITEM 9 – ADDITIONAL INFORMATION .....	<b>10</b>

#### **ITEM 4 – Services, Fees & Compensation**

We offer a wrap fee program as described in this Wrap Fee Program Brochure. The Wrap Fee Program provides clients with the ability to trade in investment products (various mutual funds, exchange-traded funds (“ETFs”), and individual debt (bonds) and equity securities) without incurring separate brokerage commissions or transaction charges. A wrap fee program is generally considered any arrangement under which clients receive investment advisory services and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Prior to receiving services through the Program, clients are required to enter into a written agreement with our firm setting forth the relevant terms and conditions of the advisory relationship (the “Agreement”).

##### **Our Wrap Advisory Services**

We manage advisory accounts on a discretionary basis. Once we have determined a profile and investment plan with a client, we will execute the day to day transactions without seeking prior client consent. Account supervision is guided by the written profile and investment plan of the client. We primarily allocate client assets among various mutual funds, exchange-traded funds (“ETFs”), and individual debt (bonds) and equity securities in accordance with their stated investment objectives.

During personal discussions with clients, we determine the client’s objectives, time horizons, risk tolerance and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on client needs, we develop and document in writing, a client’s personal profile and investment plan. We then create and manage the client’s investments based on that policy and plan. We may utilize independent third-party investment advisers to aid us in the implementation of investment strategies for your portfolio. In certain circumstances, we may allocate a portion of a portfolio to an independent third-party investment adviser (“separate account manager”) for separate account management based upon your individual circumstances and objectives, including, but not limited to, your account size and tax circumstances. Upon the recognition of such situations, in coordination with you, we will hire a separate account manager or enter into a tri-party agreement with you and separate account manager for the management of those securities. These advisers shall assist our Firm in managing the day-to-day investment operations of the various allocations, shall determine the composition of the investments comprising the allocation, shall determine what securities and other assets of the allocation will be acquired, held, disposed of or loaned in conformity with the written investment objectives, policies and restrictions and other statements of each client comprising the allocation, or as instructed by AWM.

It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals.

Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing investment review and management services. This approach requires us to periodically review your portfolio.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios and rebalance them based on the combination of our market views and your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives

You have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from you.

Where appropriate, we provide advice about any type of legacy position held in client portfolios. Typically, these are assets that are ineligible to be custodied at our primary custodian. Clients will engage us to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance, annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

#### Relative Cost of the Program

---

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program. In a non-wrap fee program, trade execution costs are passed directly through to you by the executing broker.

Our Firm charges a fee as compensation for providing investment management services on your account. These services include advisory services, trade entry, investment supervision, and other account-maintenance activities. Our custodian may charge custodial fees, redemption fees, and/or retirement plan and administrative fees. See ***Additional Fees and Expenses*** below for additional details.

The fees for investment management are based on an annual percentage of assets under management and are applied to the household asset value on a pro-rata basis and billed quarterly in advance. The initial fee will be based upon the account market value on the date the account is accepted for management by execution of the advisory agreement by AWM and assets are transferred into the account through the last day of the current quarter. Thereafter, the quarterly fee will be calculated on the market value on the last business day of the prior quarter. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances.

Our maximum investment advisory fee is 1.25% or we may negotiate a lower advisory fee. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated. There will be occasions where an independent Registered Investment Advisory firm acts as a sub-advisor to our Firm. In those circumstances, the other investment adviser manages the assets based upon the parameters provided by our firm. Our firm collects the client advisory fee and then pays out the sub advisor a portion of assets under management for such services as outlined in the Agreement between our Firm and the sub-advisor.

Unless otherwise instructed by the Client, we will aggregate related client accounts for the purposes of determining the account size and annualized fee. The common practice is often referred to as “house-holding” portfolios for fee purposes, and may result in lower fees than if fees were calculated on portfolios separately. Our method of house-holding accounts for fee purposes looks at the overall family dynamic and relationship. With the permission of our client, we often will include multi-generational factors such as the account values of adult children and grandchildren as part of the family dynamic pricing. A client may indicate legacy positions in Appendix B of the Investment Management Agreement. These positions are otherwise known as inherited positions that will not be managed or included in the fee calculation.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to you on a quarterly basis indicating all the amounts deducted from the account including our advisory fees. Our firm will send an invoice to you on a quarterly basis itemizing the fee, the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

Either AWM or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given and the unearned fee refunded to your account. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client’s death or disability, AWM will continue management of the account until we are notified of client’s death or disability and given alternative instructions by an authorized party.

By participating in a wrap fee program, you may end up paying more than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we incur the fees for executed

trades. In order to mitigate this conflict of interest, we will fulfill our fiduciary duty by acting in the client's best interest.

#### Other Types of Fees & Expenses

You may pay custodial fees, 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 and other fund expenses), mark-ups and mark-downs, wire transfer fees, fees for trades executed away from custodian, and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm. Neither our Firm nor its supervised persons accept compensation for the sale of securities or other investment products. Further, our firm does not share in any of these additional fees and expenses outlined above.

Lower fees for comparable services may be available from other sources. Please refer to Item 10 of this Brochure on other industry affiliations.

#### **ITEM 5 – Account Requirements & Types of Clients**

We provide investment advice to individuals, high-net worth individuals, institutions, charitable organizations, trusts, foundations, endowments family offices and estates. We do not require a minimum dollar amount to open and maintain an advisory account.

#### **ITEM 6 – Portfolio Manager Selection & Evaluation**

##### Advisory Business

Aspen Wealth Management is the portfolio manager for the wrap fee program. See **Item 4** for more information about our wrap fee advisory program. We offer individualized investment advice to clients utilizing our Wrap Portfolio Management service.

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

##### Participation in Wrap Fee Programs

We offer 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

We do not charge performance fees to our clients.

##### Methods of Analysis, Investment Strategies & Risk of Loss

AWM conducts economic analysis and attempts to analyze and determine the trends. Additionally, AWM conducts fundamental analyses. Fundamental analysis generally involves assessing a company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure. Other security analysis

methods may include charting, technical and cyclical analysis. We use various software tools to conduct research.

In analyzing investments for client portfolios, the investment committee considers a variety of factors, including but not limited to, manager tenure, ETF or mutual fund performance as it compares to its benchmark, as well as fees and expenses.

AWM analyzes a client's risk tolerance. Based on this risk analysis, AWM seeks to create an investment plan for the client's unique situation. AWM may buy or sell securities consistent with a Client's investment plan designed to seek an investment return suitable to the goals and risk profile of each distinct Client account. As market conditions change, AWM determines an appropriate course of action by performing a review of each Client's individual account and suitability parameters. This review may include type of account, goals, overall financial condition, income, assets, risk tolerance, liquidity needs, and other factors unique to the individual Client's situation. AWM adheres to a buy-and-hold philosophy, meaning that we do not try to time the market.

AWM cannot guarantee any level of performance.

#### Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

**Market Risk** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

**Foreign Securities and Currency Risk** — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.



**Capitalization Risk** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

**Interest Rate Risk** — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

**Credit Risk** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

**Securities Lending Risk** — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

**Exchange-Traded Funds** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**Performance of Underlying Managers** — We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

**Fundamental Analysis** - Fundamental analysis is heavily based in fact. But if a company incorrectly reports data or you misinterpret them, you're going to have a false conclusion. Miscalculations are especially likely when making assumptions about things like a company's future growth rate, future interest rates, or profits. Fundamental analysis puts weight into a company's past performance. True fundamental analysis uses historical numbers to make an educated guess about the future. There could be risk for bad timing.

**Cyber Security Risk** —In addition to the Material Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at our firm or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are

inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

#### 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 can contact our office with questions about a particular proxy solicitation by phone at (817) 546-6353.

#### **ITEM 7 – Client Information Provided to Portfolio Manager(s)**

Our financial advisors work with you directly to understand your current financial situation, existing resources, financial goals, and tolerance for risk. Our firm urges you to communicate to us any significant changes to your financial or personal circumstances, so that we can consider such information in managing your investments.

#### **ITEM 8 – Client Contact with Portfolio Manager(s)**

Our firm does not place restrictions on the client's ability to contact and consult their financial advisor. As the portfolio manager, clients are free to contact us at any time.

#### **ITEM 9 – Additional Information**

##### Disciplinary Information

---

We have determined that our firm and management have no disciplinary information to disclose.

#### Financial Industry Activities & Affiliations

---

AWM does not have a related person who is a: broker-dealer or other similar type of broker or dealer; investment company or other pooled investment vehicle, other investment adviser or financial planner; futures commission merchant or commodity pool operator; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of a limited partnership.

Helen Stephens ("Registrant"), President of AWM, serves on the TD Ameritrade Institutional Panel

("Panel"). The Panel consists of approximately thirty (30) independent investment advisors that advise on TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the independent advisor community. The Panel meets in person on average three to four times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to serve on the Panel for three-year terms by TDA Institutional senior management. An investment advisor may serve longer than three years if appointed to additional terms by TDA Institutional senior management. At times, Panel members are provided confidential information about TDA

Institutional initiatives. Panel members are required to sign confidentiality agreements. TD Ameritrade, Inc. ("TD Ameritrade") does not compensate Panel members. However, TD Ameritrade pays or reimburses Registrant for the travel, lodging and meal expenses Registrant incurs in attending Panel meetings. The Benefits received by Registrant or its personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by Registrant or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Registrant's recommendation of TD Ameritrade for custody and brokerage services.

Helen Stephens, President of AWM, offers tax preparation services through Helen Stephens Group, LLC to clients in need of such services. Fees for tax preparation services are in addition to fees paid for advisory services. Clients desiring tax services will be required to execute a separate agreement for tax services.

It is a conflict of interest for us to recommend a service or product to you for which we will receive compensation. AWM attempts to mitigate the conflicts of interest by notifying you of these conflicts. We inform you that you are free to consult other financial, insurance, and tax professionals and that you may implement recommendations through these professionals. We are bound by our Code of Ethics to act in an ethical manner.

Potential conflicts of interest also arise to the extent that these non-advisory activities may require a time commitment from some of our staff, thus limiting the amount of time they can dedicate to management of advisory client accounts. We endeavor at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser and takes the following steps to address this conflict:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for related firms to earn compensation from advisory clients in addition to our advisory fees;
2. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
3. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
4. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
5. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
6. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

IARs of our Firm do not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Neither AWM nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither AWM nor any of its management persons recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest.

We have contracted with a third-party provider to utilize a technology platform to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, the third party will have access to client accounts, but will not serve as an investment advisor to our clients. AWM and the third party are non-affiliated companies. Our Firm pays an annual fee for each account administered by the third party. Please note that the fee charged to the client will not increase due to the annual fee AWM pays to the third party, the annual fee is paid from the portion of the management fee retained by AWM.

Helen Stephens, President of AWM, is the Managing Member of the Barbre Group, LLC, a commercial and residential real estate holding company and KTF Properties, LLC., a residential real estate holding entity. The Barbre Group, LLC. and KTF Properties, LLC. are under common ownership and are separate entities. It should be noted that these entities are not investment related.

#### Brokerage Practices

---

We participate 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 services to independent investment advisors that include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent investment advisors participating in the program. 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 advisor 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 us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, 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 duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by our Firm or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at TD Ameritrade. We may recommend that you establish accounts with TD Ameritrade to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon any recommendations, you are under no obligation to place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

#### Aggregation and Allocation of Transactions

AWM may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day. AWM aggregates trades of our personnel with those of client accounts.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

1. When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash;
2. With respect to sale allocations, allocations may be given to accounts low in cash;

3. We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates;
4. We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block;
5. If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed;
6. If a pro-rata allocation of a potential execution would result in a de Minimis allocation in one or more accounts, we may exclude the account(s) from the allocation and disgorge any profits. Generally, de Minimis allocations do not exceed 5% of the total allocation. Additionally, we may execute the transactions on a pro-rata basis.
7. We will document the reasons for any deviation from a pro-rata allocation.

#### Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

#### Directed Brokerage

We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

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

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and

employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates. All supervised employees are traded alongside client accounts and receive the same pricing.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. 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. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons 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 or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons 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. However, 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.

Neither AWM or any of its related persons recommend to clients or buys or sells for clients' accounts investments in which our firm or its related persons has a material financial interest.

## Review of Accounts

---

### Account Reviews and Reviewers – Investment Supervisory Services

Our IARs will monitor client accounts on a quarterly basis and perform annual reviews with each client. Helen Stephens, the firm's CCO, will conduct and supervise all client reviews. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

### Statements and Reports

Through an agreement with a third-party vendor, our firm will provide clients with written quarterly performance/position summary reports. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per calendar year. Clients will also have access to daily portfolio reports through a client portal.

---

<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.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly. You are urged to compare the reports and client invoices provided by our Firm against the account statements you receive directly from your account custodian.

#### Client Referrals & Other Compensation

---

Our firm will neither accept or pay a fee for referrals. As disclosed under Brokerage Practices, we participate in TD Ameritrade Institutional Program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent Investment Advisors participating in the program. 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 advisor 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 us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, 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 AWM 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 duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by AWM 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.

#### Soft Dollars

---

Our firm does not accept products or services that do not qualify for Safe Harbor outlined in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution.

#### Financial Information

---

We are not required to provide financial information in this Brochure because:

- We never receive prepayment of more than \$1,200 in fees and six or more months in advance.
- We do not take custody of client funds or securities, except for our authorization to directly deduct fees as disclosed in item 4.



- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients. We have never been the subject of a bankruptcy proceeding.
- The firm received a Paycheck Protection Plan Loan (\$80,322.00) through the SBA in conjunction with the relief afforded from the CARES Act. The firm procured the loan to guarantee payroll due to the potential of decreased revenue associated with the unprecedented health pandemic. It also aided in supporting and retaining staff and ongoing operations. AWM has a long history of profitability and financial strength. However, given the high degree of economic uncertainty associated with the unprecedented health pandemic, the Firm believed it prudent to secure this financing. This loan has been forgiven as of December 2020.