



## **PERFORMANCE WEALTH**

**Form ADV Part 2A – Wrap Fee Program Brochure**  
Effective: January 14, 2021

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This wrap fee program brochure provides information about the qualifications and business practices of Performance Wealth Partners, LLC (“Performance Wealth” or the “Advisor”). If you have any questions about the contents of this wrap fee program brochure, please contact the Advisor at (309) 826-8056.

Performance Wealth is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this wrap fee program brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This wrap fee program brochure provides information about Performance Wealth to assist you in determining whether to retain the Advisor.

Additional information about Performance Wealth is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **ITEM 2: MATERIAL CHANGES**

### **Material Changes**

The following material changes have been made to this Wrap Fee Program Brochure since the last filing:

- Performance Wealth updated this ADV Part 2 Wrap Fee Brochure to reflect its current legal name (Performance Wealth Partners, LLC) and the name under which it primarily conducts business (Performance Wealth).
- Performance Wealth updated “Item 4 – Services, Fees and Compensation” to reflect that Schwab changed the commissions it charges Performance Wealth for online trades of equities, Exchange Traded Funds (ETFs), and options on behalf of clients who choose to participate in Performance Wealth’s Wrap Fee Program.

### **Future Changes**

From time to time, the Advisor may amend this wrap fee program brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and also if a material change occurs requiring disclosure.

At any time, you may view the current Disclosure Brochure online at the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 311735. You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor at the phone number identified on the cover sheet of this document.



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#### **ITEM 4 – SERVICES, FEES AND COMPENSATION**

Performance Wealth is a Registered Investment Adviser registered with the Securities and Exchange Commission (SEC). Performance Wealth provides its clients with investment management and/or consulting services through wrap-fee programs available through our clearing firm Charles Schwab & Co., Inc. (Schwab), member SIPC, a registered broker-dealer. The wrap fee program allows Performance Wealth to manage client accounts for a single fee that includes both advisory services and brokerage costs.

Performance Wealth can charge up to a 2.00% annual fee on all assets, subject to negotiation. Performance Wealth may negotiate fees with certain clients in our Wrap Fee Program, based on various reasons, including but not limited to size of account or total assets under management. Our compensation under our Wrap Fee Program may be lower than our standard fee schedule; however, the overall cost of a wrap arrangement may be higher than a client otherwise would pay if the client paid our standard fee schedule and negotiated transaction costs and any other services (e.g., custody, recordkeeping and reporting) through a broker-dealer.

We customarily bill fees quarterly, in advance, based on the market value of portfolio assets (including dividends and interest) as of the last day of the prior quarter. When charged in advance, fees are calculated on the total market value of each account (including accrued interest and dividends) on the last day of the prior quarter. When charged in arrears, fees are calculated on the total market value of each account (including accrued interest and dividends) on the last day of the current quarter.

Under Performance Wealth's Wrap Fee Program, clients pay a single fee for discretionary investment management services and trade execution costs and, in certain instances, other services such as custody, recordkeeping and reporting. You do not pay separately for commissions for each trade we execute in this type of account. Instead, we incur the cost of executing securities transactions. This creates a conflict of interest because Performance Wealth is incentivized to initiate fewer trades in your Wrap Program Fee Account to minimize expenses for Performance Wealth. To manage this conflict of interest, we monitor account activity to help identify inactivity.

Schwab has eliminated commissions for online trades of equities, Exchange Traded Funds (ETFs) and options (subject to a \$0.65 per-contract fee). This means that, in most cases, when Performance Wealth buys and sells these types of securities, Performance Wealth will not have to pay any commissions to Schwab. Performance Wealth encourages clients to review Schwab's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If clients choose to enter into a wrap fee arrangement, their total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what clients would pay for transactions in a non-wrap account, please refer to Schwab's most recent pricing schedules available at [schwab.com/aspricingguide](https://www.schwab.com/aspricingguide).

Performance Wealth receives compensation from clients whose assets are held in Wrap Fee Program Accounts. Performance Wealth and its advisors have a conflict of interest when they recommend that a



prospective client or a current brokerage client open a Wrap Fee Advisory Account that will generate ongoing fees instead of no fees (for a prospective client) or transaction-based fees for a brokerage client.

Clients may bear the cost of 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, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by Performance Wealth.

Performance Wealth Advisors recommending the Wrap Fee Program do not receive more compensation than they would from a client selecting the same services outside the Wrap Fee Program.

#### **ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

Performance Wealth generally requests a minimum account size of \$200,000 to participate in the Wrap Fee Program. Mutual fund investment options considered for our Wrap Fee Programs may impose investment minimums as described in the funds' prospectuses, which are available from your Advisor. Performance Wealth reserves the right to negotiate fees or accept accounts below our stated minimums.

The Wrap Program generally serves individuals, high net worth individuals, businesses, families, charitable organizations, and retirement plans.

#### **ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION**

Performance Wealth is both the Sponsor and Portfolio Manager for the Wrap Fee Program and will not select any outside manager for the program. Accordingly, no related person will be chosen as a portfolio manager for this Wrap Fee Program.

Performance Wealth selects common industry benchmarks to assess investment strategy performance. Presentations containing performance information are reviewed by Performance Wealth for accuracy and compliance with presentation standards and requirements.

Performance Wealth offers portfolio management services to its Wrap Fee Program participants as described in Section 4 above as well as in Item 4 of Performance Wealth's Firm Brochure.

Performance Wealth offers ongoing portfolio management services based on each client's goals, objectives, time horizon, and risk tolerance as described in Performance Wealth's Firm Brochure, Item 4.

Performance Wealth Clients participating in the Wrap Fee Program receive the same investment management services as Clients who do not participate. Because Performance Wealth is both participant in and sponsor of the Wrap Program, all fees from the program are paid to Performance Wealth.



### Methods of Analysis

Performance Wealth is an active investment manager and utilizes a variety of methods and strategies to make investment decisions and recommendations. When evaluating investment opportunities, we employ fundamental and technical research methods using various resources such as financial news sources and websites; corporate data; ratings services; third party research; SEC filings (e.g., annual reports, prospectuses); company press releases; and proprietary research.

### Investment Strategies

Performance Wealth implements a variety of investment strategies for clients, and does not manage a specific, single strategy for its clients. The investment strategy for a specific client is based upon the objectives stated by the client during consultations, and varies by advisory team. The client may change these objectives at any time.

Performance Wealth's advice is primarily based on long-term investment strategies using asset allocation decisions and not market timing, however, Performance Wealth may implement short term trading strategies depending on the goals of the Client and/or the fundamentals of the security or asset class. Individual securities are screened based on the basis of company financial strength, growth characteristics, and overall ability to meet client objectives.

### Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Performance Wealth will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 9 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.



The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the Advisor's approach:

- Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

- Options Contracts

Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

- ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

- Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily; therefore, a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

- Master Limited Partnerships (MLPs)

Master Limited Partnerships ("MLPs") are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs may, therefore, be subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, among other factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.



- Alternative Investments

Investments in alternative assets, such as hedge funds, private equity funds or credit funds, will involve significant risks and other considerations and, therefore, may be undertaken by prospective investors capable of evaluating and bearing such risks. Prospective investors should carefully consider, among other factors, the risk factors set forth in the offering documents for the alternative investment vehicle. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the alternative investment will meet their investment objectives or otherwise be able to successfully carry out their investment programs.

- Using Margin

You can lose more funds than you deposit in the margin account. A decline in the value of securities you purchased on margin may require you to provide additional funds or margin-eligible securities to avoid the forced sale of any securities or assets in your account(s).

#### Performance-Based Fees And Side-By-Side Management

Performance Wealth does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains on or capital appreciation of your assets. Side-by-side management refers to the practice of managing both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee.

#### Voting Client Securities

Performance Wealth will vote any and all proxies for any account on which it has proxy voting authority. Decisions about how to vote on a proxy will be made based on the best interests of an account. In general, Performance Wealth will vote in favor of routine proposals, such as those for the election of auditors, and against proposals that in any way restrict a shareholder's ability to realize the full potential value of their investment (such as anti-takeover measures and cumulative voting rights). Other proposals, such as officer and director stock plans, will be reviewed on a case-by-case basis. In the event that voting on a proposal may cause a conflict of interest, Performance Wealth will vote as described above unless doing so does not address the potential conflict. In this case, Performance Wealth will communicate the proxy information and intended vote to the client. Performance Wealth will vote these proxies as decided by the client unless the client does not respond within a reasonable period of time, in which case Performance Wealth will vote as communicated to the client.

Performance Wealth does not direct advisory client's participation in class actions. Performance Wealth shall forward any class action documentation inadvertently received to the appropriate advisory clients.





These policies have been written and in place in accordance with Rule 206(4)-6 and Performance Wealth acts in accordance with those procedures.

#### **ITEM 7- CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

The personal information you provide Performance Wealth at account opening, including, without limitation, your social security number, net worth, annual income, etc., is accessible to your Financial Adviser. Your personal information is protected in accordance with our privacy policy, which is available on our website, [www.performancewealthpartners.com](http://www.performancewealthpartners.com) or you may request a copy from Performance Wealth.

#### **ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS**

Your contact for information and consultation regarding your wrap-fee program account is your Financial Adviser. Performance Wealth places no restrictions on client ability to contact portfolio managers, who can be reached during regular business hours using the contact information on the cover page of this brochure

#### **ITEM 9 – ADDITIONAL INFORMATION**

##### Disciplinary Information

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel. No events have occurred that are applicable to this item.

##### Other Financial Industry Activities And Affiliations

Performance Wealth is a broker-dealer registered with FINRA. Performance Wealth is an introducing broker-dealer that introduces customer accounts and securities transactions, on a fully-disclosed basis, to First Clearing<sup>1</sup>. Performance Wealth is affiliated with Coordinated Capital Consultants (CCC), an insurance general agency under common ownership with Performance Wealth. Some of our Financial Advisers are insurance agents of CCC and some Financial Advisers are independently licensed as insurance agents. In these capacities, Performance Wealth and your Financial Adviser may recommend insurance products in connection with investment advisory services. You are not obligated to purchase any insurance products through CCC or through your Financial Adviser acting in their individual capacity as an insurance agent. However, when you do purchase such products, commissions for the sale of insurance products from various, unaffiliated, insurance companies are received. Implementing and purchasing of any insurance product is solely at your discretion.

##### Account Reviews



Performance Wealth reviews clients' accounts for appropriateness and relative value of investments. Securities in client accounts are monitored on a regular and continuous basis by Performance Wealth. Formal account reviews are generally conducted at least annually or more frequently depending on the needs of the Client. Performance Wealth determines the frequency, depth and nature of reviews based on the terms of each client's advisory agreement, mandate and particular needs as they may be communicated to us by the client. We conduct reviews to determine if an account's holdings are consistent with the investment objectives and restrictions imposed by the client.

Performance Wealth may review accounts during other periods based upon certain trigger factors including significant market events, changes in a client's investment objectives or guidelines or expected or unexpected material cash flow in an account. A variation in an investor's personal life situation or psychology may trigger a review of accounts. In addition, changes in monetary and fiscal policy, inflation, supply and demand, geo-political and social factors are monitored continuously. Factors triggering reviews and perhaps triggering investment changes include: changes in regulatory or tax conditions, changes in the general condition of the economy, changes in currency, stock or bond markets and changes in any type of investment vehicle or individual security, owned by clients. The Client should communicate any changes in investment objectives and restrictions as well as changes in financial condition to their Performance Wealth Advisor.

#### Regular Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Performance Wealth and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Performance Wealth or an outside service provider.

#### Economic Benefits And Other Compensation

Performance Wealth recommends that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of the clients' assets and to affect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Performance Wealth is independently owned and operated and not affiliated with Schwab. Schwab provides Performance Wealth with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to advisors. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are



otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab also makes available to Performance Wealth other products and services that benefit Performance Wealth but may not benefit its clients' accounts. These benefits may include national, regional or Performance Wealth specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of Performance Wealth personnel by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Schwab's other products and services assist Performance Wealth in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Performance Wealth's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Performance Wealth's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to Performance Wealth other services intended to help Performance Wealth manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Performance Wealth by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Performance Wealth. While, as a fiduciary, Performance Wealth endeavors to act in its clients' best interests, Performance Wealth's recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Performance Wealth of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

The commissions paid by Performance Wealth's clients to Schwab comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to affect the same transaction where Performance Wealth determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Performance Wealth seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.



Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist Performance Wealth in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Performance Wealth does not have to produce or pay for the products or services.

Performance Wealth periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

#### Financial Information

Performance Wealth does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. Performance Wealth has not been the subject of a bankruptcy petition at any time.

#### Interest In Client Transactions

Your Financial Adviser may purchase or sell the same security he or she recommends to you. This creates a conflict of interest in that your Financial Adviser may receive a better price than you. Our Code of Ethics places restrictions on your Financial Adviser's personal trading activities. These restrictions include, but are not limited to, a prohibition on trading based on non-public information, pre-clearance requirements for certain transactions and a requirement that any personal securities transactions not disadvantage clients or otherwise raise fiduciary or antifraud issues.

#### Code Of Ethics

Performance Wealth has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Performance Wealth's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material nonpublic information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Performance Wealth's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, Performance Wealth's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.



When the Performance Wealth is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; and (iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact Performance Wealth to request a copy of its Code of Ethics by contacting us at the phone number on the cover page of this brochure.