

Item 1 - Cover Page

Kevin M. Young Financial, Inc. dba



Main Office:

502 Mace Boulevard
Suite #5
Davis, California 95618

Satellite Office:

555 University Avenue
Suite 284
Sacramento, California 98525

Contact Information:

Kevin M. Young MBA, EA, CFP®, President
Phone: (530) 231-5152
Email: kevin@youngwealthmanagement.com
Website: <http://www.YoungWealthManagement.com>

Date: July 6, 2021

This Firm Brochure (“Brochure”) provides information about the qualifications and business practices of Kevin M. Young Financial, Inc., dba Young Wealth Management. If you have any questions about the contents of this Brochure, please contact us at the phone or email listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Please note that the use of the term “registered investment advisor” and description of our firm and/or our associates as “registered” does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and any Brochure Supplements (“Brochure Supplements”) for more information on the qualifications of our firm and our associates.

Additional information about Young Wealth Management is available on the SEC’s website at www.adviserinfo.sec.gov. The searchable CRD number for Young Wealth Management is 145478.

Item 2 - Material Changes

This Brochure contains the following material changes from the prior version dated March 23, 2020:

- On June 9, 2021, we applied to transition from registration as an investment advisor registered with the State of California to registration with the SEC on the basis of our status as a “large advisory firm” (*i.e.*, an advisory firm having regulatory assets under management of \$100,000,000 or more).
- The address of our satellite office has changed. The new address for our satellite office is reflected on the cover page of this Brochure.
- Our firm can no longer be reached by telephone at (916) 418-0375. Clients wishing to contact us by telephone can reach us at (530) 231-5152. The cover page of this Brochure has been updated accordingly.
- This Brochure has been amended to disclose that we now provide Combined Asset Management and Financial Planning services under a subscription-based billing model. Details related to the nature of these services and the associated fees are reflected in Items 4 and 5 of this Brochure.
- This Brochure has been amended to disclose that we have engaged East Bay Investment Solutions (f/k/a East Bay Financial Services, LLC) on a consulting basis to assist our firm in various aspects of managing client portfolios. Details related to the nature of this arrangement are reflected in Item 4 of this Brochure.
- This Brochure has been amended to reflect that we no longer offer pension consulting services.

In this Summary of Material Changes, we discuss only the material changes since the last annual update of this Brochure. Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time.

Currently, our Brochure may be requested by contacting Kevin M. Young, MBA, EA, CFP®, President and owner, at (530) 231-5152 or kevin@youngwealthmanagement.com.

Additional information about Young Wealth Management is available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Young Wealth Management who are registered as investment advisor representatives.

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Item 4 – Advisory Business

Firm Description

Kevin M. Young Financial, Inc., dba Young Wealth Management (“Young Wealth Management,” “Advisor,” “we,” “our,” and “us”), is a fee-only comprehensive financial planning firm that specializes in providing financial planning and investment advisory services to individuals, high net worth individuals, families, trusts, estates, and small businesses. Kevin M. Young, MBA, EA, CFP® is the President and owner of Young Wealth Management. The firm was established by Mr. Young in 2007 as a sole proprietorship and later incorporated under the laws of the State of California in 2010. We have been registered as an investment advisor in the State of California since 2008 and anticipate registration with the SEC in 2021.

Young Wealth Management attempts to distinguish itself from other investment advisory firms by serving as a trusted guide to its clients (“you,” “your,” and “client”) in identifying their personal financial objectives, finding solutions to their financial problem areas, and designing and simplifying their cash flow planning and investments. In addition, our firm serves as a trusted resource with respect to advice regarding financial risk, asset allocation and portfolio design, retirement planning, education planning, insurance, and estate planning. We also offer tax planning and individual tax preparation services to our clients. All services are tailored to each client’s unique objectives. The full range of advisory services we offer to clients is described in this brochure.

Young Wealth Management and its personnel do not sell insurance or investment products such as annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or any other commissioned products, and we are not affiliated with any entities that sell such products or services. No commissions in any form are accepted. We do not pay referral or finder’s fees, nor do we accept such fees from other firms. We are remunerated solely by the advisory fees paid to us by our clients. We believe this method of compensation best aligns with our fiduciary duty to you.

Our role is to make investment and financial planning recommendations, and generally to execute such recommendations. We do not act as a custodian of any client assets. Clients always maintain asset control through an independent custodian that holds their assets in the client’s name and directly provides clients with regular statements. When we are responsible for executing trades for clients we do this under a limited power of attorney (“LPOA”) executed by a client with a third party independent custodian or broker-dealer firm.

Depending on the services selected by the client, our recommendations and services may be delivered in a variety of forms, including through written financial statements, summaries, or evaluations, personal meetings, telephonic meetings, and/or video conferences.

Other third-party professionals (*e.g.*, lawyers, accountants, insurance agents, etc.) are engaged directly by clients on an as-needed basis. Any conflicts of interest will be disclosed to a client in the unlikely event they should occur.

The initial client meeting is free of charge and is considered an exploratory interview to determine the extent to which financial planning and/or investment management services may be beneficial to the client and to estimate the cost for the desired services.

For clients charged an Asset-based Fee (as defined in Item 5), we will accept a LPOA to execute trades on the client's behalf. All trades will be made on a discretionary basis, meaning we are not required to obtain your approval for each specific transaction prior to executing our investment recommendations, including the selection and retention of sub-advisors or other independent third-party money managers to manage all or a portion of the client's account. Young Wealth Management will always act in accordance with each client's investment objectives and suitability, regardless of whether or not we have been engaged to manage any client assets on a discretionary basis.

Young Wealth Management enters into a written agreement with each client that details the scope of the relationship and responsibilities of both our firm and the client. Advice and services provided under the agreement are always tailored to the stated objectives of the client.

Advisory Services

We provide the following types of services:

1. **Combined Asset Management and Financial Planning Services:** Our primary service offering includes a robust suite of ongoing holistic/comprehensive financial planning and discretionary asset management services. Depending on the nature of the client's assets and advisory needs, fees for these services may be charged either as a percentage of the market value of the client's assets under management ("AUM-Based Services") or on an annual subscription basis ("Subscription-Based Services").
2. **Stand-Alone Financial Planning Services:** On a limited basis, and only where our AUM-Based Services and Subscription-Based Services are not desired by the client or a good fit for the client's needs, we may offer stand-alone financial planning services ("FP Services").
3. **Sub-Advisory Services:** We act as a sub-advisor to non-unaffiliated investment advisor firms (each an "Advisor-Client") under which we provide portfolio management services to their end clients (each an "End Client").

A further description of each service offering is as follows:

1. Asset Management and Financial Planning:

AUM-Based Services are most suitable for clients with \$500,000 or greater of assets to be placed under our direct discretionary management at or following closely after the inception of our advisory relationship. Alternatively, our Subscription-Based Services are most suitable for clients in the same asset range, but who expect to hold a considerable portion of their overall investable assets in accounts which will be "held-away" from our direct management at the inception of our advisory relationship. Examples of assets and accounts which may be "held away" include, without limitation, variable life insurance products, annuity contracts, assets held in employer or government sponsored retirement plans, qualified tuition plans, and the like.

Under either arrangement, we will consult with you at inception and periodically thereafter to learn about your investment objectives, tolerance for risk, time horizon for investments, tax situation, future goals, income, expense, and cash flow expectations, and other factors, and document the same in our records. Based on our review of this information, and as further informed by our proprietary analysis and periodic consultations

with you, we will provide you with ongoing detailed financial planning and portfolio management advice that is uniquely tailored to your financial circumstances, investment objectives, and needs. The investment advice and recommendations provided as part of this process may include, without limitation, recommendations that the client begin or revise certain investment programs; create or revise wills or trusts; obtain or revise insurance coverage; commence or alter retirement savings; establish education savings or charitable giving programs; purchase or sell certain specific securities; and/or engage certain independent third party money managers to manage all or a portion of the client's assets.

We will directly implement our investment advice as it relates to the custodial accounts you have placed under our discretionary management. Following our initial implementation of the desired investment portfolio, we will monitor these accounts on an ongoing basis, making changes to the contents of your portfolio as we believe to be in your best interests, in consideration of current economic conditions, our market opinions and assumptions, and your individual financial circumstances and goals.

Our financial recommendations under this service will also address assets and accounts designated by the client for our advice that are “held away” from the accounts over which we exercise investment discretion. You will always hold the sole and absolute discretion to accept or reject, in whole or in part, any of our investment recommendations relating to your “held away” assets and accounts and will be responsible for the implementation of any of the same, utilizing the service providers of your choice. Except as specifically otherwise agreed in writing, you will also be responsible for the ongoing monitoring of your “held away” investments throughout the term of our engagement. Implementation services are provided as needed, at the client's option, although you are never under any obligation to engage our firm to implement any advice with respect to your “held away” assets or accounts.

As part of our rendering of these services to our clients, we have engaged East Bay Investment Solutions (f/k/a East Bay Financial Services, LLC) (“East Bay”) on a consulting basis to assist us with a number of portfolio management, research, and other advisory functions. East Bay is an independent registered investment advisor firm and does not supervise or control our firm or its personnel. East Bay serves in a fiduciary capacity, assisting our firm by providing us with non-discretionary portfolio construction advice, by assisting us with investment monitoring, and staying up-to-date on current research and market events. We believe that this collaborative relationship enhances our client experience by bringing more investment experience and knowledge to the table.

During the **Initial Year** of these services, there are typically 2-4 meetings covering client-relevant financial planning and investment management topics. More than one topic may be covered in one meeting. If requested, the number of meetings can be reduced by combining several topics into one longer appointment. Meetings will be held face-to-face, via secure teleconference, and/or by telephone.

Initial Year topics include:

- Investment strategies and selection
- Portfolio / Net Worth Analysis
- Insurance / Risk Management
- Estate Planning
- Retirement Planning

Additional topics may include:

- Asset allocation strategies
- Budgeting and cash flow
- Education planning
- Employee benefit analysis

- Goal setting
- Inventory of assets
- Real estate (primary or investment)
- Record-keeping
- Small business planning
- Tax planning
- Other financial planning or financial services as requested by the client

In **Non-Initial Years**, there are typically 1-2 meetings, depending on the client's needs. Topics may cover the full spectrum, but will usually be grouped into meetings to cover at least:

- Investment strategy review & update
- Portfolio rebalancing
- Portfolio/net worth update
- Retirement projection
- Tax planning
- Other financial planning or financial services as requested by the client

Other Initial Year topics are reviewed with the client every few years, or as needed.

2. Financial Planning Projects ("FP Services"):

In limited circumstances, where ongoing asset management is not desired or a good fit for the client's needs, a one-time FP Services may be offered. FP Services engagements cover the same Initial Year topics listed above, but in a more concentrated fashion over a shorter time frame, typically, 3 to 6 months in duration. Under this service, we will gather and analyze your financial documents and statements and collect a questionnaire from you regarding various aspects of your financial circumstances and needs. We will also consult with you regarding your current financial status, financial goals, life goals, investment experience, attitude towards risk, and other topics we consider relevant to charting of your financial future. Using this information, we will develop and deliver to the client a written report that will outline our analysis and recommendations. After delivery of the written and/or electronic report, a follow up meeting and or phone call or email is provided within thirty (30) days to address any client questions and then the engagement is deemed complete. Following initial delivery, no further update or review of the written report we prepare is provided to the client unless we are separately engaged for such additional services.

Should a client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or other investment advisor. Implementation of recommendations and the service providers to be utilized for the same is entirely at your discretion. FP Services do not include portfolio management or monitoring services of any kind. You will be responsible for monitoring all of your investments under this service. Implementation services may be made available at the client's option under a separate agreement and for additional fees. You are never obligated to engage us for these additional services. At our discretion, we may credit all or a portion of your payments for FP Services towards the costs of our implementation services.

3. Sub-Advisory Services: We offer discretionary portfolio management services to the End Clients of the Advisor-Client. All portfolio management decisions are guided in strict accordance with the suitability information and investor profile information of the End Clients as communicated to us by the Advisor-Client.

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Assets Under Management

As of May 14, 2021, we managed approximately \$105,466,560 of client assets on a discretionary basis and \$0 on a non-discretionary basis.

Item 5 – Fees and Compensation

Fees and Fee Billing

The specific manner in which fees are charged by Young Wealth Management is established in a written advisory agreement executed by the client prior to the commencement of services.

AUM-Based Services: In consideration of these services you will pay us an annual asset-based management fee (an “Asset-based Fee”) that is calculated as a percentage of the market value of your assets under our management, charged quarterly, in arrears. For purposes of calculating these fees, we will typically utilize the market value of your assets as reported by the custodian of your accounts. Quarterly payments will be billed at the beginning of each calendar quarter (January, April, July and October) based upon the market value of the client’s assets under management on the last day of the previous quarter. Asset-based Fees will be assessed pro rata for any partial billing periods and will be directly debited from your account at the qualified custodian. Authorization for direct fee deduction is contained in our written advisory agreement with the client and/or the account opening documents of the client’s custodian. Alternatively, at your request, we may agree to bill you by paper invoice.

Our schedule of Asset-based Fees is as follows:

<u>Assets Under Management</u>	<u>Annual Asset-based Fee</u>
\$0 to \$750,000	1.00%
\$750,001 to \$2,000,000	0.85%
\$2,000,001 to \$4,000,000	0.70%
For managed assets above \$4 million	0.50%

Separate accounts owned by an individual, married couple or entity are generally combined for purposes of applying the above fee schedule.

Separate and in addition to our Asset-based Fees, clients of our AUM-Based Services will also pay a one-time non-refundable initial planning fee which covers the costs of our first post-engagement consultation, document collection, review and analysis services, and the costs of initial investment research and planning necessary to manage the client’s investment portfolio on an ongoing basis. The specific amount of this one-time flat fee will be set forth in our written AUM-Based Services Agreement with the client.

Subscription-Based Services: At the outset of a Subscription-Based Services relationship you will pay us an annual fixed subscription fee payable in equal monthly or quarterly installments (“Subscription Fee”). The specific amount of the Subscription Fee will be set forth in our written Subscription-Based Advisory Services Agreement with the client and shall be based upon our expectation of the complexity of your financial situation and assets, and the time, resources, and personnel to be utilized in providing services to you. Commencing in the first billing period immediately following the billing period during which the market value of your assets under our direct discretionary management exceeds \$420,000, the Subscription Fee shall cease,

and the client's account shall become subject to Asset-based Fees payable as described above based on the following fee schedule:

<u>Assets Under Management</u>	<u>Annual Asset-based Fee</u>
\$420,000 to \$750,000	1.00%
\$750,001 to \$2,000,000	0.85%
\$2,000,001 to \$4,000,000	0.70%
For managed assets above \$4 million	0.50%

Separate and in addition to our Subscription Fee and Asset-based Fee, clients of our Subscription-Based Services will also pay a one-time non-refundable initial planning fee which covers the costs of our first post-engagement consultation, document collection, review and analysis services, and the costs of initial investment research and planning necessary to manage the client's investment portfolio on an ongoing basis. The specific amount of this one-time flat fee will be set forth in our written Subscription-Based Advisory Services Agreement with the client.

FP Services: Fees for FP Services are negotiated on a per-client basis based on, among other things, the complexity and nature of your assets and financial circumstances. We structure the financial plan using a fixed fee based on an estimate of hours required to perform the service, which typically totals \$2,000-\$5,000 for a comprehensive financial plan. The estimated fee is determined and quoted after the initial meeting. Once the fees for the engagement are agreed upon, 100% of the total amount will be paid upon the execution of a written FP Services Agreement. During the engagement, if we discover that the scope of the engagement needs to be changed based on information that was not known to us at the time of executing the FP Services Agreement, work on the current engagement will cease. A new FP Services Agreement outlining the updated scope of the engagement and fees will be executed by the client prior to continuing with the project.

Sub-Advised Clients: When we are engaged to act as a sub-advisor the Advisor-Client is required to obtain LPOA from its End Clients which authorizes our firm to manage their accounts and directly deduct our advisory fees. Once such authorization is obtained, we charge the end clients an Asset-based Fee for our services in line with that described above.

General Fees and Compensation Notes

Young Wealth Management is a fee-only financial advisory firm and does not sell investment or insurance products.

Our advisory fees are generally not negotiable. Clients may terminate an engagement with our firm by providing written notice of the same to us within five (5) days of entering an advisory agreement. Thereafter, either party may terminate the advisory relationship at any time, upon thirty (30) days written notice to the non-terminating party. Any prepaid but unearned fees at termination will be promptly refunded to the client. Any fees that have been earned but not yet paid by the client will be due and payable to us immediately upon termination. Whether fees have been earned or unearned will be determined at our sole discretion.

In addition to our advisory fees, clients may incur certain other fees, charges, and/or taxes in connection with our services. Such additional charges and fees may be imposed by custodians, brokers, third party investment managers, and other third parties, and may include brokerage commissions, custodial fees, deferred sales

charges, odd-lot differentials, asset management fees, transfer taxes, wire transfer and electronic fund fees, and other similar charges and fees. Mutual funds and exchange traded funds (“ETF”) will also separately charge internal management fees to the client. The nature and amount of these fees are disclosed in each fund’s prospectus. Such charges, fees, commissions, and taxes are exclusive of, and in addition to, our advisory fees. We do not receive any portion of these additional fees, charges, taxes and costs.

Commissions charged by the discount broker we use, TD Ameritrade, are generally either \$0 or \$9.99 to buy/sell mutual funds and either \$0.00, \$6.95, or \$16.99 to buy/sell an ETF or stock. Some mutual funds have no transaction fees. Mutual funds may also charge short-term redemption fees in order to minimize active trading. For example, this may be a fee of 2.00% if you sell the fund within 60 days of purchase. Since we are not active traders, we are generally able to avoid these short-term redemption fees.

All mutual funds have annual operating expenses called expense ratios. These expenses are used to pay the manager of the fund, their team, along with other administrative expenses. We strive to avoid using those funds that have high expense ratios. We also do not recommend mutual funds that have sales charges. Instead, we typically recommend clients utilize no-load mutual funds.

Individual Retirement Account Rollover Disclosure. As part of our advisory services, we may recommend that you withdraw or “roll over” assets from an employer’s retirement plan to an individual retirement account (“IRA”) that we may advise on and which may result in additional advisory fees payable to us. This type of recommendation represents a conflict of interest for our firm. If we make this type of recommendation, you are under no obligation to follow such advice. Alternatively, you may have the options of (1) maintaining your retirement plan as is, (2) rolling over your account to your new employer’s retirement plan, (3) taking a taxable distribution, or (4) rolling over your account to a new IRA. It is important to understand the advantages and disadvantages of each approach, which will depend on individual financial circumstances. Prior to proceeding with any such action, we encourage you to contact us and your independent legal and/or tax professionals for more information.

Item 6 – Performance-Based Fees and Side-By-Side Management

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or engage in side-by-side management of client accounts.

Item 7 – Types of Clients

We provide comprehensive financial planning and investment advisory services primarily to individuals, high net worth individuals, families, trusts, estates and small businesses. We strive to work with people from all different walks of life. As such, we maintain no minimum income, net-worth or asset requirements. As discussed above, your chosen relationship agreement and fee will be based upon your individual circumstances.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

The main sources of information we rely upon when researching and analyzing securities will include traditional research materials such as financial newspapers and magazines, annual reports, prospectuses, filings

with the SEC, as well as research materials prepared by others, company press releases and corporate rating services. We also subscribe to various professional publications deemed to be consistent with and supportive of our investment philosophy.

Moreover, our approach to investment portfolio analysis and implementation is based on internal factors such as your tax situation, overall risk tolerance, current financial situation, and your personal goals and aspirations. After analyzing these parameters your portfolio will be structured around your individual needs, while minimizing negative effects of external factors, such as interest rates, market performance, and the economy as a whole.

Investment Strategies

In general, we recommend no-load mutual funds (*i.e.*, mutual funds that have no sales fees), ETFs, U.S. government securities, money market accounts, certificates of deposit, and individual stocks and bonds (corporate, agency, and municipal). However, in the course of providing investment advice, we may address issues related to other types of assets that you may already own. Any other products that may be deemed appropriate for you, based upon your goals, needs and objectives, may be discussed.

We primarily take a long term, passive, “buy and hold” approach to investing client assets. In this type of investment strategy, we suggest the purchase of securities with the idea of holding them in a portfolio for a year or longer. Typically, we employ this strategy when (1) we believe the securities to be currently undervalued, and/or (2) we want the portfolio to have exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the recommendation to sell.

Summary of Investment Risks

We use our best judgment and good faith efforts in rendering investment advice to our clients, acting in a fiduciary capacity. We cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment recommendation we make will be profitable.

Investing in securities involves risk of loss that clients should be prepared to bear. You assume all market risk involved in the investment of your account assets. Investments are subject to various market, currency, economic, political, and business risks.

While all investing involves risks, and losses can and will occur, we generally recommend a broad and diversified allocation of your assets across mutual funds and other securities intended to reduce the specific risks associated with a concentrated or undiversified portfolio. Nonetheless, you should consider the following high-level summary of investment risks. This list is not intended to be an exhaustive description of all risks you may encounter in engaging our firm for advisory services. We encourage you to inquire with us frequently about the risks related to any investments held in your account.

- **Risk of Loss:** Securities investments are not guaranteed, and you may lose money on your investments. As with any investment manager that invests in common stocks and other equity securities, our investment recommendations are subject to market risk—the possibility that securities prices will

decline over short or extended periods of time. As a result, the value of your account(s) will fluctuate with the market, and you could lose money over short or long periods of time. You should recognize whenever you determine to invest in the securities markets your entire investment is at risk. Clients should not invest money if they are unable to bear the risk of total loss of their investments.

- **Economic Risk:** The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.
- **Financial Risk:** Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the “dot com” companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the underlying companies.
- **Market Risk:** The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company’s intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investment may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security’s price due to company specific events (*e.g.*, earnings disappointment or downgrade in the rating of a bond) or general market risk (*e.g.*, a “bear” market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not a guarantee of future returns.
- **Securities Transactions at the Direction of Clients:** Irrespective of any trading authority you may grant to us, you maintain the concurrent ability to direct transactions within your account held at the custodian. We are not responsible for the consequences of your self-directed investment decisions or the costs and fees they generate within your account.
- **Risks Related to Our Analysis Methods:** Our analysis of securities relies in part on the assumption that the issuers whose securities we recommend for purchase and sale, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.
- **Interim Changes in Client Circumstances:** The particular investments recommended by our firm are based solely upon the investment objectives and financial circumstances disclosed to us by the client. While we strive to meet with clients at regular intervals (at least annually, unless otherwise agreed, either in person, telephonically, or by electronic means) to discuss any changes in the client’s financial

circumstances. The lack of constant and continuous communication presents a risk insofar as your liquidity, net worth, risk tolerance and/or investment goals could change abruptly, with no advance notice to our firm, resulting in a misaligned investment portfolio and the potential for losses or other negative financial consequences.

It is your continuing responsibility to give us complete information and to notify us of any changes in your financial circumstances during our advisory relationship. We encourage you to contact us regularly and promptly to discuss any such changes.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Young Wealth Management or the integrity of Young Wealth Management's management personnel. We have no information to disclose applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Young Wealth Management's principal, Kevin M. Young, MBA, EA, CFP®, is a member of the National Association of Personal Financial Advisors (NAPFA) which requires that its members are fee-only and obtain a minimum of 60 continuing education credits every two years.

Kevin M. Young is also a member of the National Association of Enrolled Agents (NAEA), and the California Society of Enrolled Agents (CSEA). The NAEA and CSEA, both of which are nonprofit organizations, require members to complete 90 hours of continuing education every three years. EAs are licensed by the federal government to represent taxpayers before the Internal Revenue Service and assist with tax planning and the preparation of tax returns.

In his professional capacity as an Enrolled Agent, Kevin M. Young, MBA, EA, CFP® only offers tax planning and tax preparation services to individuals and businesses who are also clients of his investment advisor firm, Young Wealth Management. Clients are never obligated to engage Mr. Young for these additional services.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Young Wealth Management seeks to avoid material conflicts of interest. Accordingly, nobody associated with us receives any third party direct monetary compensation (*i.e.*, commissions, 12b-1 fees, or other fees) from brokerage firms (custodians) or mutual fund companies.

Although we believe that our business methodologies, code of ethics, and adopted policies are appropriate to eliminate, or at least minimize, potential material conflicts of interest (and to appropriately manage any material conflicts of interest that may remain), clients should be aware that no set of rules can possibly anticipate or relieve all potential material conflicts of interest. In any event, we will disclose to clients any material conflict of interest relating to Young Wealth Management, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

[CONTINUED ON THE FOLLOWING PAGE]

Code of Ethics

Young Wealth Management has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons of Young Wealth Management must acknowledge the terms of the Code of Ethics annually, or as amended.

Additionally, we follow the standards set by the Certified Financial Planning Board, and the Fiduciary Oath promulgated by the National Association of Personal Financial Advisors.

Participation or Interest in Client Transactions and Personal Trading

Young Wealth Management and individuals associated with Young Wealth Management may buy and sell some of the same securities for their own account that we buy and sell for our clients. When appropriate, we will purchase or sell securities for clients before purchasing or selling the same securities for our own account. In some cases, our firm and our personnel may buy or sell securities for their own accounts for reasons not related to the strategies adopted by Young Wealth Management's clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with making decisions in the best interest of clients, while at the same time, allowing employees to invest for their own accounts.

Certain classes of securities, such as open-ended mutual funds, are designated as exempt transactions, meaning employees may trade these without prior permission because such trades would not materially interfere with the best interests of our clients. Nonetheless, because the Code of Ethics permits employees to invest in the same securities as clients, there is a possibility that employees might somehow benefit from the market activity of a client. Accordingly, when applicable, employee trading is monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Young Wealth Management and our clients.

We will disclose to advisory clients any material conflict of interest relating to our firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice. We will notify clients in advance with respect to the potential conflict of interest that arises when recommending securities to clients in which Young Wealth Management and/or its personnel hold a material position.

Item 12 – Brokerage Practices

Selecting Brokerage Firms

We do not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. We recommend custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Although clients may request us to execute transactions for their account through any broker-dealer of their choosing, we generally recommend that clients engage the custodial and brokerage services of TD Ameritrade Institutional ("TDA"), a division of TD Ameritrade, Inc., an independent SEC-registered broker-dealer and Member FINRA/SIPC. We are not affiliated with TDA and TDA does not monitor or control the activities

of our firm or its personnel. We do not have the discretion to determine the broker to be used for the execution of client transactions or the commission rates at which such transactions are to be effected for the client. The client has the sole discretion to select the custodian to be used for custody and execution of transactions for the client's account. The client engages the custodian by executing the appropriate account opening documentation and authorizes our firm to direct the execution of transactions for the account through the services of the selected custodian.

If the client selects a broker-dealer other than those we recommended for execution of transactions (*i.e.*, directed brokerage), you are advised that we may be unable to seek best execution of your transactions and your commission costs may be higher than those of our recommended broker-dealer(s). For example, in a directed brokerage account, you may pay higher brokerage commissions and/or receive less favorable prices on the underlying securities purchased or sold for your account because we may not be able to aggregate your order with the orders of other clients. In addition, where you direct brokerage, we will typically place orders for your transactions after we place transactions for clients using our recommended broker-dealer. We reserve the right to reject your request to use a particular broker-dealer if such selection would frustrate our management of your account, or for any other reason.

While our firm DOES NOT receive fees, commissions, or client referrals from TDA (or any other broker-dealer or custodian) as result of our recommendation of their services to clients, Young Wealth Management does participate in TDA's Institutional program. TDA offers independent investment advisors like us services which include custody of securities, trade execution, clearance and settlement of transactions. Young Wealth Management receives some benefits from TDA through its participation in the program. Our receipt of these benefits creates conflicts of interest that are described below in Item 14. Please see Item 14, "Receipt of TDA Institutional Program Benefits," for further details.

Best Execution

In recommending broker-dealers, we have an obligation to seek the "best execution" of transactions in your account. This duty requires that we seek to execute securities transactions for clients such that the total costs or proceeds in each transaction are the most favorable under the circumstances. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the recommended broker-dealer's services. The factors we consider when evaluating a broker-dealer for best execution include, without limitation, the broker-dealer's:

- Execution capability;
- Commission rate;
- Financial responsibility;
- Responsiveness and customer service;
- Custodian capabilities;
- Research services/ancillary brokerage services provided; and
- Any other factors that we consider relevant.

Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for specific account transactions. With this in consideration, our firm will continue to recommend that clients use TDA until their services do not result, in our opinion, in best execution of client transactions.

Order Aggregation

We may aggregate client orders, so long as it is done for purposes of achieving best execution, and so long as no client is systematically advantaged or disadvantaged. Before aggregating client orders, we document the participating accounts and the allocation instructions. We submit allocation instructions to the broker-dealer before the market closes on the day of the order. We allocate aggregated orders to client accounts at the average price obtained. We allocate partially filled orders pro-rata based on the size of the order placed by each account. If we judge that we cannot or should not allocate a partially filled order pro-rata (e.g., if the quantity of securities obtained is too small or would not have a material impact if distributed among each account), then we apply the following procedures:

- We allocate the order to client accounts only (i.e., no employees that participated in the order may receive any allocation); and
- We document our allocation decision.

Item 13 - Review of Accounts

Young Wealth Management is responsible for reviewing accounts and providing recommendations as follows:

Clients of our Combined Asset Management and Financial Planning Services typically receive account reviews annually in conjunction with the relevant client meeting, or as needed, upon client request. Reviews are typically performed by Kevin M. Young, MBA, EA, CFP®. Typically, these clients receive financial planning recommendations soon after the conclusion of each client meeting.

FP Services clients receive financial planning recommendations as agreed upon based on the specific project, and no further review or update of our financial planning recommendations is provided after initial delivery to the client, unless otherwise agreed. Financial planning recommendations are provided by Kevin M. Young, MBA, EA, CFP®.

For clients that maintain any brokerage account(s), their custodian will provide a statement at least quarterly which includes a list of all assets held in the account, asset values, and all transactions affecting the account assets, including any additions or withdrawals.

Item 14 - Client Referrals and Other Compensation

Young Wealth Management is a fee-only advisory firm and does not sell insurance or investment products, nor does it accept commissions as a result of any product recommendations. We do not pay referral or finder's fees, nor do we accept such fees from other firms.

Receipt of TDA Institutional Program Benefits. As referenced in Item 12, Young Wealth Management participates in TDA's Institutional customer program and may recommend TDA to clients for custody and brokerage services. There is no direct link between TDA and Young Wealth Management in connection with the investment advice we provide to our advisory clients. Our firm receives economic benefits through the custody and operating relationships it has with TDA that are not typically available to retail investors. These benefits include the following products and services that are provided to us by TDA without cost or at a discount: duplicate client statements and confirmations, research related products and tools, consulting services, access to a trading desk serving Young Wealth Management's associated persons, access to block

trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares directly to or from 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 discounts or no fees on compliance, marketing, research, technology, and practice management products and services provided by third-party vendors.

TDA may also pay for business consulting, professional services, and research received by Young Wealth Management and its associated persons and may also pay or reimburse expenses (travel, lodging, meals, and entertainment expenses) for Young Wealth Management's personnel to attend conferences or meetings relating to their service platforms or to their advisor custody and brokerage services generally. Some of the products and services made available by TDA through the program may benefit Young Wealth Management, but may not benefit its clients. These products or services may assist our firm in managing and administering client accounts, including accounts not maintained at TDA. Other services made available by TDA are intended to help Young Wealth Management manage and further develop its business enterprise. The benefits received by Young Wealth Management or its personnel through participation in the institutional program do not depend on the amount of brokerage transactions directed to TDA.

As part of its fiduciary duties to clients, our firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by our firm and/or our related persons in and of itself creates a potential conflict of interest and may indirectly influence Young Wealth Management's choice to recommend TDA to clients for custody and brokerage services.

Item 15 - Custody

With the exception of our ability to directly debit fees as outlined in Item 5, we do not hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them. All client assets are held at an independent qualified custodian, such as TDA. The custodian(s) selected by the client will provide account statements directly to the client at their address of record at least quarterly. In some cases, the client can request that the custodian provide statements electronically by e-mail, instead of regular mail. We urge all clients to carefully review such statements and compare such official custodial records to any statements that we may provide to you. We may also provide clients with periodic reports on client's account. These reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

We shall have no liability to you for any loss or other harm to any property in your account held by any custodian, including any harm to any property in the account resulting from the insolvency of any custodian or any acts of the agents or employees of any custodian, whether or not the full amount of such loss is covered by the SIPC or any other insurance which may be carried by such custodian. Clients understand that the SIPC provides only limited protection for the loss of property held by a custodian.

Item 16 - Investment Discretion

Asset Management and Financial Planning services clients are generally required to grant our firm ongoing and continuous discretionary authority to execute our investment recommendations within their account(s) held at the custodian. In a discretionary arrangement, you authorize us to purchase and sell securities and instruments in your account(s), arrange for delivery and payment in connection with the foregoing, and act

on your behalf in all matters necessary or incidental to the handling of the account, including monitoring of your assets, all without requiring your prior approval of each specific transaction. Except for direct deductions of its advisory fees or where you explicitly authorize otherwise, Young Wealth Management will not be permitted to initiate transfers of funds in or out of client accounts. Our discretionary management of your account will be conducted in strict accordance with your investment objectives and suitability.

Stand-alone FP Services are always non-discretionary in nature.

Item 17 – Voting Client Securities

We do not accept authority to and do not vote proxies on behalf of clients. We also do not administer or advise clients with respect to any legal proceedings which may invoke the issuers of client portfolio securities. Clients retain the responsibility for receiving and voting proxies and determining how to address any such legal proceedings. At the request of a client, we may provide advice to clients regarding the manner in which we believe the client should vote a proxy.

Item 18 – Financial Information

As an investment advisor firm that maintains discretionary authority for client accounts, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. We have no such financial circumstances to report.

We do not require or solicit payment of fees in excess of \$1,200 per client six months or more in advance of services being rendered. Therefore, we are not required to include a financial statement.

Neither Young Wealth Management, nor its principal, have been the subject of a bankruptcy petition at any time.