

# Arcadia Wealth Management, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Arcadia Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (603) 681-9190 or by email at: [retire@arcadiafg.com](mailto:retire@arcadiafg.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Arcadia Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Arcadia Wealth Management, LLC's CRD number is: 284925.*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Arcadia Wealth Management, LLC on June 16, 2021. Material changes relate to Arcadia Wealth Management, LLC's policies, practices or conflicts of interests.

- Arcadia Wealth Management LLC has updated Item 4B, Advisory Business, to include participation in the Model Marketplace generated portfolios of Altruist LLC, an SEC registered investment advisor.
- Arcadia Wealth Management LLC has updated Item 5A Fees Schedule to reflect that Arcadia Wealth Management assesses fees against the average monthly value of any account(s) as of the last business day of the billing period.
- Arcadia Wealth Management, LLC has updated Item 17: Voting Client Securities (Proxy Voting) to reflect that Arcadia Wealth Management will not vote proxies on behalf of clients.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Arcadia Wealth Management, LLC (hereinafter “AWM”) is a Limited Liability Company organized in the state of New Hampshire. The firm was formed in 2016 and the principal owner is Michael R. Panico.

### **B. Types of Advisory Services**

#### *Portfolio Management Services*

AWM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. AWM creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

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

AWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. AWM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

AWM seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of AWM’s economic, investment or other financial interests. To meet its fiduciary obligations, AWM attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, AWM’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is AWM’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

#### *Selection of Other Advisers Services*

AWM offers ongoing management via third-party investment advisers based on the individual goals, objectives, time horizon, and risk tolerance of each client. AWM creates an Investment Policy Statement for each client, which outlines the client’s current

situation (income, tax levels, and risk tolerance levels). AWM will *request* discretionary authority from clients in order to select third-party advisers but will not require it.

Before selecting other advisers for clients, AWM will always ensure those other advisers are properly licensed or registered as an investment adviser. AWM conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy.

AWM may direct clients to AE Wealth Management, LLC ("AE Wealth"). AWM has researched the services of AE Wealth, including record-keeping, reporting, and composition of model allocations. These benefits allow Arcadia to focus more directly on the developing needs of its clients while outsourcing some of the more commoditized services to an established provider of those service (AE Wealth) with a strong track record. AWM will review the ongoing performance of the third-party adviser for the client's portfolio, generally on a quarterly basis. This includes assessment of whether there has been investment "style drift" such that AE Wealth's approach no longer fits the goals of the client, as well as revisiting the risk tolerance and other investment profile characteristics of AWM's clients so that AE Wealth's allocations are updated to match the client's investment objectives.

AWM participates in the Model Marketplace offered by Altruist LLC, an SEC registered investment adviser and affiliate of Altruist Financial LLC. AWM may assign to client accounts any of the available Altruist LLC generated portfolios, Third-Party Portfolios, or other portfolios made available through Altruist LLC's Model Marketplace. Additionally, custom built models may be offered through Altruist.

AWM requires discretionary authority over client accounts. Altruist model portfolios allows AWM to devote more time to clients and understanding their investment needs. Accounts will be managed by AWM, but with the use of underlying model portfolios, and AWM will monitor those models to ensure they remain appropriate for the client.

### ***Pension Consulting Services***

AWM offers ongoing consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans) based on the demographics, goals, objectives, time horizon, and/or risk tolerance of the plan's participants.

### ***Educational Seminars/Workshops***

AWM provides periodic educational seminars and workshops to clients and the general public free of charge.

### ***Services Limited to Specific Types of Investments***

AWM generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), and treasury inflation protected/inflation linked bonds. AWM may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

AWM offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may request restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the requested restrictions would require AWM or the third-party adviser to deviate from their respective standard suite of services or would prevent AWM or the third-party adviser from properly servicing the client account, then AWM will advise the client that such restrictions are impracticable and, if needed, reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program wherein the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. AWM does not manage or sponsor wrap fee program.

### **E. Assets Under Management**

AWM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$153,000,000	\$6,000,000	December 2020

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Portfolio Management Fees*

Total Assets Under Management	Annual Fees
\$0 - \$249,999	1.50%
\$250,000 - \$499,999	1.40%
\$500,000 - \$999,999	1.25%
\$1,000,000 - \$1,999,999	1.00%
\$2,000,000 - \$2,999,999	0.85%
\$3,000,000- \$4,999,999	0.65%
\$5,000,000 an up	0.50%

The maximum fee assessed by AWM is 1.50%. After 30 days of onboarding all AUM added to a managed model will be tallied and the appropriate associated fee, based on the schedule above, will be applied. One fee rate is applied against all managed assets.

Services provided through Altruist may be offered through both wrap fee and non wrap fee programs. Model Portfolio fees charged through the wrap fee program include advisory services and brokerage/trading fees. Both AWM and Altruist will receive a portion of the fees for advisory and portfolio management compensation. AWM is allowed to set the investment management fee up to a maximum of 1.50% of assets under management on an annual basis and will be determined as set forth above.

Custom built models through the Altruist program are offered as are non-wrap fee programs. Clients will pay separately for associated expenses, which may include mutual fund fees, transactions fees, commissions, etc.

Fees are paid monthly in arrears applying immediately after the account(s) are funded. AWM assesses fees against the average monthly value of any account(s) of the last business day of the billing period. AWM is authorized to withdraw management fees directly from the account(s).

Fees may be negotiable at the sole discretion of AWM.

Clients may terminate the agreement without penalty for a full refund of AWM's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.



Services provided through AEWM's managed account program are offered both on a non-wrap fee basis and through a wrap fee program. If you choose to receive services on a non-wrap fee basis, you may pay separate commissions, ticket charges, and custodian fees for the execution of transactions in your account. These charges (if applicable) will be in addition to any investment management fee that you may pay to AEWM and to our firm. If you choose to receive services through the wrap fee program, you will only pay fees based on assets under management and you will not pay a separate commission, ticket charge, or custodian fee, for the execution of transactions in your account. AEWM and our firm will receive a portion of the fee as compensation for services. When services are provided through AEWM, our firm is allowed to set the investment management fee up to a maximum of 1.50% of assets under management on an annual basis. The annual fee will be specified in your co-advisory agreement with AEWM and our firm. A more detailed description of fees related to AEWM's managed account program is located in AEWM's disclosure brochure which will be provided to you if we offer you services through AEWM.

### ***Pension Consulting Services Fees***

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$0 - AND UP	1.00%

AWM uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

These fees are generally negotiable, and the final fee schedule is attached as Exhibit II of the pension consulting agreement. Clients may terminate the agreement without penalty for a full refund of AWM's fees within five business days of signing the pension consulting agreement. Thereafter, clients may terminate the pension consulting agreement generally with 30 days' written notice.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in arrears.

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

Fees for selection of AE Wealth as third-party adviser are withdrawn directly from the client's accounts by AE Wealth monthly in arrears.

### *Payment of Pension Consulting Fees*

Asset-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in arrears.

#### **C. Client Responsibility For Third Party Fees**

Client accounts not participating in the wrap fee program are responsible for the payment of all third-party fees (i.e., custodian fees, commissions, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by AWM. Please see Item 12 of this brochure regarding broker/custodian.

#### **D. Prepayment of Fees**

The fee schedule is listed in the previous section and includes all fees from AWM and third party managers. There are no additional fees charged to the client other than what is listed above.

#### **E. Outside Compensation For the Sale of Investment Products to Clients**

A supervised person of AWM accepts compensation for the sale of insurance products to clients of the firm.

1. The supervised person will accept compensation for the sale of insurance products to the firm's clients. This presents a conflict of interest and gives the supervised person and the firm an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of insurance products, the firm will document the conflict of interest in the client file and inform the client of the conflict of interest.
2. Clients always have the option to purchase recommended products through other brokers or agents that are not affiliated with AWM.
3. Commissions are not AWM's primary source of compensation.
4. Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

### **Item 6: Performance-Based Fees and Side-By-Side Management**

AWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

AWM generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans

There is an account minimum of \$10,000, which may be waived by AWM in its discretion.

## Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

AWM's methods of analysis include fundamental analysis, modern portfolio theory and quantitative analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

#### *Investment Strategies*

AWM uses long term trading.

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

### B. Material Risks Involved

#### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in

stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

### ***Investment Strategies***

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Selection of Other Advisers:** Although AWM will seek to select only money managers who will invest clients' assets with the highest level of integrity, AWM's selection process cannot ensure that money managers will perform as desired and AWM will have no control over the day-to-day operations of any of its selected money managers. AWM would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, regulatory breaches, or even fraud. If, however, AWM becomes aware of fraud by any third-party money manager, it will act swiftly to protect its clients' interests.

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

### **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

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

## **Item 9: Disciplinary Information**

*Clients can obtain the disciplinary history, if any, of AWM and its representatives from the Massachusetts Securities Division upon request. Please also see below for a discussion of applicable disciplinary history.*

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither AWM nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither AWM nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Michael R. Panico is a licensed insurance agent with Arcadia Financial Group LLC, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation, that Arcadia Financial Group LLC (and Michael R. Panico in his capacity as an insurance agent outside of AWM) is not a fiduciary for insurance activities, and that commissionable products conflict with the fiduciary duties of a registered investment adviser. This conflict of interest is mitigated in the following ways:

- AWM will evaluate the facts and circumstances to determine whether it is in a client's best interest for AWM to recommend that a commissionable product be obtained from a related person of AWM.
- Moreover, clients are in no way required to utilize the services of any representative of AWM in connection with such individual's activities outside of AWM.
- Finally, AWM will always act in the best interest of the client.

Michael Richard Panico is a manager at PC178 Arcadia Strategic Benefits. He manages all activity related to the captive insurance program that protects Arcadia Financial Group, LLC. He devotes 1 hour to this activity outside trading hours.

## **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

AWM may direct clients to third-party investment advisers to manage client assets. In these cases, clients will pay AWM its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between AWM and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. AWM will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. AWM will ensure that all recommended advisers are licensed or notice filed in the states in which AWM is recommending them to clients.

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

### **A. Code of Ethics**

AWM has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. AWM's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

AWM does not recommend that clients buy or sell any security in which a related person to AWM or AWM has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of AWM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of AWM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. AWM will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of AWM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of AWM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, AWM will never engage in trading that operates to the client's disadvantage if representatives of AWM buy or sell securities at or around the same time as clients.



## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on AWM's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and AWM may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in AWM's research efforts. AWM will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

For custodians/broker-dealers, AWM will recommend that portfolio management clients use either (i) TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC, (ii) Altruist Financial LLC [CRD#299274], an unaffiliated SEC-registered broker dealer and FINRA/SIPC member (as the introducing broker to Apex Clearing Corporation, an unaffiliated SEC-registered broker dealer and FINRA/SIPC member), or (iii) Fidelity Brokerage Services LLC, [CRD# 7784]. If a client wishes to use another custodian, AWM will not be able to effect trades in the client's account and may not be able to access certain mutual funds it may recommend to the client.

#### ***1. Research and Other Soft-Dollar Benefits***

While AWM has no formal soft dollars program in which soft dollars are used to pay for third party services, AWM may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). AWM may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and AWM does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. AWM benefits by not having to produce or pay for the research, products or services, and AWM will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that AWM's acceptance of soft dollar benefits may result in higher commissions charged to the client.

#### ***2. Brokerage for Client Referrals***

AWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

AWM will not require clients to use a specific broker-dealer to execute transactions.

#### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If AWM buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, AWM would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. AWM would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution.

## **Item 13: Review of Accounts**

#### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for AWM's advisory services provided on an ongoing basis are reviewed at least quarterly by Michael R. Panico, CEO, with regard to clients' respective investment policies and risk tolerance levels. All accounts at AWM are assigned to this reviewer.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

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

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of AWM's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

AWM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to AWM's clients.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

AWM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, AWM will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

AWM offers discretionary and non-discretionary asset management services to clients. Its pension consulting services are performed on a non-discretionary basis.

The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, AWM generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

## **Item 17: Voting Client Securities (Proxy Voting)**

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

## **Item 18: Financial Information**

### **A. Balance Sheet**

AWM neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

In light of the COVID-19 coronavirus and historic decline in market values, AWM has elected to participate in the CARES Act's Paycheck Protection Program ("PPP") to strengthen its balance sheet. AWM intends to use this loan predominantly to continue payroll for the firm and may ultimately seek loan forgiveness per the terms of the PPP. Due to this and other measures taken internally, AWM has been able to operate and continue serving its clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

AWM has not been the subject of a bankruptcy petition.