

## Form ADV Part 2A Brochure

### Cover Page - Item 1

#### ***Buttonwood Wealth, LLC***

27 West Boscawen Street  
Winchester, VA 22601

Phone: (540) 662-5233

Email: [jhahn@bwlegacy.com](mailto:jhahn@bwlegacy.com)

[www.BWLegacy.com](http://www.BWLegacy.com)

**November 23, 2021**

Buttonwood Wealth, LLC is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Buttonwood Wealth, LLC. If you have any questions about the contents of this brochure, please contact us at (540) 662-5233. 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 Buttonwood Wealth, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous version of this disclosure brochure. We have not made any material changes to this brochure. Annually, we will review and update this brochure, as needed, to make sure that it remains current.

On March 12, 2021, we submitted our annual updating amendment filing for fiscal year 2020. We have updated Item 4 of our Form ADV Part 2A Brochure to disclose discretionary assets under management of approximately \$209,941,264 and non-discretionary assets under management of approximately \$183,808.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (540) 662-5233 or at [jhahn@bwlegacy.com](mailto:jhahn@bwlegacy.com).

**Table of Contents - Item 3**

**Contents**

Form ADV Part 2A Brochure .....	1
Cover Page - Item 1.....	1
Material Changes - Item 2.....	2
Table of Contents - Item 3 .....	3
Advisory Business - Item 4 .....	4
Fees and Compensation - Item 5 .....	6
Performance-Based Fees and Side-By-Side Management - Item 6 .....	10
Types of Clients - Item 7.....	10
Methods of Analysis, Investment Strategies and Risk of Loss - Item 8.....	10
Disciplinary Information - Item 9 .....	15
Other Financial Industry Activities or Affiliations - Item 10.....	15
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Item 11.....	16
Brokerage Practices - Item 12 .....	16
Review of Accounts - Item 13 .....	19
Client Referrals and Other Compensation - Item 14 .....	20
Custody - Item 15 .....	20
Investment Discretion - Item 16 .....	20
Voting Client Securities - Item 17.....	21
Financial Information - Item 18 .....	21
Requirements of State-Registered Advisers - Item 19.....	21
Form ADV Part 2A, Appendix 1: Wrap Fee Program Brochure .....	0
Cover Page - Item 1.....	0
Material Changes - Item 2.....	1
Table of Contents - Item 3 .....	2
Services Fees and Compensation - Item 4 .....	3
Account Requirements and Types of Clients - Item 5.....	5
Portfolio Manager Selection and Evaluation - Item 6.....	6
Client Information Provided to Portfolio Managers - Item 7.....	7
Client Contact with Portfolio Managers - Item 8 .....	7
Additional Information - Item 9 .....	7
Requirements for State-Registered Advisers - Item 10 .....	9
Buttonwood Wealth, LLC Privacy Notice .....	10

#### **Advisory Business - Item 4**

Buttonwood Wealth, LLC (hereinafter "Buttonwood Wealth" or the "firm") is a registered investment advisor based in Winchester, Virginia. We are a limited liability company, organized under the laws of the Commonwealth of Virginia. We have been providing investment advisory services since 2019. Jeffrey Alan Hahn is the principal owner of Buttonwood Wealth.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, an employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

Currently, we offer the following investment advisory services, personalized for each individual Client:

- **Financial Planning Services**
- **Portfolio Management Services**
- **Referrals to Third Party Investment Advisers**
- **Pension Consulting Services**

#### **Financial Planning Services**

Buttonwood Wealth offers various financial planning related services, which assist Clients in the management of their financial resources. Financial planning services are based upon an analysis of the Client's individual needs beginning with one or more information gathering consultations. Once the firm has collected and analyzed all documentation gathered during these consultations, Buttonwood Wealth provides a written financial plan designed to achieve the Client's financial goals and objectives. Buttonwood Wealth then assists Clients in developing a strategy for the successful management of income, assets, and liabilities. In general, financial planning services may include any one or all of the following:

- **Cash Flow Analysis** – Assessment of present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements, etc. The firm advises on ways to reduce risk; and, to coordinate and organize records and estate information.
- **Retirement Analysis** – Identification of long-term financial and personal goals and objectives including advice for accumulating wealth for retirement income or appropriate distribution of assets following retirement. Tax consequences and implications are identified and evaluated.
- **Insurance Analysis** – Includes risk management associated with advisory recommendations based on a combination of insurance types to meet your needs, e.g., life, health, disability, and long-term care insurance. This will necessitate an analysis of cash needs of the Client's family at death, income needs of surviving dependents, and potential disability income needs.
- **Portfolio Analysis/Investment Planning** – Presentation of investment alternatives, including asset allocation and its effect on the Client's portfolio; evaluation of economic and tax characteristics of existing investments as well as their suitability for the Client; and, identification and evaluation of tax consequences and their implications.
- **Education Savings Analysis** – Alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education.
- **Estate Analysis** – Advising Clients with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques.

The recommendations and solutions are designed to achieve the Client's desired goals, subject to periodic evaluation of the financial plan, which may require revision to meet changing circumstances. Financial plans are

based on your financial situation based on the information provided to the firm. We should be notified promptly of any change to your financial situation, goals, objectives, or needs.

Clients can also request financial planning services that cover a specific area, such as retirement or estate planning, asset allocation analysis, manager due diligence, and 401(k) platform due diligence. Clients may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so by engaging us for investment advisory services or by using any advisory, brokerage, or insurance provider you choose.

*Important Note: Information related to tax and legal consequences that is provided as part of the financial plan is for informative purposes only. Clients are instructed to contact their tax or legal advisers for personalized advice.*

#### **Portfolio Management Services - Wrap Fee Program**

Buttonwood Wealth is the portfolio manager and sponsor of the Buttonwood Wealth Wrap Fee Program. A wrap fee program combines portfolio management, advisory services, and trade execution for a single fee. Buttonwood Wealth, as portfolio manager is responsible for the research, security selection, and implementation of transaction orders in the Client's account. The transactions in the Client's account will be executed by and custodied at LPL Financial, LLC ("LPL"), a FINRA-registered broker-dealer, member SIPC. The Client pays Buttonwood Wealth an all inclusive Wrap fee. Buttonwood Wealth pays LPL a portion of this fee for trade execution expenses. Detailed information about the Buttonwood Wealth Wrap Fee Program and program fees is provided in the Form ADV Part 2A, Appendix 1 (Wrap Brochure) that is attached to this Form ADV Part 2A Disclosure Brochure.

#### **Web-Based Portfolio Management Services - Betterment Platform**

We have partnered with Betterment LLC ("Betterment"), a registered investment adviser, to offer portfolio management services through the Betterment Institutional online platform. This Program offers us the ability to create and/or choose portfolios offering a range of managed investment strategies consisting of various asset classes. Managed portfolios will be comprised of a select number of exchange traded funds ("ETFs") within a particular asset class. Betterment will manage your portfolio on a discretionary basis. You will be required to sign a separate agreement with Betterment granting them discretionary authorization to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment parameters without obtaining your prior consent or approval for each transaction. Although the written agreement you execute with our firm will provide us with discretionary authority, such authority will be focused on selecting the managed portfolio(s) on your behalf based on your risk profile and investment objectives. As noted above, Betterment will have full trading authority over your portfolio(s). We are available on an ongoing basis to answer any questions regarding the program or the portfolio(s).

#### **Recommendation of Third Party Investment Advisers**

As part of our overall portfolio management strategy, we may also recommend other third party investment advisers or programs to manage all or a portion of your account. All third party investment advisers recommended by our firm must either be registered as investment advisers or exempt from registration requirements. Factors that we take into consideration when making our recommendations include, but are not limited to, the following: the third party investment adviser's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the third party investment adviser's performance to ensure its management and investment style remains aligned with your investment goals and objectives.

#### **Pension Consulting Services**

Buttonwood Wealth provides several defined contribution plan and defined benefit plan consulting services separately or in combination. While the primary Clients for these services will be pension, profit sharing, and 401(k) plans, Buttonwood Wealth will also offer these services, where appropriate, to businesses, individuals, trusts, estates, and charitable organizations. Pension consulting services are comprised of four distinct services. Clients may choose to use any or all of these services:

**Selection of Investment Vehicles**

Buttonwood Wealth will review various investments, consisting of one or all of the following: individual equities, bonds, other investment products, and mutual funds (both index and managed) to determine which of these investments are appropriate. The number of investments to be recommended will be determined by the Client.

**Monitoring of Investment Performance**

Client investments will be monitored continuously. Although Buttonwood Wealth will not be directly effecting transactions, Buttonwood Wealth will supervise the Client's portfolio and will make recommendations to the Client as market factors and the Client's needs dictate through periodic reviews.

**Employee Communications**

For pension, profit sharing and 401(k) plans where the individual account participant exercises control over assets in his/her own account (hereinafter "self-directed plans"), Buttonwood Wealth also provides educational support and investment workshops designed for the Plan participants. The nature of the topics to be covered will be determined by Buttonwood Wealth and the Client under the guidelines established in ERISA Section 404(c). Generally, the educational support and investment workshops will NOT provide Plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

Other pension consulting services are available on request. All of our pension consulting services, whether general or customized, will be outlined in an Agreement that shows the services that will be provided and the fees that will be charged for those services.

**Assets Under Management**

As of December 31, 2020, we manage approximately \$209,941,264 in client assets on a discretionary basis and approximately \$183,808 in client assets on a non-discretionary basis.

**Fees and Compensation - Item 5**

**Financial Planning Services Fees**

Buttonwood Wealth charges a negotiable hourly fee of \$300.00 for financial planning services. Prior to engaging Buttonwood Wealth to provide financial planning services, Clients will be required to enter into a written financial planning agreement. The financial planning agreement will set forth the terms and conditions of the engagement and will describe the scope of the services to be provided. Fees are payable upon completion of the financial planning project. Buttonwood Wealth provides a full waiver of financial planning fees for clients who engage the firm for ongoing portfolio management services.

Either party may terminate the financial planning agreement by written notice to the other. Refunds are not applicable since fees are payable in arrears.

**Portfolio Management Services - Wrap Fee Program**

Detailed information about the Buttonwood Wealth Wrap Fee Program and program fees is provided in the Form ADV Part 2A, Appendix 1 (Wrap Brochure) that is attached to this Form ADV Part 2A Disclosure Brochure.

**Web-Based Portfolio Management Services - Betterment Platform**

On an annualized basis our advisory fees for web-based portfolio management services are equal to 0.50% of the value of the assets in your account. Betterment will also charge a platform fee of 0.25% of your account value, which will be governed by a separate agreement between you and Betterment. The annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last business day of the previous quarter. If the management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the

number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

Please refer to the Betterment documents for further information, such as any account minimums imposed by Betterment. Please see Item 12 of this Brochure for more information on Betterment and Brokerage Practices.

You may terminate the portfolio management agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. Please refer to your agreement with Betterment along with Betterment's disclosure brochure for specific information on how you may terminate your advisory relationship with them, along with other terms of the engagement. You should contact Betterment directly for questions regarding your advisory agreement with Betterment.

### **Third Party Adviser Fees**

Advisory fees charged by third party investment advisers are separate and apart from our advisory fees. Advisory fees that you pay to third party investment advisers are established and payable in accordance with the Form ADV Brochure provided by each third party investment adviser to whom you are referred. These fees may or may not be negotiable. You should review the recommended third party adviser's brochure and take into consideration their fees along with our fees to determine the total amount of fees charged to your account. In some cases, we will share in the fee charged by the third party adviser. Generally, the combined fee charged by Buttonwood Wealth and the third party adviser will be lower than 3% of Client assets under management. Clients are informed that a combined fee in excess of 3% of assets under management is in excess of industry norm and similar advisory services can be obtained for less. Depending on the third party adviser, Clients may or may not be able to negotiate the portion of the third party adviser fee payable to Buttonwood Wealth.

You will be required to sign an agreement directly with the third party adviser(s). You may terminate your advisory relationship with the third party adviser(s) according to the terms of your agreement with the third party adviser(s). You should review each adviser's brochure for specific information on how you may terminate your advisory relationship with the adviser and how you may receive a refund, if applicable. You should contact the third party adviser directly for questions regarding your advisory agreement with the third party adviser.

Since our compensation may differ depending upon our individual agreement with each third party adviser, we have an incentive to recommend one third party adviser over another third party adviser with whom we have less favorable compensation arrangements or other advisory programs offered by third party advisers with which we have no compensation arrangements. At all times Buttonwood Wealth and its Associated Persons uphold their fiduciary duty of fair dealing with Clients.

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

### **Pension Consulting Services Fees**

The compensation arrangement for pension consulting services is based on fixed fees, or a percentage of the plan

assets. Services will be negotiated on a case-by-case basis. The exact services to be provided, the fee to be paid by the Client, fee payment arrangements, how to terminate the contract, and other terms will be clearly stated in the pension consulting agreement signed by the Client and Buttonwood Wealth.

Clients who choose to have Buttonwood Wealth's fee deducted directly from their account must provide authorization. The qualified custodian holding Client funds and securities will send an account statement on at least a quarterly basis. This statement will detail account activity. Clients are encouraged to review each statement for accuracy.

**Additional Information about Fees and Expenses**

The fees Buttonwood Wealth charges are negotiable based on the amount of assets under management, complexity of Client goals and objectives, and level of services rendered. Fees are charged as described above and are not based on a share of capital gains of the funds of any advisory Client.

All fees paid to Buttonwood Wealth for investment advisory services are separate and distinct from the fees and expenses charged to shareholders by investment companies like unit investment trusts, mutual funds or exchange traded funds. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

You could invest in a mutual fund directly, without the services of Buttonwood Wealth. In which case, you would not receive ongoing planning and portfolio management services provided by Buttonwood Wealth, which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition and objectives. Accordingly, you should review both the fees charged by the funds and the fees charged by Buttonwood Wealth to fully understand the total amount of fees to be paid by you to evaluate the advisory services being provided. Although Buttonwood Wealth uses its best efforts to purchase lower cost mutual fund shares when available, some mutual fund companies do not offer institutional classes to us or funds that do not pay 12b-1 distribution fees.

ERISA Accounts: Buttonwood Wealth is deemed to be a fiduciary to advisory Clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Buttonwood Wealth may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Buttonwood Wealth's advisory fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

Billing on Cash Positions: The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

Periods of Portfolio Inactivity: The firm has a fiduciary duty to provide services consistent with the client's best



interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

#### **Compensation for the Sale of Investment Products**

##### Compensation for the Sale of Securities

Certain Executive officers and other Associated Persons of Buttonwood Wealth are registered representatives of LPL Financial, LLC ("LPL"), a licensed full service securities broker-dealer and investment adviser under federal and state securities laws. LPL is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives, is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted compliance procedures and a code of ethics that requires our Associated Persons to uphold their fiduciary duty by acting in the best interest of the Client. **Clients of our firm have the option to purchase investment products that we recommend through other brokers and agents that are not affiliated with our firm.**

LPL has established a forgivable and repayable loan (the "Forgivable Loan") with certain of our Associated Persons who are also licensed as registered representatives of LPL. This constitutes an additional economic benefit. The terms of the Forgivable Loan require these Associated Person(s) to remain affiliated with LPL for a specified period of time in order to qualify for loan forgiveness. The Forgivable Loan incentivizes such Associated Persons to remain affiliated with LPL as registered representatives. The receipt of the Forgivable Loan therefore presents a conflict of interest because these Associated Persons are incentivized to recommend that clients utilize LPL for brokerage and custodial services due to their ongoing affiliation, rather than basing recommendations on a client's particular needs. Clients are therefore reminded that they are not under any obligation to purchase securities commission products through LPL, and that they may purchase such securities commission products through other, non-affiliated broker-dealers.

**Executive Officers and Associated Persons of Buttonwood Wealth will never receive commissions for securities transactions in advisory accounts managed by Buttonwood Wealth.**

##### Compensation for the Sale of Insurance Products

Certain Executive officers and other Associated Persons of Buttonwood Wealth are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. **Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.**

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

Performance-based fees are based on a share of capital gains on or capital appreciation of the Client's assets. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account(s).

#### **Types of Clients - Item 7**

We generally offer investment advisory services to individuals, pension and profit sharing plans and participants, trusts, estates, charitable organizations, corporations, and other business entities.

Buttonwood Wealth does not require a minimum account size to establish an advisory relationship.

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

Buttonwood Wealth advisors may use various methods to determine an appropriate investment strategy for your portfolio with the goal of reducing risk and increasing performance in each customized portfolio. We seek to recommend investment strategies or products that will give you a diversified portfolio consistent with your investment objective. We do this by analyzing the various products, investment strategies, and money management firms to which we provide access. That analysis includes a review of the structure, cost, and investment performance history of each program.

##### **Methods of Analysis**

Buttonwood Wealth uses Fundamental and Technical analysis in formulating investment advice:

Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, trying to determine a company's or a security's true value by looking at all aspects of the business, including both tangible factors (e.g., machinery buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of determining what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Technical Analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall. Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify

appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.

### **Investment Strategies**

We may use one or more of the following investment strategies when advising you on investments:

*Long Term Purchases* – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

*Short Term Purchases* – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

*Trading* – securities are sold within 30 days. The principal type of risk associated with trading is market risk. There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies. Additionally, trading is speculative. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

*Margin Transactions* – margin strategies allow an investor to purchase securities on credit and to borrow on securities already in their custodial account. Interest is charged on any borrowed funds for the period of time that the loan is outstanding. When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your broker-dealer. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the broker-dealer of your account. The securities purchased in such an account are the broker-dealer's collateral for its loan to you. If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account. It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin Account that may be established as a part of our advisory services and held by your broker-dealer. These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The broker-dealer can force the sale of securities or other assets in your account.

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

#### **Risk of Loss**

Clients should be aware that investing in securities involves a risk of loss that they should be prepared to bear. Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal. Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

There are certain additional risks associated with investing in securities, as described below:

#### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we provide advice on various types of securities and we do not necessarily recommend one particular type of security over another since each Client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and governmental economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value,

the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Equity (stock) Market Risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

**Company Risk:** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

**Fixed Income Risk:** When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk. In addition pricing risk if not held to maturity and interest rate move.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Management Risk:** Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

**Municipal Securities Risk:** The value of municipal obligations can fluctuate over time, and may be affected by adverse political, legislative and tax changes, as well as by financial developments that affect the municipal issuers. Because many municipal obligations are issued to finance similar projects by municipalities (e.g., housing, healthcare, water and sewer projects, etc.), conditions in the sector related to the project can affect the overall municipal market. Payment of municipal obligations may depend on an issuer's general unrestricted revenues, revenue generated by a specific project, the operator of the project, or government appropriation or aid. There is a greater risk if investors can look only to the revenue generated by the project. In addition, municipal bonds generally are traded in the "over-the-counter" market among dealers and other large institutional investors. From time to time, liquidity in the municipal bond market (the ability to buy and sell bonds readily) may be reduced in response to overall economic conditions and credit tightening.

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

**Foreign Securities Risk:** Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.

**Risks Associated with Investing in Private Funds:** Private investment funds are not registered with the Securities and Exchange Commission and may not be registered with any other regulatory authority. Accordingly, they are not subject to certain regulatory restrictions and oversight to which other issuers are subject. There may be little public information available about their investments and performance. Moreover, as sales of shares of private investment companies are generally restricted to certain qualified purchasers, it could be difficult for a Client to sell its shares of a private investment company at an advantageous price and time. Since shares of private investment companies are not publicly traded, from time to time it may be difficult to establish a fair value for the Client's investment in these companies.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

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

Certain investment strategies used by our firm may invest in illiquid asset vehicles, such as private equity and real estate. Investment in an illiquid asset vehicle poses similar risks as direct investments in illiquid securities. In addition, investment in an illiquid asset vehicle will be subject to the terms and conditions of the illiquid asset vehicle's investment policy and governing documents which often include provisions that may involve investor lock-in periods, mandatory capital calls, redemption restrictions, infrequent valuation of assets, etc. In addition, investments in illiquid securities or vehicle may normally involve investment in non-marketable securities where there is limited transparency. If obligated to sell an illiquid security prior to an expected maturity date, particularly



with an infrastructure investment, they may not be able to realize fair value. Investments in illiquid securities or vehicles may include restrictions on withdrawal rights and shares may not be freely transferable.

#### Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither we nor our management persons have a history of material legal or disciplinary events.

#### Other Financial Industry Activities or Affiliations - Item 10

Neither Buttonwood Wealth nor any of its management persons is registered as a futures commission merchant, an introducing broker, a commodity trading adviser, or a commodity pool operator, nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

##### Compensation for the Sale of Securities

Certain Executive officers and other Associated Persons of Buttonwood Wealth are registered representatives of LPL Financial, LLC ("LPL"), a licensed full service securities broker-dealer and investment adviser under federal and state securities laws. LPL is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives, is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted compliance procedures and a code of ethics that requires our Associated Persons to uphold their fiduciary duty by acting in the best interest of the Client. **Clients of our firm have the option to purchase investment products that we recommend through other brokers and agents that are not affiliated with our firm.**

##### Compensation for the Sale of Insurance Products

Certain Executive officers and other Associated Persons of Buttonwood Wealth are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. **Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.**

##### Recommendation of Other Advisors

We may recommend that you use a third party investment adviser or program as part of our asset allocation and investment strategy. In some cases, Buttonwood Wealth will share in the compensation received by the third party investment adviser. As a result of these such arrangements, we are incentivized to recommend only the investment advisers from whom we receive solicitor/referral fees as opposed to another investment adviser from

whom we do not receive such fees. We continually monitor other investment advisers that we might recommend under a solicitor arrangement. In the event that such investment advisers are not meeting the standards that we believe meet your needs, we will seek other investment advisers that may be a better fit for your specific management needs.

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

##### **Description of Our Code of Ethics**

Buttonwood Wealth has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Buttonwood Wealth's policies and procedures developed to protect Client's interests in relation to the following topics:

- The duty at all times to place the interests of Clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of Clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of Buttonwood Wealth's Code of Ethics is available upon request to our firm at (540) 662-5233 or at [jhahn@bwlegacy.com](mailto:jhahn@bwlegacy.com).

##### **Interest in Client Transactions**

Please refer to Compensation for the Sale of Securities in Item 10 above for information about the recommendation of securities in which related persons has a material financial interest and the conflicts of interest associated with such practices.

##### **Personal Trading Practices**

At times, Buttonwood Wealth and/or its related persons may take positions in the same securities as Clients, which may pose a conflict of interest with Clients. In an effort to uphold our fiduciary duties to Clients, Buttonwood Wealth and its related persons will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to Client trades. Front running (trading shortly ahead of Clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the Client(s) at the time of trading. Incidental trading not deemed to be a conflict (e.g., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price) would not be deemed a material conflict requiring disclosure at the time of trading.

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

##### **Brokerage and Custodial Services Offered by LPL Financial LLC**

Buttonwood Wealth recommends that you establish brokerage accounts with LPL Financial LLC ("LPL"), a registered broker-dealer and member SIPC, to maintain custody of assets and to effect trades. Factors which Buttonwood Wealth considers in recommending LPL to Clients include their respective financial strength, reputation, execution, pricing, research and service. LPL enables Buttonwood Wealth to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or



transaction fees charged by LPL may be higher or lower than those charged by other Financial Institutions.

LPL provides Buttonwood Wealth with access to its institutional trading and custody services, which are typically not available to retail investors. LPL services include brokerage, custody, research, 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.

For Buttonwood Wealth's Client accounts maintained in custody, LPL charges account holders transaction related fees for securities trades. LPL provides Buttonwood Wealth assistance in managing and administering Clients' accounts. These include access to Client account data, facilitate trade execution, provide research, and facilitate payment of Buttonwood Wealth management fees from its Clients' accounts, recordkeeping, and Client reporting.

LPL also makes available to Buttonwood Wealth other services intended to help Buttonwood Wealth manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

In choosing a broker-dealer or negotiating commission rates, we are not obligated to seek competitive bids or the lowest commission cost to you; but we determine that the commission rate charged is reasonable based on the quality of custodial services available to our Clients. As a fiduciary, Buttonwood Wealth endeavors to act in your best interest.

The commissions paid by Buttonwood Wealth's Clients comply with Buttonwood Wealth's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Buttonwood 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. Buttonwood Wealth seeks competitive rates but may not necessarily obtain the lowest possible commission rates for Client transactions.

We do not receive Client referrals from broker-dealers and custodians with which we have an institutional advisory arrangement. In addition, we do not receive other benefits from a broker-dealer in exchange for Client referrals.

Associated persons of our firm, who are registered representatives of LPL are subject to FINRA Conduct Rule 3040, which restricts such registered individuals from conducting securities transactions away from LPL, unless LPL provides the representative with written authorization. Therefore, clients are advised that such persons may be limited to conducting securities transactions through LPL or through custodians approved by LPL.

#### **Managed Accounts with Betterment**

For Web-Based Portfolio Management Services, we require that our clients use MTG, LLC dba Betterment Securities ("Betterment Securities"), a registered broker-dealer and member of the SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Betterment Securities. Betterment Securities will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them to. While we recommend that you use Betterment Securities as custodian/broker, you will decide whether to do so and will open your account with Betterment Securities by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Capability to execute, clear, and settle trades (buy and sell securities for your account) itself or to facilitate

such services.

- Capability to facilitate timely transfers and payments to and from accounts.
- Availability of investment research and tools that assist us in making investment decisions.
- Quality of services.
- Competitiveness of the price of those services and willingness to negotiate the prices.
- Reputation, financial strength, and stability.
- Prior service to us and our other clients.

For our clients' accounts that Betterment Securities maintains, Betterment Securities does not charge you separately for custody/brokerage services, but is compensated as part of the Betterment for Advisors platform fee, which is charged for a suite of platform services, including custody, brokerage, and sub-advisory services provided by Betterment and access to the Betterment for Advisors platform. The platform fee is an asset-based fee charged as a percentage of assets in your Betterment account (see disclosures under Item 5 of this Disclosure Brochure). For those Clients participating in the Betterment for Advisors platform, we have determined that having Betterment Securities execute trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Betterment Securities serves as broker-dealer to Betterment for Advisors, an investment and advice platform serving independent investment advisory firms like us ("Betterment for Advisors"). Betterment for Advisors also makes available various support services which may not be available to Betterment's retail customers. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Betterment for Advisors' support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Betterment for Advisors' support services:

Services that benefit you: Betterment for Advisors includes access to a globally diversified, low-cost portfolio of ETFs, execution of securities transactions, digital account opening, online portal access, and custody of client assets through Betterment Securities. In addition, a series of model portfolios created by third-party providers are also available on the platform. Betterment Securities' services described in this paragraph generally benefit you and your account.

Services that may not directly benefit you. Betterment for Advisors also makes available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts, such as software and technology that may:

- Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts.
- Provide access to client account data (such as duplicate trade confirmations and account statements).
- Provide pricing and other market data.

Services that generally benefit only us. By using Betterment for Advisors, we may be offered other services intended to help us manage and further develop our business enterprise. These services may include:

- Consulting (including through webinars) on technology and business needs.
- Access to publications and conferences on practice management and business succession.

The availability of these services from Betterment for Advisors benefits us because we do not have to produce or purchase them. In addition, we do not have to pay for Betterment Securities' services. We may have an incentive to recommend that you maintain your account with Betterment Securities, based on our interest in receiving Betterment for Advisors and Betterment Securities' services that benefit our business. We believe that our selection of Betterment Securities as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Betterment Securities' services and not Betterment for

Advisors and Betterment Securities' services that benefit only us or that may not directly benefit you.

When using the Betterment for Advisors platform, we and you are subject to the trading policies and procedures established by Betterment. These policies and procedures limit our ability to control, among other things, the timing of the execution of certain trades (including in response to withdrawals, deposits, or asset allocation changes) within your account. You should not expect that trading on Betterment is instant, and, accordingly, you should be aware that Betterment does not permit you or us to control the specific time during a day that securities are bought or sold in your account (i.e., to "time the market"). Betterment describes its trading policies in Betterment LLC's Form ADV Part 2A. As detailed in that document, Betterment generally trades on the same business day as it receives instructions from you or us. However, transactions will be subject to processing delays in certain circumstances. In particular, orders initiated on non-business days and after markets close generally will not transact until the next business day. Betterment also maintains a general approach of not placing securities orders during approximately the first thirty minutes after the opening of any market session. Betterment also generally stops placing orders arising from allocation changes in existing portfolios approximately thirty minutes before the close of any market session. Betterment continues placing orders associated with deposit and withdrawal requests until market close. Betterment maintains a general approach of not placing orders around the time of scheduled Federal Reserve interest rate announcements. Furthermore, Betterment may delay or manage trading in response to market instability. For further information, please consult Betterment LLC's Form ADV Part 2A.

#### **Trade Aggregation**

While individual Client advice is provided to each account, Client trades can be executed as a block trade. The executing broker will be informed that the trades are for the account of Buttonwood Wealth's Clients and not for Buttonwood Wealth itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution. We will not aggregate a Client's order if in a particular instance we believe that aggregation would cause the Client's cost of execution to be increased. The broker dealer will be notified of the amount of each trade for each account. Buttonwood Wealth and/or its Associated Persons may participate in block trades with Clients, and may also participate on a pro rata basis for partial fills, but only after the determination has been made that Clients will receive fair and equitable treatment.

#### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

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

#### **Portfolio Management Account Reviews**

Buttonwood Wealth monitors Client account holdings on a continuous basis and conducts a formal review of investment allocations at least annually. Accounts are reviewed by the Associated Person assigned to the account.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the Client's financial situation or investment objectives, or upon Client request.

A financial plan is a snapshot in time and no ongoing reviews are conducted, unless you have engaged us for periodic updates. We recommend a plan review at least annually.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. Clients also receive online access to their personal financial situation that may include net worth statements, account overviews, asset allocations, cash flow reports, and income and expense statements. Buttonwood Wealth may also provide performance reports on an as needed basis.

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

Buttonwood Wealth has brokerage and clearing arrangements with LPL and Betterment Securities and the firm may receive additional benefits from these firms in the form of electronic delivery of Client information, electronic trading platforms, institutional trading support, proprietary and/or third party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory Clients. Please refer to item 12 above for more information about the receipt of additional benefits from broker dealers.

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

We may recommend that you use a third party investment adviser or program as part of our asset allocation and investment strategy. In these cases, Buttonwood Wealth will share in the compensation received by the third party investment adviser. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of a third party investment adviser. Since our compensation may differ depending upon our individual agreement with each third party adviser, we have an incentive to recommend one third party adviser over another third party adviser with whom we have less favorable compensation arrangements or other advisory programs offered by third party advisers with which we have no compensation arrangements. At all times Buttonwood Wealth and its Associated Persons uphold their fiduciary duty of fair dealing with Clients. You are not required to use the services of any recommended third party investment adviser.

Our firm and our Associated Persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for Client referrals.

#### Custody - Item 15

Buttonwood Wealth is deemed to have custody of Client funds because of the fee deduction authority granted by the Client in the Advisory Agreement. You will receive account statements at least quarterly from the broker-dealer or other qualified custodian. The custodian will not verify the calculation of the advisory fees. You are urged to review custodial account statements for accuracy.

With respect to third party standing letters of authorization ("SLOA") where a Client grants us authority to direct custodians to disburse funds to one or more third party accounts, we are deemed to have custody pursuant to Rule 206(4)-2 (the "Custody Rule"). We have taken steps to have controls and oversight in place to comply with the no-action letter issued by the SEC on February 21, 2017 (the "SEC no-action letter"). We are not required to comply with the surprise examination requirements of the Custody Rule if we are in compliance with the representations noted in the SEC no-action letter. Where our firm acts pursuant to a SLOA, we believe we are making a good faith effort to comply with the representations noted in the SEC no-action letter. Additionally, since many of the representations noted in the SEC no-action letter involve the qualified custodian's operations, we will collaborate closely with our custodian(s) to ensure that the representations are met.

#### Investment Discretion - Item 16

Buttonwood Wealth offers Portfolio Management Services on a discretionary basis. Clients must grant discretionary authority in the management agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in Client accounts. However, our firm does not retain discretionary authority to select the broker/dealer used for transactions, or commission rates paid.

Apart from the ability to withdraw management fees, Buttonwood Wealth does not have the ability to withdraw funds or securities from the Client's account. The Client provides Buttonwood Wealth discretionary authority via a limited power of attorney in the management agreement and in the contract between the Client and the custodian.

If you wish, you may limit our discretionary authority, for example, by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

#### Voting Client Securities - Item 17

Buttonwood Wealth does not vote proxies. It is the Client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

#### Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about Buttonwood Wealth's, financial condition. Buttonwood Wealth does not require the prepayment of over \$1,200, six or more months in advance. Additionally, Buttonwood Wealth has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and it has not been the subject of a bankruptcy proceeding.

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

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

## Form ADV Part 2A, Appendix 1: Wrap Fee Program Brochure

### Cover Page - Item 1

#### ***Buttonwood Wealth, LLC***

27 West Boscawen Street  
Winchester, VA 22601

Phone: (540) 662-5233

Email: [jhahn@bwlegacy.com](mailto:jhahn@bwlegacy.com)

[www.BWLegacy.com](http://www.BWLegacy.com)

**March 12, 2021**

Buttonwood Wealth, LLC is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This wrap fee program brochure provides information about the qualifications and business practices of Buttonwood Wealth, LLC. If you have any questions about the contents of this brochure, please contact us at (540) 662-5233. 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 Buttonwood Wealth, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this wrap fee brochure. We have not made any material changes to this brochure since the last version.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (540) 662-5233 or at [jhahn@bwlegacy.com](mailto:jhahn@bwlegacy.com).

**Table of Contents - Item 3**

A table of contents is provided in Item 3 of the firm's Form ADV Part 2A Disclosure Brochure above.



#### **Services Fees and Compensation - Item 4**

##### **Services**

Buttonwood Wealth, LLC (hereinafter "Buttonwood Wealth") offers a wrap fee program, the Buttonwood Wealth Wrap Fee Program, whereby Buttonwood Wealth manages Client accounts for a single, bundled fee that includes portfolio management services, custodial services, and transaction/commission costs. Under the Buttonwood Wealth Wrap Fee Program, Buttonwood Wealth offers discretionary investment advice designed to assist Clients in obtaining professional portfolio management for an inclusive "wrap fee."

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

As primary portfolio manager, Buttonwood Wealth and its Associated Persons are responsible for the research, security selection, and implementation of transaction orders in the Client's account. The transactions in the Client's account will be executed by LPL Financial LLC ("LPL"), a registered broker dealer and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

Buttonwood Wealth receives a portion of the Wrap Fee for portfolio management services and LPL will receive a portion of the fee for trade execution and custodial services. The terms and conditions under which a Client participates in the Buttonwood Wealth Wrap Fee Program are set forth in the written agreement between the Client and Buttonwood Wealth. The overall cost incurred from participation in the Buttonwood Wealth Wrap Fee Program may be higher or lower than if the services were purchased separately.

The portfolio management services for the Buttonwood Wealth Wrap Fee Program are offered on a discretionary basis. Our investment advice is tailored to meet our Clients' needs and investment objectives. Subject to any written guidelines that you may provide, we will be granted discretionary authority to manage your account. Once the portfolio allocation has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. Discretionary authorization is granted to us by you in a written agreement. This allows our firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is granted using either the investment advisory agreement the Client signs with our firm, a limited power of attorney agreement, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with restrictions and guidelines in writing.

Wrap accounts are managed to diversify Clients' investments and may include various types of securities such as exchange listed equities, over the counter equities, foreign issues, American depository receipts, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (including mutual funds and exchange traded funds), US Government securities, options contracts on securities and/or commodities, private equity instruments, and interests in partnership investing in real estate. Additionally, we will provide advice on existing investments you may hold at the inception of the advisory relationship or on other types of investments for which you ask advice. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the Client's stated investment objectives, tolerance for risk, liquidity and suitability.

Asset allocation models diversified among investment styles and/or asset classes are developed and managed by us based on research conducted by Buttonwood Wealth. We may also rely on portfolio models developed by third party investment advisers. Once the Client portfolio is constructed, Buttonwood Wealth provides continuous supervision of the portfolio as changes in the market conditions and Client circumstances may require. Investments and allocations are determined based upon the Clients' predefined objectives, risk tolerance, time horizons, financial horizons, financial information, and other various suitability factors. Further restrictions and

guidelines imposed by Clients may affect the composition and performance of a Client's portfolio. For these reasons, performance of the portfolio might not be identical with other Clients of Buttonwood Wealth. We review the Clients' financial circumstances and investment objectives on an ongoing basis and make adjustments to Clients' portfolios or allocation models as may be necessary to achieve the desired results.

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g., attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm of any changes in your financial circumstances or investment objectives that might affect the manner in which your accounts should be managed.

#### **Fees**

Buttonwood Wealth charges a single negotiable asset-based fee for its management services, which includes the cost of portfolio management services, custodial services and the execution of securities transactions. This fee is deducted from the Client's account held at the custodian. The Client authorizes Buttonwood Wealth to debit the fee from the Client's account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance.

Since the fee is negotiable, the exact fee paid by you will be stated in the advisory agreement signed by you and us. The maximum fee will not exceed 1.50% and will be outlined on the Advisory Services Agreement. Since Buttonwood Wealth does not use the services of unaffiliated portfolio managers, the Portfolio Manager servicing the account will be employed directly by our firm.

The annual fee for the Buttonwood Wealth Wrap Fee Program is billed quarterly, in advance, and is based on the value of your portfolio at the end of the preceding quarter. Fees will be assessed pro rata in the event the Agreement is executed at any time other than the first day of a billing period. We may deduct the fee from a single, Client-designated account to facilitate billing.

We encourage you to carefully review the statements you receive from the qualified custodian. If you have questions about your statements, or if you did not receive a statement from the qualified custodian, please call our office number located on the cover page of this brochure.

#### **Termination**

At the inception of investment management services, the first pay period's fees will be calculated on a pro-rata basis. The management agreement between you and Buttonwood Wealth will continue in effect until either party terminates the management agreement in accordance with the terms of the management agreement. Buttonwood Wealth's annual fee will be pro-rated through the date of termination. Any pre-paid, unearned fees will be promptly refunded to the Client.

#### **Additional Fees and Expenses**

The fees are charged as described above and are not based on a share of capital gains of the funds of an advisory Client.

The Buttonwood Wealth Wrap Fee Program fees do not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through LPL, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The Account will be responsible for these additional fees and expenses.

All fees paid to Buttonwood Wealth for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge.

Each mutual fund, ETF, or variable annuity in which the Account may be invested will also charge a management fee, other internal expenses, and a possible distribution fee. Certain mutual funds offered through the Buttonwood Wealth Wrap Fee Program may impose short-term trading charges (typically 1% - 2% of the amount originally invested) for redemptions made within short periods of time. In the rare event an early redemption charge is assessed, the charge would be offset by the advisory fee or paid by Buttonwood Wealth.

All of the fees and expenses discussed above will be indirect expenses borne by the Account, and will be in addition to the Buttonwood Wealth Wrap Fee Program fee. You should consider all of these fees and expenses (including the Buttonwood Wealth Wrap Fee Program fee) to fully understand the total amount of fees and expenses to be paid by the Account and to evaluate the advisory services being provided. The fees and expense related to mutual funds, ETFs, or variable annuities are disclosed in their respective prospectus or summary disclosure document.

Please refer to Item 5 of Form ADV Part 2A above for more information about Fees and Expenses.

#### **Other Important Considerations**

- Wrap fee programs are not suitable for all investment needs, and any decision to participate in a wrap fee program should be based on your financial situation, investment objectives, tolerance for risk, and investment time horizon, among other considerations. The wrap fee program fee may cost the Client more than if assets were held in a traditional brokerage account. In a brokerage account, a Client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the Client plans to follow a buy and hold strategy for the account or does not wish to use Buttonwood Wealth for ongoing investment advice or management services, the Client should consider opening a brokerage account rather than a wrap fee program account.
- The investment products available to be purchased in the wrap fee program can be purchased by Clients outside of a wrap fee program account, through broker-dealers or other investment firms not affiliated with Buttonwood Wealth. In such cases, our firm would not provide ongoing supervisory and management services for the account.
- Our firm and our advisory representatives will receive compensation as a result of your participation in the Buttonwood Wealth Wrap Fee Program. In certain cases, this compensation will be more than the amount our firm or the representative would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our representatives have a financial incentive to recommend the Buttonwood Wealth Wrap Fee Program, and may recommend the Buttonwood Wealth Wrap Fee Program over other programs or services for which the compensation arrangements are not as beneficial.
- Due to the single fee charged to a Buttonwood Wealth Wrap Fee Program account, we are regarded as having a conflict of interest in that we can realize a greater profit on a Buttonwood Wealth Wrap Fee Program account with a relatively low rate of portfolio turnover compared to other types of accounts, assuming the same level of fees.

#### **Account Requirements and Types of Clients - Item 5**

We generally offer investment advisory services to individuals, pension and profit sharing plans and participants, trusts, estates, charitable organizations, corporations, and other business entities.

Buttonwood Wealth does not require a minimum account size to establish a Wrap Fee Program account.

### **Portfolio Manager Selection and Evaluation - Item 6**

#### **Portfolio Managers**

Buttonwood Wealth is the sole sponsor and portfolio manager of the Buttonwood Wealth Wrap Fee Program. Each account is managed by the Associated Person assigned to the Client relationship. We have chosen not to utilize outside portfolio managers. Therefore, there is no selection and review of outside portfolio managers. Neither us, nor any third party reviews performance information to determine or verify its accuracy.

Where required, Associated Persons responsible for the management of the account are registered as investment adviser representatives. Clients should refer to each Associated Person's Form ADV Part 2B Supplement, provided to you along with the copy of our disclosure brochure, for more information about their disciplinary, business and educational backgrounds. Please contact us at (540) 662-5233 or at [jhahn@bwlegacy.com](mailto:jhahn@bwlegacy.com) with any questions you may have.

Clients will receive statements directly from their account custodian(s) at least quarterly. Buttonwood Wealth may also provide performance reports on an as needed basis.

#### **Other Advisory Services**

Please refer to Item 4 of the firm's Form ADV Part 2A Disclosure Brochure above for information about other advisory services offered by Buttonwood Wealth.

#### **Performance-Based Fees and Side-By-Side Management**

Performance-based fees are based on a share of capital gains on or capital appreciation of the Client's assets. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account(s).

#### **Investment Strategies**

Please refer to Item 8 of the firm's Form ADV Part 2A Disclosure Brochure above for information about Buttonwood Wealth's investment strategies.

#### **Methods of Analysis**

Please refer to Item 8 of the firm's Form ADV Part 2A Disclosure Brochure above for information about the methods of analysis used by Buttonwood Wealth.

#### **Risk of Loss**

Clients should be aware that investing in securities involves a risk of loss that they should be prepared to bear. Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal. Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. Please refer to Item 8 of our Form ADV Part 2A Brochure above for a detailed discussion of the various risks associated with investing in securities.

#### **Proxy Voting**

Buttonwood Wealth does not vote proxies. It is the Client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

#### **Client Information Provided to Portfolio Managers - Item 7**

Buttonwood Wealth is the sole sponsor of the Buttonwood Wealth Wrap Fee Program and together with its portfolio managers has access to and is responsible for maintaining all information provided by Clients. Client information will be updated in our firm's records upon notification of changes provided by Clients and during Client meetings.

#### **Client Contact with Portfolio Managers - Item 8**

Buttonwood Wealth is the sole sponsor and portfolio manager to the Buttonwood Wealth Wrap Fee Program. Clients are free to contact Buttonwood Wealth or their designated investment adviser representative at any time with questions regarding the Buttonwood Wealth Wrap Fee Program. We can be reached at (540) 662-5233 or at [jhahn@bwlegacy.com](mailto:jhahn@bwlegacy.com).

#### **Additional Information - Item 9**

##### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither we nor our management persons have a history of material legal or disciplinary events.

##### **Other Financial Industry Activities or Affiliations**

Please refer to Item 10 of our Form ADV Part 2A Brochure above for more information about our other financial industry activities and/or affiliations.

##### **Description of Our Code of Ethics**

Buttonwood Wealth has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Buttonwood Wealth's policies and procedures developed to protect Client's interests in relation to the following topics:

- The duty at all times to place the interests of Clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of Clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of Buttonwood Wealth's Code of Ethics is available upon request to our firm at (540) 662-5233 or at [jhahn@bwlegacy.com](mailto:jhahn@bwlegacy.com).

#### **Interest in Client Transactions**

Please refer to Compensation for the Sale of Securities in Item 10 above for information about the recommendation of securities in which related persons has a material financial interest and the conflicts of interest associated with such practices.

#### **Personal Trading Practices**

At times, Buttonwood Wealth and/or its related persons may take positions in the same securities as Clients, which may pose a conflict of interest with Clients. In an effort to uphold our fiduciary duties to Clients, Buttonwood Wealth and its related persons will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to Client trades. Front running (trading shortly ahead of Clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the Client(s) at the time of trading. Incidental trading not deemed to be a conflict (e.g., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price) would not be deemed a material conflict requiring disclosure at the time of trading.

#### **Account Reviews, Statements and Reports**

Buttonwood Wealth monitors Client account holdings on a continuous basis and conducts a formal review of investment allocations at least annually. Accounts are reviewed by the Associated Person assigned to the account.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the Client's financial situation or investment objectives, or upon Client request.

A financial plan is a snapshot in time and no ongoing reviews are conducted, unless you have engaged us for annual retainer services or periodic updates. We recommend a plan review at least annually.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. Clients also receive online access to their personal financial situation that may include net worth statements, account overviews, asset allocations, cash flow reports, and income and expense statements. Buttonwood Wealth may also provide performance reports on an as needed basis.

#### **Brokerage Practices**

Buttonwood Wealth executes all transactions for Buttonwood Wealth Wrap Fee Program accounts through LPL. LPL is an unaffiliated broker-dealer, and a member of FINRA and the SIPC. Buttonwood Wealth has chosen LPL on the basis of a number of factors, including quality of service, fees, reputation, accountability, and security of assets. The fees and commissions charged by LPL may be higher or lower than other broker dealers or custodians, depending on the type of transaction. Buttonwood Wealth considers the services provided by LPL to be high-quality and the fees charged to be comparable or favorable to those charged by other broker-dealers or custodians.

#### **Client Referrals and Other Compensation**

Buttonwood Wealth receives additional benefits from LPL such as electronic delivery of Client information, electronic trading platforms, institutional trading support, proprietary and/or third party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory Clients.

The receipt of additional benefits gives us an incentive to require that you maintain your account with LPL based on our interest in receiving additional services from these broker dealers rather than your interest in receiving the best value and the most favorable execution of your transactions. This is a conflict of interest. We believe,

however, that our selection of LPL as broker dealer/custodian is in the best interests of our Clients. Our belief is primarily supported by the scope and quality of services LPL provides to our Clients and not services that benefit only us. Please refer to Item 12 of our Form ADV Part 2A Brochure above for more information about the receipt of additional benefits from broker dealers.

To address the existence of this conflict, on a periodic basis, we conduct a best execution review considering the full range and quality of LPL's services, including execution quality, commission rate, the value of research provided, financial strength, and responsiveness to our requests for trade data and other information. Our obligation is not necessarily to get the lowest price but to obtain the best qualitative execution.

Buttonwood Wealth has brokerage and clearing arrangements with LPL and the firm may receive additional benefits from LPL in the form of electronic delivery of Client information, electronic trading platforms, institutional trading support, proprietary and/or third party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory Clients. Please refer to item 12 above for more information about the receipt of additional benefits from broker dealers.

Our firm and our Associated Persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for Client referrals.

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

We may recommend that you use a third party investment adviser or program as part of our asset allocation and investment strategy. In these cases, Buttonwood Wealth will share in the compensation received by the third party investment adviser. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of a third party investment adviser. You are not required to use the services of any recommended third party investment adviser.

#### **Financial Information**

We are required in this Item to provide you with certain financial information or disclosures about Buttonwood Wealth's, financial condition. Buttonwood Wealth does not require the prepayment of over \$1,200, six or more months in advance. Additionally, Buttonwood Wealth has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and it has not been the subject of a bankruptcy proceeding.

#### **Requirements for State-Registered Advisors - Item 10**

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

### **Buttonwood Wealth, LLC Privacy Notice**

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

#### **INFORMATION WE COLLECT**

Buttonwood Wealth, LLC (Buttonwood Wealth) must collect certain personally identifiable financial information about its customers to provide financial services and products. The personally identifiable financial information that we gather during the normal course of doing business with you may include:

- information we receive from you on applications or other forms;
- information about your transactions with us, our affiliates, or others;
- information we receive from a consumer reporting agency.

#### **INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as our attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

#### **CONFIDENTIALITY AND SECURITY**

We restrict access to nonpublic personal information about you to those Employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

#### **ACCURACY**

Buttonwood Wealth strives to maintain accurate personal information in our Client files at all times. However, as personal situations, facts and data change over time; we encourage our Clients to provide feedback and updated information to help us meet our goals.