



## Form ADV Part 2A: Firm Brochure

### September 3rd, 2021

#### **Item 1: Cover Page**

##### **Principal Business Office Address:**

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In this brochure, we use the terms Prevail, us, we, and our to refer to Prevail Wealth Management, LLC.

This brochure provides information about the qualifications and business practices of Prevail Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer at 425.448.1818 or by email at [compliance@prevailwealth.com](mailto:compliance@prevailwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Prevail is a registered investment adviser. Registration with the SEC does not imply a certain level of skill or training.

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

## **Item 2: Material Changes**

The material changes section of this brochure will be updated annually and when material changes occur.

### **Material Changes Since Last Update on March 30<sup>th</sup>, 2021**

This update relates to:

- Assets Under Management - Item 4, E
- Management Fee Schedule and Hourly Rate- Item 5, A
- Proxy Voting Policy – Item 17

### **Full Brochure Available**

If at any time you would like to receive a copy of this brochure, please contact our Client services team by phone at 425.448.1818 or by email at [info@prevailwealth.com](mailto:info@prevailwealth.com)

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## Item 4: Advisory Business

### **Description of the Advisory Firm**

Prevail Wealth Management, LLC ("Prevail", "us", "we", or "our") is an independent fee-only independent financial services firm headquartered in Kirkland, Washington. Prevail was established in 2012 by principal owner and founder, Amy Marie Mutal AWMA®, AIF®.

Prevail offers ongoing personalized financial planning, wealth management, and investment advisory services primarily to individuals and high net worth individuals or families, as well as trusts, foundations, endowments, non-profit organizations, and other business entities herein referred to each as "Client" and collectively "Clients".

As a fiduciary, Prevail acts in Clients' best interest and fulfills its obligation by working closely with Clients to identify and understand their investment objectives while building a long-term relationship.

Our approach is to help each Client achieve their financial goals through a process that includes education, evaluating goals and resources, then developing appropriate asset allocation strategies to meet those goals.

Our advisory services are made available to Clients through investment advisory representatives ("Advisor") associated with Prevail. For more information about the individual Advisor providing advisory services, please refer to the Brochure Supplement (Part 2B) for that Advisor. The Brochure Supplement is a separate document provided to you along with this Brochure before or at the time you engage us. If you did not receive a Brochure Supplement, please contact the Advisor or the Prevail office.

### **Types of Advisory Services**

#### ***Financial Planning***

Our financial planning services are typically offered as:

- limited engagement to assess, review or make recommendations on a specific issue;
- comprehensive evaluation process in which numerous strategic recommendations are given;
- continuous engagement of planning review, strategic adjustments, and implementation.

We gather required information through in-depth personal interviews. Information gathered includes the Client's current financial status, tax status, future goals, return objectives and attitudes towards risk. We carefully review documents supplied by the Client, then prepare recommendations.

In general, our financial planning services can address any of the following areas:

**Personal:** We review family records, budgeting, personal liabilities, estate information and financial goals.

**Cash Flow:** We analyze the Client's current and future cash flow needs. We then illustrate the possible impact of various tax strategies and investment decisions on the Client's future ability to create the income desired.

**Investments:** We analyze the Client's current investment resources to determine how they might align with the Client's objectives. During this analysis we review the tax efficiency, fees and expenses, diversification, risk, and investment performance.

**Risk Management:** We review potential threats to the Client's financial well-being from unexpected circumstances and then propose strategies to manage risks.

**Charitable Planning:** We assess tax efficient strategies and assist in the setup and management of various types of donor-advised funds for the purposes of donating cash, securities, or appreciated assets.

The resulting recommendations of the financial planning service is dependent on the breadth and quality of the data used in building it. In performing our services, we are not required to verify any information received from the Client or from the Client's other professionals. Moreover, each Client is advised that it remains his or her responsibility to promptly notify us regarding any change in the Client's financial situation or investment objectives during the Client engagement.

Typically, the financial plan recommendations are presented to the Client within four weeks of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. Should the Client implement the plan recommendations, we suggest the Client work closely with his/her chosen professionals. Implementation of financial plan recommendations that don't include our Investment Advisory Services is entirely at the Client's discretion.

### ***Investment Advisory Services: Overview***

Prevail offers ongoing wealth management and investment advisory services tailored to the individual goals, objectives, time horizon, risk tolerance, and liquidity needs of each Client. Once the Client's particular circumstances are established, we create a personal Investment Policy Statement (IPS) for that Client. The IPS outlines the Client's stated investment objectives, tolerance for risk, liquidity, and suitability. As appropriate, we also review and discuss a Client's prior investment history, as well as family composition and background. We generally manage assets in advisory accounts on a discretionary basis, meaning the Client consents to granting us investment control for making trades or allocation adjustments in accordance with the investment plan we have developed with the Client.

### ***Investment Advisory Services: Individual Portfolio Management***

Individual portfolio management services are typically designed to accommodate existing Client assets during a limited transition period when transition to a Prevail Select model portfolio could create short term adverse tax consequences. We typically evaluate investment securities including Exchange-listed securities (ETF), Mutual fund shares, Stocks, and Bonds. On a case-by-case basis, we will evaluate other assets. Because some types of investments involve certain additional degrees of risk, they will only be retained when consistent with the Client's written IPS.

### ***Investment Advisory Services: Prevail Select Model Portfolio Management***

Prevail provides model portfolio management services to Clients using balanced asset allocation portfolios. Prevail Select model portfolios are designed to meet specific investment profiles in terms of risk and expected return over specific time horizons. They typically have a range of equity exposure from 0% to 90% and are structured with a combination of ETFs, no-load index funds, mutual fund shares, fixed income, alternative assets, and cash. Our Select model portfolios are not limited to any specific investment offered by a custodian or fund family and are often globally diversified. Select model portfolios are managed based on the portfolio's allocation goals and typically reviewed at least quarterly for asset allocation rebalancing.

Through our financial planning process, the Advisor will determine if a Select model portfolio is suitable to the Client's circumstances. Prevail Select model selection and account supervision is then guided by the Client's cash flow needs, risk tolerance, stated objectives, as well as tax planning considerations. It is common for us to manage several Client accounts of differing account tax structures within a single portfolio allocation model to create a tax profile designed to increase tax efficiency.

### ***Outside Account Aggregation via Prevail Portal (Excluded Assets)***

In addition to Prevail's standard reporting of Client's managed assets, Clients may be offered the ability to link outside accounts (Excluded Assets), not managed by Prevail, via their Prevail Client Portal.

Prevail's account aggregation service relative to the Excluded Assets is limited to reporting services only, which does not include investment advisory or implementation. The Client is exclusively responsible, at the Client's discretion, for implementing any recommendations relative to the Excluded Assets.

Furthermore, to the extent Excluded Assets investment performance may be viewed through the Prevail Portal, the Client shall be exclusively responsible for the investment performance of the Excluded Assets and Prevail shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets.

In the event the Client desires that Prevail provide investment management services with respect to the Excluded Assets, the Client may engage us to do so pursuant to the terms and conditions of an Investment Advisory Agreement.

### ***Retirement Plan Advisory Services***

Prevail offers non-discretionary fiduciary investment advisory services, and/or retirement plan consulting services to employer-sponsored retirement plans (each a “Plan”) and their participants depending on the type of Plan and the specific arrangement with the company/sponsor (the “Plan Sponsor”). Prevail’s retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and Plan participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Vendor Analysis
- Plan Participant Enrollment and Education Tracking
- Investment Policy Statement (“IPS”) Design and Support
- Investment Management Services (ERISA 3(38))
- Performance Reporting
- Ongoing Investment Recommendation and Assistance
- ERISA 404(c) Assistance

These services are provided by Prevail serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of Prevail’s fiduciary status, the specific services to be rendered, and all direct and indirect compensation Prevail reasonably expects under the engagement.

### ***Managed Variable Annuities***

We may include the management of Variable Annuity (VA) sub-accounts. We have VA carrier products for this service. We manage various model portfolios for each VA carrier product, the model portfolios are actively managed for the Client on a discretionary basis. Sub-account asset allocations are limited by the VA carrier product fund options.

### ***Hourly Services:***

In certain situations, Clients may have a specific concern that does not require comprehensive planning and investment services. Examples of such could include divorce or separation of assets analysis, retirement analysis, estate tax analysis, retirement income analysis, and tax projections. In such situations, the Client may engage the Advisor to provide limited advice on these items. The scope of the engagement will be outlined in the Client Service Agreement. If requested, we will work with our Clients’ other professional advisors in areas such as accounting, tax planning, and estate planning. We also cultivate close partnerships with other finance related service professionals and will provide referrals, if requested, to those professionals when specialization is required.

### ***Types of Investments***

We consider many different types of securities when formulating the investment advice provided to Clients. These include mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, and government securities. We may also provide advice on various types of investments held in your portfolio at the inception of our advisory relationship.

## **Tailored Services and Investment Restrictions**

Prevail offers the same suite of services to all its Clients. However, we work to tailor each investment portfolio specific to each Client's financial situation. Therefore, it is important to promptly notify Prevail regarding any change in the Client's financial situation, risk tolerance, or investment objectives. Since our investment strategies and advice are based on each Client's specific financial situation, the investment advice we provide one Client may be different or conflicting with the advice we give to another Client regarding the same security or investment.

Clients may impose reasonable restrictions on the way we manage assets held in their accounts. This may mean prohibiting the purchase or sale of certain assets or securities in accordance with their values or beliefs. The determination of "reasonable restriction" is solely ours. To the extent any restrictions would impact our ability to properly service the Client account, or if the restrictions would require Prevail to deviate from its standard suite of services, Prevail reserves the right to refuse to manage the account.

## **Wrap Fee Programs**

Prevail does manage or place Client assets into a wrap fee program. Investment advisory services are provided directly by Prevail.

## **Assets Under Management**

Prevail manages Client assets on a discretionary as well as non-discretionary basis. As of July 20th, 2021, the market value of Client assets managed on a discretionary basis was \$108,200,000 and \$815,000 for non-discretionary assets, for total regulated assets under management of \$109,015,000.

## **Item 5: Fees and Compensation**

### ***Investment Advisory Services***

Management fees for our Individual and Select Model portfolio management services are based upon a percentage of Client assets we manage or advise and include continuous financial planning and plan implementation.

The Client's specific investment advisory fees and terms are outlined in the Investment Management Agreement with which we have entered with each advisory Client.

Our annual fee for investment advisory services including continuous financial planning generally range between 0.20% and 1.50%, subject to the minimum fee described below. Fees are calculated based upon the market value of the assets under management on the last trading day of the previous quarter. Adjustments will be made for deposits and withdrawals in excess of \$1,000 for any given day during the quarter. For new accounts, our fees will apply on a pro rata basis, which means that the management fee is payable in proportion to the number of days in the quarter for which you are a Client.

Management fees are deducted quarterly, payable either in advance or arrears. In either case, we typically deduct management fees directly from Client's accounts. If an advisory Client who pays management fees in advance terminates our relationship, we will refund that advisory Client a portion of the pre-paid fees, calculated on a pro-rata basis to reflect the number of days remaining in the quarter. When possible, we will apply the refund to the advisory Client's account otherwise mail the refund to the advisory Client's address of record.

Our minimum annual fee for investment advisory services including continuous financial planning and plan implementation is \$3000.00. For Clients with less than \$200,000 under management, this will result in an annual fee percentage rate greater than 1.50%.

Factors that influence the amount of management fees we charge include Client type, account value and anticipated increases in account value, pre-existing relationship, and other factors. We typically combine

certain related Client accounts for purposes of calculating a Client's aggregate household size and/or management fee. Generally, we charge lower or no management fees to current and former Prevail employees and their family members at our sole discretion. Some existing Clients are subject to a different minimum fee amount or no minimum fee amount and may be on different prior fee schedules. We waive our minimum annual management fee from time to time, in our sole discretion. Our advisory fee is negotiable depending on individual Client circumstances.

### ***Retirement Plan Services***

Fees for retirement plan advisory services are charged an annual asset-based fee not to exceed 1.00%, billed quarterly, in advance of each calendar quarter, pursuant to the terms of the retirement plan advisory agreement. Retirement plan advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Fees may be negotiable depending on the size and complexity of the Plan. The fee in the first quarter of the engagement is prorated from the effective date of the Agreement to the end of the first quarter.

### ***Financial Planning Services***

As mentioned above, our financial planning fees are typically provided at no additional charge to Clients who have engaged our firm for investment advisory services. We also offer standalone financial planning services in which case we typically charge an hourly rate of \$250.00 depending on individual Client circumstances. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. Fees typically range from \$1,000.00 to over \$5,000.00 and are payable as invoiced. All financial planning fees are agreed upon prior to entering into a Client Service Agreement with a Client.

Standalone financial planning services contracts may be terminated at any time upon written notice to us. If you have pre-paid financial planning fees that we have not yet earned, you will receive a prorated refund of those fees. If financial planning fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial planning agreement.

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

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange-traded funds. Mutual funds and exchange-traded funds charge internal management fees and other fund expenses (described in each fund's prospectus), and which are separate from the management fees paid to Prevail. As such, Clients with investments in these types of securities are subject to one or more additional layers of management fees. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the Brokerage Practices section of this brochure.

### ***Limited Prepayment of Fees***

Under no circumstances do we require or solicit payment of fees in excess of \$500.00 more than six months in advance of services rendered.

### ***Outside Compensation for the Sale of Securities to Clients***

Neither Prevail nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.



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

Prevail does not charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a Client.

## **Item 7: Types of Clients**

Prevail offers investment advisory services to individuals (other than high net worth individuals), high net worth individuals, families, trusts, estates, foundations, charitable organizations, and various business entities.

In general, the minimum annual fee to engage in our services is \$3,000 per year, though we may waive this minimum at our discretion. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

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

Some of the methods of analysis used both by us and our research sources include fundamental and quantitative analysis, modern portfolio theory, asset correlation, and academic based financial research. All research and analysis techniques are an attempt to look for persistent historical patterns that can be used to guide current decisions. We regularly evaluate our investment strategies against current research data available to us as we work to improve our portfolios and strategies. Historical guidance is helpful but historical technical patterns are not guaranteed to repeat.

Our sources of data typically include financial news and publications, research materials prepared by others, corporate rating services, press releases and filings with the SEC, prospectuses, and annual reports to help guide our analysis. We also regularly attend investment and academic presentations and conferences.

We utilize several significant strategies in an effort to affect the net investment results of our portfolios. Our primary investment objective is to produce an acceptable level of after-tax purchasing power growth relative to our Client's unique lifetime financial goals. We use strategies that are designed to diversify investment risk, manage portfolio volatility, manage performance risk over time, manage erosion from taxes, manage erosion from expenses, and manage sustainable income distributions. Our planning process identifies the specific strategies most appropriate for each Client. Our typical strategies include:

**Asset Diversification Strategy:** We construct portfolios that spread investment risk over multiple asset classes. We utilize classes such as domestic equities, international equities, domestic fixed income, international fixed income, and several alternative asset classes as well as sub-sets of these broad asset classes.

**Asset Allocation Strategy:** Asset allocation is constructing portfolios with different asset classes that have a history of differing and partially offsetting volatility patterns. If the asset classes are combined in efficient proportions, the overall portfolio volatility may be reduced relative to the expected return.

**Asset Location Strategy:** To manage the net after tax total return over time, we can unify multiple accounts of differing tax structures and manage them under one portfolio model. By matching the individual asset tax characteristics with a complementary account type from a tax perspective, net after tax returns may be improved.

**Mutual Fund and/or ETF Analysis:** We evaluate the experience and track record of various ETF and mutual fund managers in order to determine if that manager has demonstrated a persistent ability to invest successfully over a period of time and in different economic conditions. We also evaluate the underlying investments held across a client's Account to identify if there is significant overlap.

### ***Risks for all forms of analysis***

Prevail generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Security values are not predictable and therefore Clients must be prepared to bear the risk of loss that is present with any investment strategy.

### **Other Specific Risks**

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

**ETF Risks:** The performance of Exchange Traded Funds (ETFs) is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments.

**Mutual Fund Risks:** The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds.

**Fixed Income:** These investments guarantee fixed periodic payments in the future and may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

**Debt securities:** These investments carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

**Long-term Purchases:** Refers to investments purchased with the expectation that the value of those investments 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 the Client is invested in or perhaps just a particular investment will go down over time even if the overall financial markets advance. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Business Continuity Risks:** Prevail's business operations may be vulnerable to disruption in the case of catastrophic events such as fires, electrical outages, loss of internet connectivity, computer viruses, natural disasters, epidemics or pandemics, terrorist attack, or other circumstances resulting in property damage, network interruption and/or prolonged power outages. Although we have implemented, and will continue to implement, measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for and our ability to conduct business may be limited by a disruption in the infrastructure that supports our operations, our service provider operations, and the regions in which they are located.

**Small Firm Risk:** We are reliant on research from Wall Street's leading firms to help us in our investment decisions. In addition, we do not have the financial resources larger firms might have to invest in market data systems or industry consultants to provide insight on specific companies or industries in which we may invest.

**Regulatory Developments:** Globally, the legal, tax, and regulatory environment in the financial industry is continually evolving. Changes in regulations affecting the financial industry and the issuers of financial instruments held in Client accounts may have a material adverse effect on our ability to pursue the investment strategies described above or the value of the instruments held in Client accounts. New laws and regulations or actions taken by regulators that restrict our ability to pursue our investment strategies or conduct business with broker-dealers and other counterparties could adversely affect Client accounts.

**Cybersecurity Risk:** All businesses, including firms in the financial industry, are subject to cybersecurity risk. Despite the implementation of a number of routine business security operations to protect computer networks, systems, hardware, and devices from being infiltrated by unauthorized persons, these security measures can be breached or cyberattacked. The risks associated with these security breaches or cyberattacks include the theft, loss, or corruption of information such as Client personal data, Client investment information and internal business data. Unauthorized access directed at us or any of our Client custodians or other service providers could result in financial losses to our Clients, as well as disruption to daily business operations and communication functionality. Cybersecurity breaches affecting governmental and regulatory authorities, issuers of securities, exchange and other financial market operators could also result in market and government disruptions.

**Extraordinary Events:** Global terrorist activity, armed conflicts, epidemics, pandemics, and similar extraordinary events may negatively affect general economic conditions, including sales, profits and production, and may materially affect prices and/or impair our trading facilities and infrastructure or the trading facilities and infrastructure of our counterparties or the exchanges or markets on which we trade.

## **Item 9: Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of our advisory business or the integrity of our management.

Prevail and our management personnel have no reportable disciplinary events to disclose.

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

Prevail does not have any conflicting financial industry affiliations and does not utilize nor select other advisers or third-party managers to provide asset management advice. All assets are managed by Prevail.

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

### **Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping,

Annual Review, and Sanctions. A copy of our Code of Ethics is available without charge upon request to any Client or prospective Client.

### **Material Financial Interest and Personal Trading**

From time-to-time, the interests of the principals and employees of Prevail may coincide with yours and other Clients. Individual securities may be bought, held, or sold by a principal or employee of Prevail that is also recommended to or held by you or another Client. If potential insider information is inadvertently provided or learned by a principal or employee, it is our policy to strictly prohibit its use.

It is the policy of Prevail to permit the firm, its employees and investment advisor representatives ("IARs") to buy, sell, and hold the same securities that the IARs also recommend to Clients. It is acknowledged and understood that we perform investment services for different types of Clients with varying investment goals, risk profiles, and time horizons. As such, the investment advice offered to you may differ from other Clients and investments made by our IARs. We have no obligation to recommend for purchase or sale a security that Prevail, its principals, affiliates, employees, or IARs may purchase, sell, or hold. When a decision is made to liquidate a security from all applicable accounts, priority will always be given to Client orders before those of a related or associated person to Prevail. In some cases, the trades of the Clients and advisory personnel will be combined in a single block trade, and all trades will receive the average price. We have procedures for dealing with insider trading, employee-related accounts, "front running," and other issues that may present a potential conflict when buy/sell recommendations are made. These procedures include reviewing employee security transactions and holdings to eliminate, to the extent possible, the adverse effects of potential conflicts of interest on Clients.

## **Item 12: Brokerage Practices**

### **Selecting Custodians and/or Broker-Dealers**

Prevail does not maintain custody of your assets. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer. We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services.

We consider various factors, including:

- Capability to execute, clear and settle trades.
- Capabilities to facilitate transfers and payments to and from accounts.
- Breadth of investment products made available.
- Availability of investment research and tools.
- Reputation, financial strength, and stability of the provider.
- Existing relationship with our firm and our other clients.

Prevail will typically recommend that Clients establish their account[s] with Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC. Schwab will serve as the Client's "qualified custodian." Prevail maintains an institutional relationship with Schwab, whereby the Advisor receives economic benefits from Schwab. Please see Item 14 below.

For our clients' accounts it maintains, Schwab generally does not charge Clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into Clients Schwab account. In addition to commissions, Schwab can charge a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the Client's Schwab account. These fees are in addition to the commissions or other compensation paid to the executing broker-dealer. Because of this, in order to minimize trading costs, we have Schwab

execute most trades for our Client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution”. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Prevail also maintains an institutional relationship with Trade-PMR, Inc, a registered broker-dealer, member SIPC (TradePMR) to maintain custody of certain legacy Client accounts.

#### **Additional brokerage practice details:**

**Soft Dollars:** Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. Prevail does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, Prevail receives certain economic benefits from the Custodian. Please see Item 14 below.

**Brokerage Referrals:** Prevail does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**Directed Brokerage:** All Clients are serviced on a “directed brokerage basis,” where Prevail will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s]. Prevail will not engage in any principal transactions (i.e., trade of any security from or to Prevail’s own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account[s]). Prevail will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

**Trade Error Policy:** From time-to-time, we may make an error in submitting a trade order on the Client’s behalf. When this occurs, we may place a correcting trade with the broker-dealer which has custody of the account. If an investment gain results from the correcting trade, the gain will remain in the Client’s account, unless the same error involved other Client account(s) that should have received the gain, it is not permissible for the Client to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in the Client’s account and Charles Schwab & Co. Inc. (“Schwab”) is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, Prevail will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in the Client’s account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in the Client’s account, they may be netted.

**Aggregation of Orders:** As a general practice, Prevail does not trade securities in aggregate for Clients’ accounts (commonly referred to as “block trading”). However, we may enter trades as a block when advantageous to Clients whose accounts have a need to buy or sell shares of the same security. For larger transactions of the same security, we may combine all transactions for all Clients into a single block with the objective of obtaining one average price for all participating Clients. Block trading allows us to execute equity trades in a timely, equitable manner and may reduce overall costs to Clients.

### **Item 13: Reviews of Accounts**

Accounts are reviewed at least quarterly by the primary Advisor responsible for the Client relationship. Each Client Advisor has one or more members of our Client support team that will assist with the servicing and monitoring of the Client’s account. In most cases, we review each Client’s financial plan, goals, risk tolerance, and objectives at least annually to assure proper asset allocation.

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

In addition to the periodic statements that Clients receive directly from their Custodian, Prevail also provides account value and performance statements with our billing summary on a quarterly basis. We urge our Clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings, and values are correct and current.

The primary Advisor will also review financial plans as needed, depending on the arrangements made at the inception of the advisory relationship to ensure that the advice provided is consistent with the Client's investment needs and objectives. Generally, we will contact the Client periodically to determine whether any updates may be needed based on changes in circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. We typically meet with each Client at least annually to review and update the Client's plan if needed. Additional reviews will be conducted upon Client's request. If Client is not utilizing our investment advisory services, such reviews and updates may be subject to our then current hourly rate.

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

Prevail is a fee-only advisory firm, which is compensated solely by its Clients and not from any investment product. Prevail does not receive commissions or other compensation from product sponsors, broker-dealers or any unrelated third party. We may refer Clients to various unaffiliated, non-advisory professionals (e.g., attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of our Clients. Likewise, we may receive non-compensated referrals of new Clients from various third parties.

#### **Participation in Schwab Institutional Advisor Platform**

Prevail has established an institutional relationship with Schwab through its "Schwab Advisor Services™" unit, a division of Schwab dedicated to serving independent advisory firms like Prevail. Through this relationship, Schwab provides Prevail and our Clients with access to its institutional brokerage services. These services include trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our Client's accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we do not have to request them) and without cost because we provide wealth management services to Clients that maintain assets at Schwab. In fulfilling its duties to its Clients, Prevail endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence our recommendation of this custodian over one that does not furnish similar software, systems support, or services. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our Clients.

Below is a more detailed description of Schwab's support services:

**Services that Benefit Clients:** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, Prevail may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, we may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.



**Services that May Indirectly Benefit Clients:** Schwab also makes available to us other products and services that benefit us but may not directly benefit our Clients. These products and services assist us in managing and administering our Clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our Clients' accounts, including accounts not maintained at Schwab. In addition, Prevail may receive duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back-office support services as part of its relationship with Schwab. These services are intended to assist Prevail in effectively managing accounts for its Clients but may not directly benefit all Clients.

**Services that May Only Benefit Prevail:** Schwab also offers other services intended to help Prevail manage and further develop our business enterprise. These services include: educational conferences and events, consulting services, and discounts for various service providers. Access to these services creates a financial incentive for Prevail to recommend Schwab, which results in a conflict of interest. Prevail believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

### **Item 15: Custody**

Although Prevail does not take custody or possession of the funds or securities that a Client has placed under its management, Prevail is deemed by the SEC to have custody of your assets if the Client authorizes us to instruct the Custodian to deduct our advisory fees directly from the Client's account. We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from Client accounts.

As part of this billing process, the Client's Custodian is advised of the amount of the fee to be deducted from that Client's account. On at least a quarterly basis, the Custodian is required to send to the Client a statement showing all transactions within the account during the reporting period. This will be sent to the email or postal mailing address you provided the Custodian. Because the Custodian does not calculate the amount of the fee to be deducted, it is important for Clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

### **Item 16: Investment Discretion**

Clients provide Prevail discretionary authority via a limited power of attorney, the Investment Advisory Agreement with Prevail, and in the account agreement between the Client and the Custodian. This discretionary authority allows us to determine, without obtaining specific Client consent, the securities to be bought or sold and the amount of the securities to be bought or sold in the Client's account. Clients may change/amend such authority by providing us with revised instructions in writing.

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

As service to our Clients, Prevail accepts appointment to vote proxies for securities held in your accounts, provided you authorize said appointment.

If you do appoint us to vote proxies on your behalf, we have adopted and implemented written policies and procedures pursuant to Rule 206(4)-6 of the Advisors Act that are reasonably designed to ensure that securities are voted in your best interests. These procedures include how we address material conflicts that may arise between our interests and yours. If such a material conflict is deemed to exist, we will notify you of the conflict and will generally be resolved by following your direction. In addition, if appointed, you acknowledge that we may delegate the authority to vote proxies to a third-party proxy service firm to assist us with the analysis, voting of proxy ballots, and related recordkeeping including on matters relating to class actions, bankruptcies, or reorganizations. You may obtain a copy of Prevail's

proxy voting policies and procedures and information on how we voted proxies on your behalf upon written request.

If you decline our appointment to vote proxies, you will maintain exclusive responsibility for: (1) directing the way proxies solicited by issuers of securities beneficially owned shall be voted; and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other events pertaining to securities held in your accounts. You will receive proxies and solicitations directly from your custodian.

If the investment account is for an employee benefit plan governed by ERISA, you direct us not to vote proxies for securities held in the account, because the right to vote such proxies is expressly reserved for you or your plan fiduciary, not Prevail Wealth Management.

### **Item 18: Financial Information**

Prevail is not required to provide financial information to its Clients because:

- Under no circumstances do we require or solicit prepayment of more than \$500.00 in fees per Client more than six months in advance
- We do not have any financial condition or commitment that impairs our ability to meet contractual and fiduciary commitments to Clients.
- We have never been the subject of a bankruptcy petition.