

Item 1: Cover Page

Wrap Fee Program Brochure

Appendix 1

Moreton Asset Management, LLC

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This brochure provides information about the qualifications and business practices of Moreton Asset Management, LLC, (MAM). MAM is an SEC registered investment advisory firm. (Registration does not imply a certain level of skill or training). If you have any questions about the contents of this brochure, please contact us at 801-869-4200 and/or Team@MoretonAdvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about MAM also is available at the SEC's website www.adviserinfo.sec.gov.

This Brochure has not been approved by any state or federal securities authority.

Dated Mar. 14, 2022

Item 2: Material Changes

This section of the Brochure will address only those material changes that have been incorporated since our last delivery of posting of this document (December 2019) on the SEC's public disclosure website (IAPD) www.adviserinfo.sec.gov

Item 3: Table of Contents

Contents

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents.....	3
Item 4: Services, Fees and Compensation	4
Item 5: Account Requirements and Types of Clients.....	5
Item 6: Portfolio Manager Selection and Evaluation	5
Item 7: Client Information Provided to Portfolio Managers.....	6
Item 8: Client Contact with Portfolio Managers	6
Item 9: Additional Information	6
Item 10: Requirements for State-Registered Advisers.....	9

Item 4: Services, Fees and Compensation

MAM offers financial advisory services and manages client assets on a discretionary and non-discretionary basis. Investment advice and management of discretionary client funds is based on the individual needs of the client. Funds are managed in accordance with local statutes and regulations governing the investment of public funds.

MAM has an arrangement with Principal Financial and US Bank through which Principal Financial and US Bank provide MAM with their platform services. These services include custody and safekeeping of Client assets, brokerage, trading, and administrative services. The fees and costs associated with using Principal Financial or US Bank for these services are not passed through to the customer. Clients will not pay any additional fees to those outlined in Item 5.

MAM offers individually customized fixed income asset management services to corporate, municipal, and governmental institutions in several states. Portfolio managers meet with prospective clients to determine objectives, risk tolerances, liquidity requirements, etc. Investments may include any or all of the following:

- Commercial paper and corporate demand note programs
- Money market funds
- Corporate debt securities
- Municipal bonds
- Certificates of Deposit
- United States government securities, including agencies and mortgage-backed securities
- Preferred stocks
- Mutual funds (fixed income and equity, including equity index funds)

MAM's methods and strategies for managing client assets are described in greater detail in Item 8 of Part 2A of Form ADV Brochure for Moreton Asset Management, LLC.

The wrap fee is a consolidated annual fee that encompasses all services provided directly by MAM and its portfolio managers, as well as services provided by MAM's partners and affiliates. These services include, but are not limited to: custody services, investment advice, trading platform services, and reporting services. Fees for accounts managed by MAM are negotiable based on factors such as referring source, pre-existing relationships, asset class, client type (corporate, municipal, etc), complexity of the account, custodian of account, competitive environment, market conditions, anticipated future additional assets, related accounts, account size, etc. The minimum opening account size is \$3 million.

The annualized fee for accounts managed by MAM is calculated as a percentage of assets under management, according to the following wrap fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 to \$10 Million	0.25%
\$10 to \$20 Million	0.20%
\$20 to \$40 Million	0.175%
\$40 to \$100 Million	0.15%
Over \$100 Million	Negotiated

Clients will NOT be responsible for fees other than those described above. Wire transfer fees, custody fees, reporting costs, transaction costs etc. are all covered by the fee described above.

Fees for MAM accounts are calculated and charged monthly in arrears. Fees are charged directly from the client account assets, as described in the advisory contract. Fees are based on the average daily balance of the assets under management.

MAM may also enter into an advisory relationship with a client and bill/invoice the client directly for advice rendered on an hourly basis. These fees would typically be separate from any custody fees the client is paying.

The wrap fee program may cost the client more or less than purchasing all services separately. If a client wishes to only have MAM manage a non-discretionary account (custody only), for example, the fees will be less than described above. If a client wishes to have someone other than Wells Fargo or US Bank as Custodian of the account, the fees may be higher than described above. If a client has more than one account, the balances may be aggregated for the purpose of having a higher AUM, and therefore, a lower fee. Fees may also differ due to factors such as: Client type, competition, market environment, etc.

Termination of the Advisory Relationship: A client agreement can be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any unpaid, earned fees will be due and payable. Uncharged fees will be calculated pro-rata according to the number of days open/managed.

Wrap Fee Programs Fees: MCM representatives share commissions with other broker-dealers on accounts that were referred to those other broker-dealers or registered investment advisers by Moreton Capital Markets, LLC. As licensed broker-dealer agents, Moreton also receives commissions through the sale of insurance and financial products (sold through MCM or Moreton & Company). MAM does not purchase products from nor sell products to MCM. William Moreton, receives compensation (commissions) from securities transactions. MAM is insurance licensed and shares insurance commissions. MAM will not require or solicit payment of fees in advance of services rendered.

Item 5: Account Requirements and Types of Clients

MAM's Wrap Fee program requires a minimum account opening balance of \$3 million. MAM will, from time to time, make exceptions with this rule. Generally, such an exception will be made only if the likelihood of the balance increasing is very high and/or if the client has other accounts under the management of MAM.

MAM provides advisory and asset management services to the following types of clients:

- Individuals (high net worth individuals, accredited investors, business owners)
- Trusts,
- Estates or charitable institutions,
- Corporations and business entities,
- State and municipal government entities,
- Credit unions, community banks, and insurance companies,
- Universities, hospitals, and other non-profits
- Other entity types as deemed appropriate by MAM

Typically, a \$3 million minimum is required to open an account.

Item 6: Portfolio Manager Selection and Evaluation

MAM does not use third-party portfolio managers. The Investment Advisory Representatives of Moreton Asset Management, LLC; Jason Williams, Andy Robbins, Jordan Hansen, and Benjamin Sehy are the portfolio managers that manage all portfolios for MAM. Because MAM receives a portion of the Wrap fee as compensation for its part in the Wrap Fee program, a conflict of interest exists.

MAM does not employ any type of third-party review of portfolio managers. IA representatives of MAM manage client accounts. Any and all reviews are done internally, generally on an annual basis. Additionally, performance information by a particular portfolio manager may not be calculated on a uniform and consistent basis.

More information regarding our portfolio managers and other supervised persons covered under our investment adviser registration, as described in the Wrap Fee Brochure, are described in Items 4 (Advisory Business), 8 (Methods of Analysis, Investment Strategies and Risk of Loss), and 17 (Voting Client Securities) of Part 2A of Form ADV Brochure for Moreton Asset Management, LLC

Item 7: Client Information Provided to Portfolio Managers

MAM caters to a unique clientele who not only appreciates their privacy but also demands it. For our clients, we make the following privacy statements: The MAM Privacy policy applies to consumers who are current or former clients or who register for our services. MAM does not sell clients' personal information. We do not disclose personal information to third parties unless one of the following exceptions applies:

- We disclose personal information to companies that help us process or service your transactions or account(s), including companies that produce your account statements.
- We have contracts with these companies that prohibit them from using your personal information for their own purposes.
- We disclose or report personal information in limited circumstances where we believe in good faith that disclosure is required or permitted under law. For example, to cooperate with regulators or law enforcement authorities, or to resolve consumer disputes, or for institutional risk control.

MAM collects personal information in the normal course of business to administer accounts and better serve our clients. Such information includes:

- Application and registration information; when an account is opened, we are required to collect information that includes: name, address, phone number, email address, social security number, information about your interest, investments, and investment experience, etc.
- AML documentation; in compliance with the Anti-Money Laundering Act, we are also required to collect identifying information on new accounts to verify client identity. We will ask for a copy of any authorized signers' drivers licenses or other identifying documents.

Because of the unique nature of MAM's accounts (customized fixed-income portfolios), MAM portfolio managers meet with clients to discover client's unique circumstances and requirements. Such information includes, but is not limited to: risk tolerances, spending schedules, liquidity requirements, tax requirements, etc. This information will be collected before or at the time an account is opened. The information collected from the client will be used to create an Investment Policy Statement (IPS). Clients may already have an existing investment policy statement. Portfolio managers will use all this collected information, including the IPS from clients to manage client assets as effectively and efficiently as possible. From time to time, but no less frequently than annually, portfolio managers will review client's circumstances and IPS to determine if anything needs to be updated (spending schedule, tax situation etc.).

Item 8: Client Contact with Portfolio Managers

Clients can contact MAM portfolio managers at any time via phone or email. We do not place any restrictions on your ability to contact or consult with MAM. We can be contacted at 40 N 100 E (PO Box 280), Farmington, UT 84025, or via email at Team@MoretonAdvisors.com, or at (801) 869-4200.

Item 9: Additional Information

Disciplinary Information: There are no legal or disciplinary events to report on behalf of MAM or its associated persons.

Other Financial Industry Activities and Affiliations: William R. Moreton is an owner of Moreton Capital Markets, LLC, a related broker dealer under common ownership and control, as well as the President of Moreton & Co. an insurance broker, Town & Country Holding Co., a life insurance holding company and Hampton Soules, an insurance company. These activities combined are estimated to utilize approximately ninety (90%) percent of Mr. Moreton's time.

William Moreton is a licensed broker/dealer agent with Moreton Capital Markets, LLC

Moreton Capital Markets, LLC, (MCM) is a related broker/dealer and member of the Financial Industry Regulatory Authority (FINRA) and SIPC, as well as various state jurisdictions. MCM is a broker/dealer that earns trading commissions

and shares commissions with other broker/dealers on accounts referred to them by MCM or its affiliates.*

MCM does not refer clients to MAM, but MCM has commission sharing agreements with broker/dealers that can also be a Registered Investment Adviser (RIA) with whom MAM has referral agreements. In the event securities accounts are opened or securities transactions are placed by a client's Investment Advisor Representative and MCM has a commission sharing agreement with that broker/dealer, MCM would receive a portion of the commission received by the broker/dealer. This commission sharing arrangement would not increase the amount of commission normally charged by the broker/dealer. This commission sharing arrangement would present a conflict of interest.

MAM does not sell securities to, nor buy securities from MCM.

In some instances, MCM and MAM have the same clients depending upon the type of services the client requires. In these instances, the client would have separate accounts (one with MAM and one with MCM). MAM receives advisory and/or referral fees for advisory services in an account and MCM receives security commissions for securities, mutual funds and variable contracts in a different account. This also presents a conflict of interest.

Moreton & Company is an insurance broker, through which commercial insurance products and employee benefit plans are offered.

Town & Country Life Insurance Co. is a related insurance carrier whose primary products are deferred annuities and group dental insurance, in business since 1955. William R. Moreton is the chairman and President of Town & Country Life. Town & Country is owned 100% by Town & Country Holding Co. This activity utilizes (2%) of Mr. Moreton's time.

Where appropriate, MAM affiliates refer clients among each other. The services provided by the affiliates are distinct from and complementary to our advisory services. MAM has a referral program for their affiliates whereby MAM will pay up to 50% of its annual fee revenue for the life of the account to an affiliate for the referral of a client. The affiliates may choose to pass a portion of this referral fee to the referring officer.

Conflicts of Interest: Because of MAM's associations and revenue sharing agreements, and because the managers and/or employees therein share compensation, and may be employees of affiliate entities, clients should be aware that this creates a conflict of interest. Objectivity may be impaired by these individuals when making recommendations. MAM will always endeavor to put the client's interests first, and to adhere to its fiduciary duty as an RIA. In order to achieve this objective, MAM requires the following:

- Employees must obtain prior approval of any outside business activity so that any conflicts of interests can be addressed.
- MAM maintains and documents investment policy statements from clients for every account we manage. All investment policy statements describe client's financial goals, objectives, and risk tolerances.
- Regular reviews of all client accounts are performed to verify that the investment policy statement is up to date, discuss upcoming liquidity requirements, etc. to ensure that the account is being managed according to the client's desires

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading:

MAM has adopted a Code of Ethics (Code) that all MAM associated personnel must adhere to. The Code sets forth responsibilities that each of the firms associates must comply with. Included in the Code is:

- to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times
- to adhere to MAM Insider Trading and Personal Securities Transaction Policies and ethical standards
- to comply with all federal and state securities laws at all times
- understand the fiduciary duty to the client
- to adhere to the provisions relating to the confidentiality of client information

All Associated persons of MAM must acknowledge the terms of the Code of Ethics annually, or as amended. A copy of the Code will be made available to all clients upon request.

To prevent conflicts of interest, all employees of MAM must comply with the firm's Policies and Procedures (Compliance Manual).

The Code requires monthly reports on all personal securities transactions of all company associates, except transactions in investment company securities and/or other exempt transactions. Further, such Code impose certain policies and procedures concerning the misuse of material non-public information that is designed to prevent insider trading by any officer, partner, or associated person of MAM.

Review of Accounts: Reviews can be triggered by material changes in variables such as your individual circumstances or the market economic or political environment.

Accounts are reviewed at least annually, but are monitored continually for suitability. The annual reviews compare your portfolio holdings and the portfolio as a whole to your investment policy statement and to your stated liquidity requirements and other circumstances. Accounts will also be monitored, and reviewed in the context of the market and economy.

Monthly statements will be provided to clients via an online system with a login ID and password. Please refer to Item 15 of Part 2A of Form ADV Brochure for MAM for more information.

Client Referrals and Other Compensation: MAM pays referral fees to and receives referral fees from its affiliated companies and/or other third-party companies for referring clients. This creates a conflict of interest

MAM uses several different broker-dealers for securities transactions. Some of these broker-dealers provide soft-dollar benefits to MAM in the form of research. No client brokerage commissions (markups or markdowns) are generated by MAM as a result of trades directed to such broker-dealers. The research benefits MAM receives from broker-dealers is a benefit MAM derives simply by being a customer of such broker-dealers. There are no quotas or targets MAM is required to meet in order to qualify to receive any research or other soft dollar benefits. The pricing of transactions is not affected as a result of this arrangement. MAM is not securities licensed and does not share in compensation (commissions) generated from security related transactions.

Because of potential conflicts of interest, all referral fees are paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any applicable state securities law requirements. Additionally, all referral fees will be paid entirely from the investment management fee we collect from you. No additional charges will be made to you.

All referred clients will be informed of the services we provide and the fee we charge to determine if a MAM account is suitable to their objectives and needs.

Financial Information: As described in Item 5 of Part 2A of Form ADV: Brochure for Moreton Asset Management, LLC, MAM will not require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. We are therefore, not required to include a financial statement.

MAM has never been the subject of a bankruptcy petition.

Voting Client Securities

Our Referral Services: To find out what the "Voting Client Securities" policy is with your RIA refer to their ADV Part 2A Brochure.

You should receive proxies or solicitations directly from the custodian of your securities, such as your broker/dealer, or from the transfer agent for the securities you hold. The documents should include information about whom you can contact with any questions about a particular solicitation.

Our Asset Management Services

As a rule, MAM votes proxies for all client accounts. Voting is done in the best interest of MAM's asset management clients as well as in accordance with MAM policies and procedures. Clients that prefer to vote their own proxies, may do so with a written request to MAM.

MAM will always vote proxies in the best interest of its clients. We will retain all proxy voting books and records. This includes a record of all votes cast, proxy statements received, any material that was used in the making of the decision of how to vote proxies, and copies of client written requests advising us on how to vote proxies. If a conflict of interest in voting an action arises, MAM will contact the client and notify them of the conflict. In such instances, the services of an independent third party will be enlisted to vote.

Clients can contact our office via telephone, email, fax, or a written letter, to obtain a copy of our proxy voting policies and procedures.

Item 10: Requirements for State-Registered Advisers

MAM does not meet any of the reportable criteria for this section that has not already been addressed in previous items in this brochure.

Moreton Asset Management, LLC owners are as follows: 30.875% owned by Jason Williams, 29.875% owned by Andrew Robbins, 25% owned by William R. Moreton, and 14.25% owned by Jordan Hansen.