

**Priebe Wealth Holdings, LLC**  
**D/B/A PRIEBE WEALTH**

**WRAP PROGRAM**

Sponsored by

**PRIEBE WEALTH**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Priebe Wealth (hereinafter "Priebe Wealth" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

The material changes in this brochure from the last annual updating amendment to this Wrap Fee Program Brochure on 02/11/2021 are described below. Material changes relate to Priebe Wealth's policies, practices or conflicts of interests only.

Priebe Wealth has updated that supervised persons of the firm are no longer IARs of LPL (Item 9). Priebe Wealth no longer accepts proxy voting (Item 6).

## Item 3. Table of Contents

Item 2. Material Changes.....	2
Item 3. Table of Contents .....	3
Item 4. Advisory Business.....	4
Item 5. Account Requirements and Types of Clients .....	14
Item 6. Portfolio Manager Selection and Evaluation.....	14
Item 7. Client Information Provided to Portfolio Managers.....	18
Item 8. Client Contact with Portfolio Managers.....	18
Item 9. Additional Information.....	19

## Item 4. Advisory Business

The Priebe Wealth Wrap Program (the "Program") is an investment advisory program sponsored by Priebe Wealth. In addition to the Program, the Firm offers a variety of advisory services, which include financial planning, consulting, and investment management services under different arrangements than those described herein. Prior to Priebe Wealth rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Priebe Wealth setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement").

Priebe Wealth filed for registration as an investment adviser in September 2020 and is owned by Jason Priebe and Christina Madson. As of the date of this filing, Priebe Wealth has \$216,602,190 in assets under management on a discretionary basis.

While this brochure generally describes the business of Priebe Wealth, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Priebe Wealth's behalf and is subject to the Firm's supervision or control.

Priebe Wealth provides advisory services through certain programs sponsored by LPL Financial LLC ("LPL"), a registered investment advisor and broker-dealer. Priebe Wealth provides its wrapped services pursuant to this brochure through the Strategic Wealth management II Program ("SWM II") which allows Priebe Wealth to direct and manage specified client assets at LPL. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the program account packet (which includes the account agreement and LPL Form ADV program brochure) and the Form ADV, Part 2A of LPL or the applicable program.

### Description of the Program

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The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Clients must also open a new securities brokerage account and complete a new account agreement with LPL Financial ("LPL"), or another broker-dealer that Priebe Wealth approves under the Program (collectively "Financial Institutions").

Priebe Wealth assists its clients in developing an appropriate strategy for managing their assets. Clients' investment portfolios are generally managed on a discretionary basis by either Priebe Wealth's investment adviser representatives or an independent investment manager (collectively "Independent Managers"), as selected by Priebe Wealth. Priebe Wealth and/or the Independent Managers generally allocates clients' assets among the various investment products available under the Program, as described further in Item 6 (below).

## *Financial Planning and Consulting Services*

Priebe Wealth offers clients a broad range of financial planning and consulting services, which include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Education Planning
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While each of these services is available on a stand-alone basis, certain of them can also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, Priebe Wealth is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Priebe Wealth recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Priebe Wealth or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Priebe Wealth under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Priebe Wealth's recommendations and/or services.

## *Wealth Management Services*

Priebe Wealth provides clients with wealth management services which include a broad range of financial planning and consulting services as well as discretionary management of investment portfolios.

Priebe Wealth primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs") and independent investment managers ("Independent Managers") in accordance with their stated investment objectives.

Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon. Clients can engage Priebe Wealth to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Priebe Wealth directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Priebe Wealth tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Priebe Wealth consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Priebe Wealth if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Priebe Wealth determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

## *Retirement Plan Consulting Services*

Priebe Wealth provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and includes any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation

- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by Priebe Wealth as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of Priebe Wealth's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

### *Use of Independent Managers*

As mentioned above, Priebe Wealth selects certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager are set forth in a separate written agreement with the designated Independent Manager. That agreement can be between the Firm and the Independent Manager (often called a subadvisor) or the client and the Independent Manager (sometimes called a separate account manager). In addition to this brochure, clients will typically also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

Priebe Wealth evaluates a variety of information about Independent Managers, which includes the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. Priebe Wealth also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Priebe Wealth continues to provide services relative to the discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Priebe Wealth seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

In certain circumstances, Priebe Wealth receives compensation pursuant to its agreements with the Independent Managers for introducing clients to the Independent Managers and for certain ongoing services provided to clients. This compensation is disclosed to the client in a separate disclosure document and is typically equal to a percentage of the investment advisory fee charged by that Independent Manager or a fixed fee.

Since compensation Priebe Wealth receives may differ depending on the agreement with each Independent Manager, Priebe Wealth has an incentive to recommend an Independent Manager with a more favorable compensation arrangements. Since the Independent Manager may pay the fee for the investment advisory services of Priebe Wealth, the fee paid to Priebe Wealth is not negotiable, under most circumstances.

Fees paid by clients to the Independent Managers are established and payable in accordance with the disclosure documents of each Independent Manager, and may or may not be negotiable, as disclosed in the disclosure documents of the Independent Manager.

Certain Independent Manager(s) may impose more restrictive account requirements and varying billing practices than Priebe Wealth. In such instances, Priebe Wealth may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Manager(s) or wrap fee program sponsor.

## **Fees for Participation in the Program**

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The Program is offered on a fee basis, which includes fixed fees, as well as fees based upon assets under management (sometimes referred to as the "Program Fee"). Additionally, certain of the Firm's Supervised Persons, in their individual capacities, offers securities brokerage services and/or insurance products under a separate commission-based arrangement.

### *Financial Planning and Consulting Fee*

Priebe Wealth charges a fixed fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, but range from \$1,000 to \$50,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, Priebe Wealth can offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement. Ongoing services are charged as described in the investment management section, below.

### *Wealth Management Fees*

Priebe Wealth offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies between 50 and 165 basis points (0.50% - 1.65%), depending upon the size and composition of a client's portfolio, the type and amount of services rendered and the individual(s) providing the services.

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Priebe Wealth on the last day of the previous quarter as determined by an independent third-party which includes the client's custodian.



If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted at the end of that quarter to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Priebe Wealth can negotiate a fee rate that differs from the range set forth above. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Priebe Wealth for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm's management. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.

### *Retirement Plan Consulting Fees*

Priebe Wealth charges as fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fees vary, based on the scope of the services to be rendered and the amount of assets to be advised on, and ranges between 15 and 75 basis points (0.15% - 0.75%).

### **Fee Comparison**

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As referenced above, a portion of the fees paid to Priebe Wealth are used to cover certain securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs. Because the Firm pays for the brokerage fees, the Firm has an incentive to engage in less transactions, or transactions that cost less to the Firm, including the use of mutual funds that do not have transaction charges, but have higher expenses to the client. The Firm reviews the frequency and type of investments made in client accounts to act in the client's best interest.

## Fee Discretion

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Priebe Wealth may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, pro bono activities, or competitive purposes. The LPL programs, including SWM II are subject to maximum fees, depending on which program is used.

## Other Charges

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In addition to the advisory fees paid to Priebe Wealth, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions. These additional charges may include fees charged by the Independent Managers, reporting charges, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund Program Fees and other fund expenses), fees and commission for assets not held with LPL (such as 401(k) or 529 plan assets), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees. In addition, LPL charges certain account and service fees that are not included in Priebe Wealth's Program Fees. Those can include (1) account maintenance fees such as custody, trade confirmation processing, corporate actions, and transfer fees; (2) cash management fees such as cash sweep, checking, and wire fees; and (3) investment specific fees such as those for administration of alternative investments or for foreign securities. Clients can see the Fee Schedules in the LPL account documents for more information. These fees are not charged by Priebe Wealth nor does Priebe Wealth share in any of these fees.

A conflict of interest exists where the Firm avoids expenses by trading through a different Financial Institution or purchases securities that cost the client more, but don't result in an expense to the Firm.

Although clients do not pay a transaction charge for transactions in a SWM II account, clients should be aware that Priebe Wealth pays LPL transaction charges for those transactions. The transaction charges paid by Priebe Wealth vary based on the type of transaction (e.g., mutual fund, equity or ETF) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to LPL. Because Priebe Wealth pays the transaction charges in SWM II accounts, there is a conflict of interest in cases where the mutual fund is offered at both \$0 and \$26.50. Clients should understand that this results in an incentive for the Firm to choose a cheaper option or trade less frequently in an SWM II account.

In many instances, LPL makes available mutual funds in an SWM II account that offer various classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, which can be titled, for example, as "Class I," "institutional," "investor," "retail," "service," "administrative" or "platform" share classes ("Platform Shares"). The Platform Share class offered for a particular mutual fund

in SWM II in many cases will not be the least expensive share class that the mutual fund makes available, and was selected by LPL in certain cases because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund. Client should understand that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through SWM II. In other instances, a mutual fund may offer only Class A Shares, but another similar mutual fund may be available that offers Platform Shares. Class A Shares typically pay LPL a 12b-1 fee for providing shareholder services, distribution, and marketing expenses ("brokerage-related services") to the mutual funds. Platform Shares generally are not subject to 12b-1 fees. As a result of the different expenses of the mutual fund share classes, it is generally more expensive for a client to own Class A Shares than Platform Shares. An investor in Platform Shares will pay lower fees over time, and keep more of his or her investment returns than an investor who holds Class A Shares of the same fund.

Priebe Wealth has a financial incentive to recommend Class A Shares in cases where both Class A and Platform Shares are available. This is a conflict of interest which might incline Priebe Wealth, consciously or unconsciously, to render advice that is not disinterested. Although the client will not be charged a transaction charge for transactions, Priebe Wealth pays LPL a per transaction charge for mutual fund purchases and sales in the account. Priebe Wealth generally does not pay transaction charges for Class A Share mutual fund transactions accounts, but generally does pay transaction charges for Platform Share mutual fund transactions. The cost to Priebe Wealth of transaction charges generally may be a factor Advisor considers when deciding which securities to select and whether or not to place transactions in the account.

The lack of transaction charges to Priebe Wealth for Class A Share purchases and sales, together with the fact that Platform Shares generally are less expensive for a client to own, presents a significant conflict of interest between Priebe Wealth and the client. In short, it costs Priebe Wealth less to recommend and select Class A share mutual funds than Platform shares, but Platform shares will generally outperform Class A mutual fund shares on the basis of internal cost structure alone. Clients should understand this conflict and consider the additional indirect expenses borne as a result of the mutual fund fees.

## **Additional LPL Disclosures**

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LPL serves as program sponsor, investment advisor and broker-dealer for most of the LPL advisory programs. Priebe Wealth receives compensation as a result of a client's participation in an LPL program. Depending on, among other things, the type and size of the account, type of securities held in the account, changes in its value over time, the ability to negotiate fees or commissions, the historical or expected size or number of transactions, and the number and range of supplementary advisory and client-related services provided to the client, the amount of this compensation may be more or less than what Priebe Wealth would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services.

The account fee may be higher than the fees charged by other investment advisors for similar services. Clients should consider the level and complexity of the advisory services to be provided when negotiating the account fee (or the advisor fee portion of the account fee, as applicable) with Priebe Wealth. With regard to accounts utilizing third-party portfolio managers under aggregate, all-in-one account fee structures, because the portion of the account fee retained by Priebe Wealth varies depending on the portfolio strategist fee associated with a portfolio, Priebe Wealth has a financial incentive to select one portfolio instead of another portfolio.

Please refer to the relevant LPL Form ADV program brochure for a more detailed discussion of conflicts of interest.

## **Direct Fee Debit**

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Clients provide Priebe Wealth and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Priebe Wealth.

## **Account Additions and Withdrawals**

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Clients can make additions to and withdrawals from their account at any time, subject to Priebe Wealth's right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients can withdraw account assets on notice to Priebe Wealth, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Priebe Wealth may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

## **Commissions and Sales Charges for Recommendations of Securities**

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Clients can engage certain persons associated with Priebe Wealth (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Priebe Wealth.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of LPL, can provide securities brokerage services and implement securities transactions

under a separate commission based arrangement. Supervised Persons are entitled to a portion of the brokerage commissions paid to LPL, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Priebe Wealth can also recommend no-load or load-waived funds, where no sales charges are assessed, but where the Supervised Person receives other forms of compensation. Prior to effecting any transactions, clients are required to enter into a separate account agreement with LPL.

A conflict of interest exists to the extent that a Supervised Person of Priebe Wealth recommends the purchase or sale of securities through a brokerage relationship where that Supervised Person receives commissions or other additional compensation as a result of that recommendation (the "Brokerage Relationship"). Because the Supervised Persons receive compensation in connection with the sale of securities in the Brokerage Relationship, a conflict of interest exists as such Supervised Persons have an incentive to recommend more expensive securities or services to clients where such Supervised Persons earn more compensation with respect to the sale of such securities through the Brokerage Relationship rather than through an advisory relationship with the Firm. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons to engage in the Brokerage Relationship are in the best interest of that client. Clients should understand that the investments made in the Brokerage Relationship are not receiving advisory services from the Firm. Therefore, the Firm does not have a fiduciary duty over the Brokerage Relationship recommendations. . An additional conflict exists because LPL is affiliated with the custodian that the Firm recommends for advisory clients, as described below.

In addition, LPL is responsible for supervising certain activities of Priebe Wealth to the extent Priebe Wealth manages assets at a broker/dealer and custodian other than LPL. LPL charges a fee to Priebe Wealth for this oversight. This presents a conflict of interest in that Priebe Wealth has a financial incentive to recommend that clients maintain their accounts with LPL rather than another custodian in order to avoid the oversight fee.

LPL may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Priebe Wealth's clients, even if client does not establish any account through LPL.

## **Compensation for Recommending the Program**

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Priebe Wealth has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation. A person recommending the Program will not earn more compensation than he or she would otherwise receive if a client elected another investment management program.

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

Priebe Wealth offers services to individuals, trusts, estates, charitable organizations, and pension and profit sharing plans.

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

Clients' investment portfolios are managed either directly by Priebe Wealth or through the use of certain Independent Managers, as referenced above.

### **Side-By-Side Management**

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Priebe Wealth does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

### **Methods of Analysis and Investment Strategies**

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Priebe Wealth uses four different investment objectives when building models: Income With Moderate Growth (40-60% equity exposure), Growth with Income (55-80% equity exposure), Growth (70-90% equity exposure), & Aggressive Growth (80-100% equity exposure). The Firm mainly uses ETFs and Mutual Funds when building out a diversified portfolio to meet the specific objective for each model. Priebe Wealth reviews models at least quarterly to ensure model integrity, holding performance, and strategic positioning. The Firm may also take a tactical approach to model positioning and may choose to rebalance, or make model changes independent of a quarterly review based on market conditions. Priebe Wealth relies on Morningstar, LPL, and various investment firms and other third parties for insights on strategic and tactical positioning, but also for individual holding selection analysis.

### **Risk of Loss**

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The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Priebe Wealth's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price

movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that Priebe Wealth will be able to predict these price movements accurately or capitalize on any such assumptions.

## *Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

## *Cash Management Risks*

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

## *Equity-Related Securities and Instruments*

Independent Managers can take long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, midcapitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

## *Fixed Income Securities*

Independent Managers can invest client assets in fixed income securities. Clients who invest in this product can lose money, including losing a portion of their original investment. The prices of the securities in our portfolios fluctuate. Below is a representative list of the types of risks clients should consider before investing in this product.

- Interest rate risk. Prices of bonds tend to move in the opposite direction to interest rate changes. Typically, a rise in interest rates will negatively affect bond prices. The longer the duration and average maturity of a portfolio, the greater the likely reaction to interest rate moves.

- Credit (or default) risk. A bond's price will generally fall if the issuer fails to make a scheduled interest or principal payment, if the credit rating of the security is downgraded, or if the perceived creditworthiness of the issuer deteriorates.
- Liquidity risk. Sectors of the bond market can experience a sudden downturn in trading activity. When there is little or no trading activity in a security, it can be difficult to sell the security at or near its perceived value. In such a market, bond prices may fall.
- Call risk. Some bonds give the issuer the option to call or redeem the bond before the maturity date. If an issuer calls a bond when interest rates are declining, the proceeds may have to be reinvested at a lower yield. During periods of market illiquidity or rising rates, prices of callable securities may be subject to increased volatility.
- Prepayment risk. When interest rates fall, the principal of mortgage-backed securities may be prepaid. These prepayments can reduce the portfolio's yield because proceeds may have to be reinvested at a lower yield.
- Extension risk. When interest rates rise or there is a lack of refinancing opportunities, prepayments of mortgage-backed securities or callable bonds may be less than expected. This would lengthen the portfolio's duration and average maturity and increase its sensitivity to rising rates and its potential for price declines.

## *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (*e.g.*, sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for index-based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata



NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Use of Independent Managers*

As stated above, Priebe Wealth selects certain Independent Managers to manage a portion of its clients' assets. In these situations, Priebe Wealth continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Priebe Wealth does not have the ability to supervise the Independent Managers on a day-to-day basis.

#### **Voting of Client Securities**

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

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

In this Item, Priebe Wealth is required to describe the type and frequency of the information it communicates to the Independent Managers, if any, managing its clients' investment portfolios. Clients participating in the Program generally grant Priebe Wealth the authority to discuss certain non-public information with the Independent Managers engaged to manage their accounts. Depending upon the specific arrangement, the Firm may be authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, tax identification numbers and account numbers. Priebe Wealth may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the Independent Managers' investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

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

In this Item, Priebe Wealth is required to describe any restrictions on clients' ability to contact and consult with the portfolio managers managing their investment portfolios. There are no restrictions on clients' ability to correspond with Priebe Wealth. Clients can generally contact the Independent Managers managing their portfolios through Priebe Wealth by providing the Firm with written request and identification of the

questions or issues to be discussed with the Independent Managers. After receiving the client's written request, Priebe Wealth, at its sole discretion, may contact the Independent Managers for the client or arrange for the Independent Managers and the client to communicate directly.

## **Item 9. Additional Information**

### **Disciplinary Information**

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Priebe Wealth has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

### **Other Financial Industry Activities and Affiliations**

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This item requires investment advisers to disclose certain financial industry activities and affiliations. The Firm does not have any other financial industry activities or affiliations that need to be disclosed.

#### *Registered Representatives of a Broker-Dealer*

Certain of the Firm's Supervised Persons are registered representatives of LPL and provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length above.

#### *Licensed Insurance Agents*

A number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Priebe Wealth recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

#### *Related Company Providing Accounting Services*

Priebe Wealth does not render accounting services to clients. In the event a client requires accounting services, the firm will sometimes recommend the services of Priebe Tax & Accounting. Priebe Wealth is the owner of Priebe Tax & Accounting. These services are rendered independent of Priebe Wealth and pursuant to a separate agreement between the client and Priebe Tax & Accounting. The Firm does not directly receive any portion of the fees paid by the client to Priebe Tax & Accounting and does not receive a referral fee in connection with the accounting services that Priebe Tax & Accounting renders to its clients. However, there exists a conflict of interest to the extent that the Firm recommends the accounting services of Priebe Tax & Accounting by virtue of Priebe Wealth's ownership of Priebe Tax & Accounting.

## **Code of Ethics**

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Priebe Wealth has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Priebe Wealth's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Priebe Wealth's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; and (iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact Priebe Wealth to request a copy of its Code of Ethics by contacting the Firm at the phone number on the cover page of this brochure.

## **Account Reviews**

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Priebe Wealth monitors client portfolios on a continuous and ongoing basis and regular account reviews are conducted on at least an annual basis. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Priebe Wealth and to keep the Firm informed of any changes thereto.

## **Account Statements and General Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Priebe Wealth and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Priebe Wealth or an outside service provider.

## **Client Referrals**

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The Firm does not currently provide compensation to any third-party solicitors for client referrals.

## **Receipt of Economic Benefit and Brokerage Practices**

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Priebe Wealth recommends that clients utilize the custody, brokerage and clearing services of LPL for investment management accounts. The final decision to custody assets with LPL is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Priebe Wealth is independently owned and operated and not affiliated with LPL. LPL provides Priebe Wealth with access to its institutional trading and custody services, which are typically not available to retail investors.

LPL is generally compensated by clients through commissions, trails, or other transaction-based fees for trades that are executed through LPL or that settle into LPL accounts. For IRA accounts, LPL generally charges account maintenance fees. In addition, LPL also charges clients miscellaneous fees and charges, such as account transfer fees. LPL charges Priebe Wealth an asset-based administration fee for



administrative services provided by LPL. Such administration fees are not directly borne by clients, but may be taken into account when Priebe Wealth negotiates its advisory fee with clients.]

Factors which Priebe Wealth considers in recommending LPL or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Priebe Wealth's recommendation of LPL complies with the Firm's duty to obtain "best execution." In seeking best execution in recommending LPL, 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 LPL's services, including among others, the value of research provided, execution capability, commission rates and responsiveness.

The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Priebe Wealth does not have to produce or pay for the products or services. Priebe Wealth periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Priebe Wealth receives support services and/or products from LPL, many of which assist the Firm to better monitor and service program accounts maintained at LPL; however, some of the services and products benefit Priebe Wealth and not client accounts. These support services and/or products may be received without cost, at a discount, and/or at a negotiated rate, and may include the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products and services used by [Advisor] in furtherance of its investment advisory business operations

LPL may provide these services and products directly, or may arrange for third party vendors to provide the services or products to Priebe Wealth. In the case of third party vendors, LPL may pay for some or all of the third party's fees.

These support services are provided to Priebe Wealth based on the overall relationship between Priebe Wealth and LPL. It is not the result of soft dollar arrangements or any other express arrangements with LPL that involves the execution of client transactions as a condition to the receipt of services. Priebe Wealth will continue to receive the services regardless of the volume of client transactions executed with LPL. Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by the Priebe Wealth to LPL or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement. However, because Priebe Wealth receives these benefits from LPL, there is a conflict of interest. The receipt of these products and services presents a financial incentive for Priebe Wealth to recommend that its clients use LPL's custodial platform rather than another custodian's platform.

LPL also makes available to Priebe Wealth other services intended to help the Firm manage and further develop its business. Some of these services assist Priebe Wealth to better monitor and service program accounts maintained at LPL, however, many of these services benefit only Priebe Wealth, for example, services that assist the Firm in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by Priebe Wealth in furtherance of the operation and development of its investment advisory business.

The products and services described above are provided to Priebe Wealth as part of its overall relationship with LPL. While as a fiduciary Priebe Wealth endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because the Firm's recommendation that clients custody their assets at LPL is based in part on the benefits received and not solely on the nature, cost or quality of custody or brokerage services provided by LPL. Priebe Wealth's receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL Financial platform.

## Trade Aggregation

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Transactions for each client will be effected independently, unless Priebe Wealth decides to purchase or sell the same securities for several clients at approximately the same time. Priebe Wealth may (but is not obligated to) combine or "batch" such orders to obtain best execution or to allocate equitably among the Firm's clients differences in prices that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Priebe Wealth's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Priebe Wealth's Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Priebe Wealth does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## Financial Information

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Priebe Wealth is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.