

**Registered As: RWM Capital, LLC | Doing Business As: Roberts Wealth Management**



**ROBERTS**  
WEALTH MANAGEMENT

## Form ADV Part 2A – Firm Disclosure Brochure

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**March 30, 2022**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Roberts Wealth Management (“the Firm”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (281) 277-0645 or by email at [retire@robertswealth.com](mailto:retire@robertswealth.com). The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about the Firm to assist you in determining whether to retain the Firm. Additional information about Roberts Wealth Management is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching our CRD number 310635.

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## Item 2 – Material Changes

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This section of the Brochure will address only “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

- The most recent previous version is dated January 15, 2021.
- There are no material changes to the business model, fee structure or required disclosures.
- This version represents a format change primarily for aesthetic purposes.

Annually, a complete Disclosure Brochure will be offered to Clients along with a summary of material changes, if any, within 120 days from the Firm’s fiscal year-end. At any time, the current Disclosure Brochure is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching the Firm name or CRD number 310635. A copy of this Disclosure Brochure may also be requested at any time, by contacting (281) 277-0645 or by email at [retire@robertswealth.com](mailto:retire@robertswealth.com).

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## **Item 4 – Advisory Business**

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### **Firm Information**

Founded in Biloxi, Mississippi in 1998, Paul E. Roberts Jr. started Roberts Wealth Management to create a company that sought to care for the Client's needs above all else. His daughter, April Roberts, joined the team in 2008. Roberts Wealth Management became an independent SEC registered investment adviser in 2020.

### **Principal Owners**

#### **Paul E. Roberts, Jr., CPA - Founder and Co-Owner**

Paul has over 40 years of experience, knowledge, and dedication in the financial services industry. Paul graduated from Mississippi State university with a BS in Accounting. In addition to providing advisory service, Paul is a licensed insurance agent.

#### **April R. Roberts, JD - CEO, CCO, Chief Retirement Income Planner and Co-Owner**

April joined the Firm in 2008 and now serves as the Chief Executive Officer, Chief Compliance Officer and Chief Retirement Income Planner. April earned her undergraduate degree in Communication from Vanderbilt University and her law degree from the University of Notre Dame Law School. In addition to providing advisory service, April is a licensed insurance agent.

### **Advisory Services Offered**

Roberts Wealth Management provides financial planning and fee-based discretionary investment advisory services primarily to individual Clients and high-net worth individuals preparing for or in retirement. Discretionary account management grants the Firm ongoing and continuous authority to execute the day-to-day account management and trading without the Client's prior approval of each specific transaction.

### **Asset Management**

Asset Management services are generally providing by selecting an investment platform managed by a Third-Party Asset Management Programs ("TAMP") also known as a Turn-Key Asset Management Program.

- Roberts Wealth Management will not accept or maintain custody of a Client's funds or securities.
- Investment advice is not limited to certain investment types.
- A minimum investment amount to open and maintain an account is \$250,000.
- Advisory services are tailored to the individual need of each Client.
- Clients may place reasonable restrictions on investing in certain types of securities.

Client assets are primarily allocated amongst individual stocks, bonds, exchange traded funds ("ETFs"), options, mutual funds and other public and private securities or investments. Portfolios will be designed to meet a particular investment goal, determined to be suitable to the Client's circumstances such as time horizon, risk tolerance and liquidity needs. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the Client's individual needs, stated goals and

objective. Where appropriate, the Firm provides advice about any type of legacy position held in a Client's portfolio. Clients will engage us to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance, annuity contracts, and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

### **Retirement Plan Rollovers**

An employee generally has four (4) options for their retirement plan when they leave an employer:

1. Leave the money in his/her former employer's plan, if permitted
2. Rollover the assets to his/her new employer's plan if one is available and permitted
3. Rollover to an Individual Retirement Account (IRA), or
4. Cash out the account value, which has significant tax considerations

Roberts Wealth Management provides educational services pertaining to retirement plan assets that could potentially be rolled over to an IRA managed by the Firm. Education is based on a particular Client's financial circumstances. Roberts Wealth Management has an incentive to recommend such a rollover based on the compensation received, which is mitigated by the fiduciary duty to act in a Client's best interest and acting accordingly.

### **Client Account Management**

Prior to engaging Roberts Wealth Management to provide investment advisory services, each Client is required to enter into an investment advisory agreement with that defines the terms, conditions, authority, and responsibilities.

### **Assets Under Management**

Assets under management will be amended at least annually as of December 31<sup>st</sup>. As of December 31, 2021, assets under management were as indicated below.

Assets under Management	
Discretionary	\$164,580,242.77
Non-Discretionary	\$0.00
<b>Total</b>	<b>\$164,580,242.77</b>

### **Wrap Fee Program**

A wrap fee program is an advisory account with a single fee that covers a bundle of services; such as, portfolio management, advice, and investment research as well as trade execution, custody, and reporting fee.

- Roberts Wealth Management does not sponsor a wrap fee program.

## **Financial Planning**

Roberts Wealth Management engages Clients in conversations around their goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each Client in mind, the team will offer financial planning ideas and strategies to address the Client’s holistic financial picture that can include one or more of the following:

- Income Planning
- Estate Planning
- Tax Planning
- Medical Planning
- Investment Planning
- Legacy Planning
- Risk Management
- Retirement Planning

Roberts Wealth Management partners with our Client’s other advisors (CPAs, Enrolled Agents, Estate Attorneys, Insurance Brokers, etc.) to ensure a coordinated effort of all parties toward the Client’s stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets, and periodic updates. Our specific services in preparing your plan can include:

- Review and clarification of your financial goals.
- Assessment of your overall financial position.
- Creation of a unique goal-oriented investment plan.
- Design a risk management plan.

## **Consulting Services**

Roberts Wealth Management can provide Clients investment advice on a more-limited basis on one or more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice or any other business advisory / consulting services for equity or debt investments in privately held businesses. In these cases, Clients will be required to select their own investment managers, custodian, and/or insurance companies for the implementation of consulting recommendations. Clients have the right to choose whether or not to follow the consulting advice provided.

## **Conflicts of Interest**

As a fiduciary, Roberts Wealth Management seeks to avoid conflicts of interest or, at a minimum, make full disclosure to provide sufficiently specific facts for clients to understand and appreciate the risk associated with a conflict of interest. The goal is to allow clients to provide informed consent when they decide not to engage Roberts Wealth Management for services. Clients are encouraged to consider and ask questions about the select conflicts of interest listed below.

### **Insurance Products**

Investment advisor representatives of Roberts Wealth Management are also insurance agents able to sell insurance products for commission compensation. Prior to purchasing or replacing an insurance product, a client's current holdings will be evaluated.

Advisor does not receive commission compensation for the sale of insurance products; however, individual investment advisor representatives of Roberts Wealth Management, in their individual capacity as an insurance agent, do receive commission compensation.

- Advisory fees are not charged on funds used to purchase insurance products.
- Advisory fees are not directly reduced due to commission compensation received by individual insurance agents; however, the amount of funds allocated to an insurance product are considered when determining the asset management fee.
- The receipt of commissions provides an incentive to encourage the purchase of insurance products.

### **Money Managers and Product Sponsors**

Investment Advisor Representatives will, on occasion, have an opportunity to attend a training event or participate in a due diligence visit where the Money Manager or Product Sponsor will cover the associated travel expenses such as airfare, hotel and meals. Training opportunities are often held at luxury resorts where amenities such as golf, spas and entertainment are provided. Such accommodations represent a conflict of interest that can influence the evaluation of the Money Manager or Product sponsor based on factors other than the quality of services.

### **Additional Compensation**

Roberts Wealth Management can receive an economic benefit for providing advisory services from sources other than the client. Economic benefits include sales awards and gifts, an occasional meal, as well as entertainment such as a concert, show or sporting event. Such compensation is not directly related to the advice or services provided to a particular client, but it does create a conflict of interest that can influence the selection of services based on the compensation received.

### **Industry Professionals**

When it is in the best interests of the client, Roberts Wealth Management can introduce the services of other professionals for certain non-investment purposes (i.e., attorneys and accountants). Introductions represent a conflict of interest because they create a relationship where the other professional has an implied obligation to introduce potential new clients to Roberts Wealth Management, although not subject to a formal agreement. Clients are under no obligation to engage the services of any such professional.

If the client engages any such professional, and a dispute arises, any recourse will be exclusively from and against the engaged professional.

Conflicts of interest are mitigated by the fiduciary duty to always act in a client's best interest and acting accordingly. Roberts Wealth Management will seek independent counsel to evaluate conflicts as they arise and provide sufficient disclosure and controls which may include declining to participate or proceed with an engagement. April R. Roberts, the Chief Compliance Officer, is available to discuss any concerns that exist due to a conflict of interest. Ms. Roberts can be reached at (281) 277-0645 or [arobert@robertswealth.com](mailto:arobert@robertswealth.com).

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## **Item 5 – Fees and Compensation**

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### **Investment Management Fees**

A monthly investment management fee is billed monthly in arrears based on the average daily balance of the previous month. The maximum annual advisory fee is 1.90% of assets under management based on the scope, complexity, amount of time or expertise required.

- Clients will receive statements from the Custodian that provides details of the advisory fees.
- The investment advisory fee in the first period of service is pro-rated from the inception date of the account[s] to the end of the first billing cycle.
- If the advisory agreement is terminated before the end of the billing cycle, Advisor is entitled to fees earned based on the number of days services were provided.
- Asset management fees are exclusive of and in addition to, brokerage fees, transaction fees, and other related costs and expenses.
- The Firm does not have the authority or responsibility to value portfolio securities.

### **Mutual Fund Share Class Fees**

Roberts Wealth Management strives to select the lowest cost share class available; however, certain mutual fund share classes charge a 12b-1 fee that generally amounts to an additional .25% expense ratio or more. The purpose of 12b-1 fees, as approved by the SEC, are to cover marketing expenses and shareholder services such as support services and “other expenses” such as legal, accounting and the administrative functions of the custodian. When selecting a mutual fund, Investment Advisor Representatives have a fiduciary duty to choose the share class that helps manage the overall fee structure of the account. The entire fee structure includes such fees as the asset management fee, the expense ratio and ticket charges.

- Mutual funds typically offer multiple share classes, including lower-cost share classes that do not charge 12b-1 fees and are therefore usually less expensive.



- Investment Advisor Representatives will consider investing Client funds in 12b-1 fee-paying share classes even when a lower-cost share class is available as appropriate to account for the overall fee structure and tax considerations as well as attributes of a fund not available for lesser fees.

### **Compensation for Sales of Securities**

Roberts Wealth Management does not receive commission compensation for advisory services.

### **Financial Planning Fees**

The fee for financial planning can be based on an hourly or a fixed rate depending on the nature of the planning. Typically, the Firm completes and presents a plan within 120 days of the contract date, if the Client has provided all the information needed to prepare the financial plan.

- Fifty percent (50%) of the Financial Planning Fee is collected upon engagement.
- Fifty percent (50%) is due upon delivery of the Plan.

The applicable fee is determined by the scope and complexity of a particular Client's financial situation as well as the amount of time and expertise required. In some cases, a fee greater or lesser than the typical fee range may be warranted but fees generally do not exceed \$15,000 per plan. Fees can be paid via check to RWM Capital, LLC.

### **Consulting Fees**

Roberts Wealth Management provides consulting services for Clients who need advice on a limited scope of work. Fees are negotiable and vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. Either party may terminate the consulting agreement at any time. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described above under Financial Planning Fees.

### **Other Fees and Expenses**

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees. Also, Clients will separately pay charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

If a Client's assets are invested in mutual funds or other pooled investment products, Clients should be aware that there will be two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay Advisor the advisory fee with respect to those assets. Most of the mutual funds available in the program may be purchased directly. Therefore, Clients could generally avoid the second layer of fees by not using the management services of Roberts Wealth

Management and by making their own investment decisions. Further information regarding fees assessed by a mutual fund is available in the appropriate prospectus.

### **Termination**

A contract between Roberts Wealth Management and a Client may be cancelled at any time with seven (7) days prior written notice.

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

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Roberts Wealth Management does not accept performance-based fees, fees based on a share of capital gains on or capital appreciation of the assets of a Client (such as a Client that is a hedge fund or other pooled investment vehicle).

Roberts Wealth Management also does not participate in side-by-side management, where an advisor manages accounts that are both charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee.

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### **Item 7 – Types of Clients**

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The advisory services offered by Roberts Wealth Management are primarily offered to individuals, high-net-worth individuals and individual retirement accounts (“IRAs”), as well as trusts, estates, charitable organizations, corporations and other business entities.

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

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Roberts Wealth Management emphasizes continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. The Client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the Client’s circumstances. Once the appropriate portfolio has been determined, it is subject to review and if necessary, rebalanced based upon the Client’s individual needs, stated goals and objectives.

Clients are generally not able to place restrictions on account positions.

### **Methods of Analysis**

RWM engages a third-party for access to algorithms underlying two dynamic asset allocation investing strategies that we utilize: tactical allocation and strategic quantitative rebalancing. Each is described below:

- **Tactical Portfolios**

Tactical allocation portfolios reallocate based on the underlying quantitative algorithm's assessment of ascending investment opportunities. Reallocations are made intermittently instead of on a predetermined schedule. In this way the strategy's responsiveness seeks participation in upside growth while being adaptable and reallocating to defensive securities or cash when necessary for downside protection.

- **Strategic Portfolios**

Strategic allocation portfolios (also called "Target Volatility" portfolios) rebalance quarterly based on the underlying volatility algorithm. We tune our Strategic portfolios to experience a lower level of volatility than a benchmark index and reallocations are made among a group of securities once per quarter so as to maintain this "targeted" volatility. Strategic portfolios seek to minimize market turbulence, maintain market participation and soften the effects of sharp drawdowns.

### **Risk of Loss**

Investing in securities involves certain investment risks. Securities can fluctuate in value or lose value up to the entire principal amount invested. Clients should be prepared to bear the potential risk of loss. Roberts Wealth Management will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. Investment Advisor Representatives monitor economic indicators to determine if adjustments to strategic allocations are appropriate.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis. The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. The firms' methods of analysis and investment strategies do not represent any significant or unusual risks however all strategies have inherent risks and performance limitations. Clients should be aware of the following types of risks that apply to investing and are encouraged to discuss the specific risks applicable to their account holdings:

- **Active Management Risk:** Due to its active management, a portfolio could underperform other portfolios with similar investment objectives and/or strategies.
- **Allocation Risk:** A portfolio may use an asset allocation strategy in pursuit of its investment objective. There is a risk that a portfolio's allocation among asset classes or investments will

cause a portfolio to lose value or cause it to underperform other portfolios with a similar investment objective and/or strategy, or that the investments themselves will not produce the returns expected.

- **Asset-Backed Securities Risk** – Payment of principal and interest on asset-backed securities is dependent largely on the cash flows generated by the assets backing the securities. Further, some asset backed securities may not have the benefit of any security interest in the related assets. There is also the possibility that recoveries in the underlying collateral may not be available to support the payments on these securities. Downturns in the economy could cause the value of asset backed securities to fall, thus, negatively impacting account performance.
- **Business Risk** – the measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security. Generally speaking, all businesses in the same industry have similar types of business risk. More specifically, business risk refers to the possibility that the issuer of a particular company stock or a bond may go bankrupt or be unable to pay the interest or principal in the case of bonds.
- **Call Risk** – the risk specific to bond issues and refers to the possibility that a debt security will be called prior to maturity. Call risk usually goes hand in hand with reinvestment risk because the bondholder must find an investment that provides the same level of income for equal risk. Call risk is most prevalent when interest rates are falling, as companies trying to save money will usually redeem bond issues with higher coupons and replace them on the bond market with issues with lower interest rates.
- **Corporate Debt Risk** – The rate of interest on a corporate debt security may be fixed, floating, variable, or may vary inversely with respect to a reference rate. Corporate debt securities are subject to the risk of the issuer's inability to meet principal and interest payments on the obligation. They also may be subject to price volatility due to interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of a corporate debt security can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. A company default can reduce income and capital value of a corporate debt security. Moreover, market expectations regarding economic conditions and the likely number of corporate defaults may impact the value of these securities.
- **Credit Risk** – the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Currency/Exchange Rate Risk** – the risk of a change in the price of one currency against another.

- **Cybersecurity Risk** – Cybersecurity risks include both intentional and unintentional events at Roberts Wealth Management or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm’s ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our Clients’ information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.
- **Duration Risk** – The risk associated with the sensitivity of a bond’s price to a change in interest rates. The higher a bond’s (or portfolio’s) duration, the greater its sensitivity to interest rate changes.
- **ETF Risks, including Net Asset Valuations and Tracking Error** - ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF.
- **Event Risk** – The possibility that an unforeseen event will negatively affect a company or industry, and thus, increase the volatility of the security.
- **Government Securities Risk** – Not all U.S. government securities are backed by the full faith and credit of the U.S. government. It is possible that the U.S. government would not provide financial support to certain of its agencies or instrumentalities if it is not required to do so by law. If a U.S. government agency or instrumentality defaults and the U.S. government does not stand behind the obligation, returns could be negatively impacted. The U.S. government guarantees payment of principal and timely payment of interest on certain U.S. government securities.
- **Inflationary Risk** – the risk that future inflation will cause the purchasing power of cash flow from an investment to decline.

- **Interest Rate Risk** – the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Legislative Risk** – the risk of a legislative ruling resulting in adverse consequences.
- **Liquidity Risk** – the possibility that an investor may not be able to buy or sell an investment as and when desired or in sufficient quantities because opportunities are limited.
- **Market Risk** – the risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Municipal Bond Risk** – Investments in municipal bonds are affected by the municipal market as a whole and the various factors in the particular cities, states or regions in which the strategy invests. Issues such as legislative changes, litigation, business and political conditions relating to a particular municipal project, municipality, state or territory, and fiscal challenges can impact the value of municipal bonds. These matters can also impact the ability of the issuer to make payments. Also, the amount of public information available about municipal bonds is generally less than that for corporate equities or bonds. Additionally, supply and demand imbalances in the municipal bond market can cause deterioration in liquidity and lack of price transparency.
- **Mutual Fund Risks** – A risk exists that the investment strategies employed by the mutual funds will not meet the stated investment objectives the fund is seeking to obtain. Mutual funds may invest in equities, fixed income, derivatives, and other asset classes; the risks associated with such investments are described in the fund's prospectus. The performance of a mutual fund may not exactly match the performance of the index or market benchmark that the fund is designed to track due to the mutual fund incurring expenses and transaction costs not incurred by any applicable index or market benchmark.
- **Pandemic Risk** – Large-scale outbreaks of infectious disease that can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.
- **Performance of Underlying Managers** – We select the mutual funds and ETFs in the portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.
- **Prepayment Risk** – Similar to call risk, this risk is associated with the early unscheduled repayment of principal on a fixed income security. When principal is returned early, future interest payments will not be paid. The proceeds from the repayment may be reinvested in

securities at a lower, prevailing rate.

- **Reinvestment Risk** – The risk that future cash flows, either coupons or the final return of principal, will need to be reinvested in lower-yielding securities.
- **Securities Lending Risk** – Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.
- **Social/Political** – the possibility of nationalization, unfavorable government action or social changes resulting in a loss of value.
- **Sector Risk** – At times, a portfolio may have a significant portion of its assets invested in securities of companies conducting business in a related group of industries within an economic sector. Companies in the same economic sector may be similarly affected by economic, regulatory, political or market events or conditions, which make a portfolio more vulnerable to unfavorable developments in that economic sector than portfolios that invest more broadly. Generally, the more a portfolio diversifies its investments, the more it spreads risk and potentially reduces the risks of loss and volatility.
- **State Risk** – Portfolios with state or region-specific customizations will be more sensitive to the events that affect that state's economy and stability. Portfolios with a higher concentration of bonds in a state or region may have higher credit risk exposure, especially if the percentage of assets dedicated to the state is invested in fewer issuers.
- **Tax Liability Risk** – The risk that the distributions of municipal securities become taxable to the investor due to noncompliant conduct by the municipal bond issuer or changes to federal and state laws. These adverse actions would likely negatively impact the prices of the securities.
- **Valuation Risk** – The lack of an active trading market and/or volatile market conditions can make it difficult to obtain an accurate price for a fixed income security. There are uncertainties associated with pricing a security without a reliable market quotation, and the resulting value may be very different than the value of what the security would have been if readily available market quotations had been available.

All investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance level(s). Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to



bear. Clients are reminded to discuss these risks with the Advisor.

### **Types of Investments**

Roberts Wealth Management generally manages Client portfolios that consist of mutual funds, Exchange Traded Equities (ETFs) and individual securities.

- **Mutual Funds** – a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.
  - **Open-End Mutual Funds** – a type of mutual fund that does not have restrictions on the amount of shares the fund will issue and will buy back shares when investors wish to sell. Investing in mutual funds carries the risk of capital loss and thus Clients may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.
  - **Closed-End Mutual Funds** – a type of mutual fund that raises a fixed amount of capital through an initial public offering (IPO). The fund is then structured, listed, and traded like a stock on a stock exchange. Clients should be aware that closed-end funds available within the program are not readily marketable. In an effort to provide invest or liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, Clients may be unable to liquidate all or a portion of their shares in these types of funds.
  - **Alternative Strategy Mutual Funds** – Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund’s concentration in the real estate industry.
- **Equity** – An investment that generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environment.



- **Exchange Traded Funds (ETFs)** – An ETF is a portfolio of securities invested to track a market index similar to an index mutual fund, but the shares are traded on an exchange like an equity. An ETF share price fluctuates intraday depending on market conditions instead of having a net asset value (NAV) that is calculated once at the end of the day. The shares may trade at a premium or discount; and as a result, investors pay more or less when purchasing shares and receive more or less than when selling shares. The supply of ETF shares is regulated through a mechanism known as creation and redemption that involves large specialized investors, known as authorized participants (APs). Authorized participants are large financial institutions with a high degree of buying power, such as market makers, banks or investment companies that provide market liquidity. When there is a shortage of shares in the market, the authorized participant creates more (creation). Conversely, the authorized participant will reduce shares in circulation (redemption) when supply falls short of demand. Multiple authorized participants help improve the liquidity of a particular ETF and stabilize the share price. To the extent that authorized participants cannot or are otherwise unwilling to engage in creation and redemption transactions, shares of an ETF tend to trade at a significant discount or premium and may face trading halts and delisting from the exchange. The performance of ETFs is subject to market risk, including the complete loss of principal. ETFs also have a trading risk based on cost inefficiency if the ETFs are actively traded and a liquidity risk if the ETFs has a large price spread and low trading volume. In addition, investors buying or selling shares in the secondary market pay brokerage commissions, which may be a significant proportional cost not incurred by mutual funds.

Additional types of investments will be considered per Client for asset allocation and risk management purposes.

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## **Item 9 – Disciplinary Information**

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There are no legal, regulatory, or disciplinary events involving Roberts Wealth Management or any of its Supervised Persons.

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

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### **Broker/Dealer Affiliation**

Roberts Wealth Management is not affiliated with a broker/dealer.

### **Insurance Agency Affiliations**

Certain Advisory Persons are also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from one's role with Roberts Wealth Management. As an insurance professional, certain Advisory Persons receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This causes a conflict of interest in recommending certain products of the insurance

companies. Clients are under no obligation to implement any recommendations made by the Investment Advisor Representative in their capacity as an insurance agent.

### **Futures and Commodities**

Neither Roberts Wealth Management nor any of the management persons are registered or has a registration pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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

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### **Code of Ethics**

Roberts Wealth Management has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with the Firm (our “Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. The Firm and its Supervised Persons owe a duty of loyalty, fairness, and good faith towards each Client. It is the obligation of the Firm’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact us at (281) 277-0645 or by email at [retire@robertswealth.com](mailto:retire@robertswealth.com).

### **Personal Trading with Material Interest**

Roberts Wealth Management does not act as principal in any transactions. In addition, the Firm does not act as the general partner of a fund or advise an investment company. Roberts Wealth Management does not have a material interest in any securities traded in Client accounts.

### **Personal Trading in Same Securities as Clients**

Roberts Wealth Management allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted a Code of Ethics to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting.

### **Personal Trading at Same Time as Client**

Supervised Persons may not purchase or sell any security 24 hours prior to or 24 hours after a transaction being implemented for an advisory account, thereby preventing an employee from benefiting from transactions placed on behalf of advisory accounts.

In addition, Roberts Wealth Management has established the following restrictions in order to ensure our Firm’s fiduciary responsibilities:

- A director, officer, or employee of Roberts Wealth Management shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.
- No supervised employee of Roberts Wealth Management shall prefer his or her own interest to that of the advisory Client. Trades for supervised employees are traded alongside Client accounts.
- We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory.
- None of our associated persons may affect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our Clients, unless in accordance with the Firm's procedures.

Any supervised employee not in observance of the above may be subject to termination.

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## Item 12 – Brokerage Practices

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Roberts Wealth Management generally recommends that Clients utilize the custody and brokerage services of TD Ameritrade, Inc. or Nationwide Advisory Solutions, (the "Custodian") for investment management accounts. The Custodians are independent and unaffiliated FINRA<sup>1</sup>/SIPC<sup>2</sup> member broker/dealers.

Roberts Wealth Management is independently owned and operated and not affiliated with these custodians. They provide us with access to their institutional trading and custody services. These services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

1. **Soft Dollars** - Soft dollars are revenue programs offered by broker/dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. The custodian provides products and services designed to assist the firm in managing and administering Client accounts. These services include software and other technology that provide access to Client account data (such as trade confirmation and account statements); facilitation of trade execution (and research reports or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used

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<sup>1</sup> FINRA (Financial Regulatory Authority) is dedicated to investor protection and market integrity through effective and efficient regulation of the securities industry. FINRA is not part of the government, but an independent, not-for-profit organization authorized by Congress to protect America's investors by making sure the securities industry operates fairly and honestly. <http://www.finra.org>.

<sup>2</sup> SIPC (Securities Investor Protection Corporation) was created under the Securities Investor Protection Act as a non-profit membership corporation. SIPC oversees the liquidation of member broker-dealers that close when the broker-dealer is bankrupt or in financial trouble, and customer assets are missing. <http://sipc.org>

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in investment decision-making. These support services are provided based on the overall relationship without a minimum production level or value of assets held with the custodian. Consequently, they are not the result of soft dollar arrangements or any other express arrangements that involve the execution of Client transactions as a condition to receive the services.

2. **Brokerage Referrals** - Roberts Wealth Management does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.
3. **Transaction Fees** -The Custodian charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). The Custodian enables Roberts Wealth Management to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The Custodian's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by the Custodians may be higher or lower than those charged by other custodians and broker/dealers.
4. **Best Execution** - In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker/dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all Clients, we may not necessarily obtain the lowest possible commission rates for specific Client account transactions.
5. **Aggregating and Allocating Trades** – As a matter of standard trading practices all trades for a single day will be aggregated and executed as a block trade. An individual security transaction will not be aggregated when such a transaction is based on an unanticipated new deposit or an unsolicited allocation change. Accounts are not otherwise managed so that certain trades are intentionally not included as part of a block trade. There will be occurrences when certain clients will receive more favorable prices, but such occurrences will be the result of circumstances that are not due to the firm's standard trading practices.
6. **Directed Brokerage**  
Roberts Wealth Management requires that you direct us to execute transaction through a specified broker/dealer. We do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.
7. **Trade Errors**  
Roberts Wealth Management has implemented procedures designed to prevent trade errors; however, trade errors in Client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our

policy to correct trade errors in a manner that is in the best interest of the Client. In cases where the Client causes the trade error, the Client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the Client may not be able to receive any gains generated as a result of the error correction. In all situations where the Client does not cause the trade error, the Client will be made whole, and we will absorb any loss resulting from the trade error if the error was caused by the Firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting

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### **Item 13 – Review of Accounts**

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For those Clients to whom Roberts Wealth Management provides investment advisory services, account reviews are conducted on an ongoing basis by the Investment Advisor Representative. All Clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with their Investment Advisor Representative. In addition, each Client relationship shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may also be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify Roberts Wealth Management if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

Clients will receive statements no less than quarterly from the Custodian. These statements are sent directly from the Custodian to the Client. The Client can also establish electronic access to the Custodian's website so they can view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s].

### **Selection and Monitoring of Third Party Managed Accounts**

Roberts Wealth Management will typically review account that are managed by a third-party manager weekly to ensure that your account remains within reasonable variances of the targets and investment models in place.

### **Financial Planning Services**

Reviews will be conducted by the assigned Investment Advisor. Roberts Wealth Management realizes that events and circumstances could change dramatically in between normal reviews: therefore, if you experience an event in your life that might necessitate an early review of your Financial Plan, please let us know and we will be happy to schedule a more frequent review. Such an event might include a marriage, divorce, birth of a child, death or disability of an immediate family member, impending retirement, employment status, or you bought or sold a business. We also encourage you to ask us if you have any questions about your Financial Plan or the reports that we generate

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## Item 14 – Client Referrals and Other Compensation

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Advisor is a fee-based firm, that is compensated by its Clients to provide investment advice and not from any investment product or someone other than the Client.

Roberts Wealth Management participates in TD Ameritrade's institutional customer program, and we recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our Clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent Investment Advisors participating in the program.

These benefits include the following products and services (provided without cost or at a discount):

- Receipt of duplicate Client statements and confirmations;
- Research related products and tools;
- Consulting services;
- Access to a trading desk serving advisor participants;
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts);
- The ability to have advisory fees deducted directly from Client accounts;
- Access to an electronic communications network for Client order entry and account information;
- Access to mutual funds with no transaction fees and to certain institutional money managers; and,
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors.

TD Ameritrade can also have pay for business consulting and professional services received by some of our associated persons. Some of the products and services made available by TD Ameritrade through the program can benefit us but may not benefit Client accounts. These products or services assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Firm manage and further develop our business enterprise. The benefits received by the Firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to Clients, we endeavor at all times to put the interests of our Clients first. Clients should be aware, however, that the receipt of economic benefits by our Firm or our associated persons in and of itself creates a conflict of interest and can indirectly influence our choice of TD Ameritrade for custody and brokerage services. Our Firm also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include reimbursement of "transfer fees" from moving assets from old Custodian to TD Ameritrade. TD Ameritrade provides the Additional Services to our Firm in its sole discretion and at its own expense. Our Firm does not pay any fees to TD Ameritrade for the Additional Services. The receipt of Additional Services



creates a conflict of interest. In providing Additional Services to our Firm, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our Firm's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with our Firm, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, our Firm has an incentive to recommend to its Clients that the assets under management by our Firm be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. The Firm's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

### **Client Referrals from Solicitors**

Roberts Wealth Management does not engage paid solicitors for Client referrals.

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### **Item 15 – Custody**

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Roberts Wealth Management does not accept or maintain actual custody of funds or securities. A qualified custodian is responsible to provide Clients with trade confirmations, tax forms and quarterly statements that include account balance(s). Clients are advised to carefully review the information provided by the custodian and notify their Investment Advisor Representative with any questions or if such information is not received.

### **Deduction of Advisory Fees**

The Firm has the authority to have fees deducted directly from client accounts. The Firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients, or an independent representative of the client, will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address, and the way the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Roberts Wealth Management. Clients should contact Roberts Wealth Management or the qualified custodian with any questions.

### **Standing Letters of authorization ("SLOA")**

Roberts Wealth Management is deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and, under that SLOA, it authorizes the Firm to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each Client or the Client's independent representative, at least quarterly.

Clients should carefully review those statements and are urged to compare the statements against reports received from Roberts Wealth Management. When you have questions about your account statements, you should contact Roberts Wealth Management or the qualified custodian preparing the statement.

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**Item 16 – Investment Discretion**

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Clients can determine to engage Roberts Wealth Management to provide investment advisory services on a discretionary basis. Prior to Roberts Wealth Management assuming discretionary authority over a Client's account, the Client shall be required to execute an Investment Advisory Agreement, naming Roberts Wealth Management as the Client's attorney and agent in fact, granting Roberts Wealth Management full authority to buy, sell, or otherwise effect investment transactions involving the assets in the Client's name found in the discretionary account.

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**Item 17 – Voting Client Securities**

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Roberts Wealth Management does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. Roberts Wealth Management can assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

Roberts Wealth Management does not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular solicitation by phone at (281) 277-0645.

Third party money managers selected or recommended by our firm may vote proxies for you. Therefore, except in the event a third-party money manager votes proxies, you maintain exclusive responsibility for: directing the manner in which proxies solicited by issuers of securities beneficially owned by you shall be voted, and making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to your investment assets. Therefore (except for proxies that may be voted by a third-party money manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

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**Item 18 – Financial Information**

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Roberts Wealth Management, nor its management, has any adverse financial situations that require disclosure and has not been subject to a bankruptcy or financial compromise.

- The Firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.