

Registered as: National Wealth Management Group, LLC | CRD No. 174883

Doing Business As: Alpina Financial Consultants, LLC



## **Form ADV Part 2A – Disclosure Brochure**

**Effective: Septemebr 25, 2022**

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This brochure provides information about the qualifications and business practices of National Wealth Management Group. If you have any questions about the contents of this brochure, please contact us at (800) 936-3820 or by email at [ben@nwmgadvisors.com](mailto:ben@nwmgadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about National Wealth Management Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 2 – Material Changes**

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This item contains only the material changes made since the previous annual amendment filed on March 25, 2021.

### **Ownership**

Mr. Gary Mathews is no longer a co-owner and no longer serves as the Managing Director, Chief Compliance Officer or a Financial Advisor. The firm is now owned 50/50 by two of the original members, Vivienne K. Schleu and Benjamin J. Jones

### **Chief Compliance Officer (CCO)**

Benjamin J. Jones has assumed the role of CCO.

### **Chief Executive Officer (CEO)**

Benjamin J. Jones has assumed the role of CEO.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# 174883. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (800) 936-3820 or by email at [ben@nwmgadvisors.com](mailto:ben@nwmgadvisors.com).

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## Item 4 – Advisory Services

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### A. Firm Information

National Wealth Management Group, LLC (NWMG) was formed and registered as an investment adviser registered with the Securities and Exchange Commission (“SEC”) in 2015.

National Wealth Management Group offers services through our network of investment advisor representatives (“Investment Advisor Representatives” or “IARs”). Some of our IARs have their own legal business entity whose trade name and logos are used for marketing purposes; they can appear on marketing materials and/or client statements. Any such trade name is a legal entity of the IAR, not NWMG. The IARs are under the supervision NWMG and the advisory services of the IAR are provided through NWMG. National Wealth Management Group has the arrangement described above with the following Investment Advisor Representatives:

- Vivienne Schleu - Alpina Financial Consultants, LLC;
- Lisa Gerardi - Gerardi Wealth Management, LLC;
- Angela Howard - Model Wealth Group, LLC; and,
- Brent Gargano – Infinite Wealth Planning.

### B. Advisory Services Offered

National Wealth Management Group, LLC provides fee-based investment advisory services for compensation primarily to individual clients and high-net worth individuals based on the individual goals, objectives, time horizon, and risk tolerance of each client. Portfolio management services include, but are not limited to, the following:

- |                       |                                |
|-----------------------|--------------------------------|
| • Investment Strategy | • Personal investment policy   |
| • Asset Allocation    | • Asset Selection              |
| • Risk Tolerance      | • Regular Portfolio Monitoring |

Investment Advisor Representatives are restricted to providing services and charging fees based in accordance with the descriptions detailed in this document and the account agreement. However, the exact service and fees charged to a particular client are dependent upon the representative that is working with the client. Advisors are instructed to consider the individual needs of each client when recommending an advisory platform. Investment strategies and recommendations are tailored to the individual needs of each client.

Investment Advisor Representatives associated with NWMG are appropriately licensed and authorized to provide advisory services on behalf NWMG. Investment Adviser Representatives associated with

NWMG are also registered representatives of LPL Financial, an SEC registered and FINRA<sup>1</sup>/SIPC<sup>2</sup> member broker/dealer. Any securities transactions shall be directed to LPL Financial for execution. NWMG and LPL Financial are not affiliated legal entities. Additional information about LPL Financial can be found on the [Investment Adviser Public Disclosure](#) website<sup>3</sup>

### **Principal Owners**



**Benjamin J. Jones (50%)** – Ben serves as a Managing Director, Chief Executive Officer and Compliance Officer as well as a Financial Advisor. He earned his B.S. in Business Administration from Pepperdine University; he started his career as a financial advisor in 2006.



**Vivienne K. Schleu, CPA (50%)** – Ms. Schleu serves as the Managing Director, Chief Financial Officer and Financial Advisor. Vivienne started in the securities industry in 1995, the first year that Florida allowed CPA's to become securities licensed.

### **C. Client Account Management**

Prior to engaging NWMG to provide investment advisory services, each Client is required to enter into an investment advisory agreement / one or more agreements with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – National Wealth Management Group, in connection with the Client, may a strategy that seeks to achieve the Client's goals and destinations. The strategy is designed to address the Client's personal goals, investment goals, and both long-term and short-term objectives.

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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 Investors 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>

<sup>3</sup> An official website of the United States Government 

- Asset Allocation – National Wealth Management Group will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance of risk for each Client.
- Portfolio Construction – National Wealth Management Group will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – National Wealth Management Group will provide investment management and ongoing oversight of the Client's relationship's investment portfolio.

### **Investment Management Services**

National Wealth Management Group through its investment advisor representatives, provides ongoing investment advice and management on assets in the client's custodial accounts. Advice may be discretionary or non-discretionary as indicated in the client account agreement. More specific account information and acknowledgements are further detailed on the account application.

National Wealth Management Group's investment strategies are primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. National Wealth Management Group will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

Investment management services include:

- Redistributing investment allocations to diversify the portfolio
- Sector asset class allocations
- Employing cash positions as a possible hedge against market movement
- Selling positions to harvest capital gains or losses
- Business or sector risk exposure to a specific security or class of securities
- Overvaluation or overweighting of position[s] due to changes in risk tolerance
- Generating cash to meet Client needs
- Risk Management

Investment strategies and recommendations generally consist of an asset allocation consistent with:

1. **Income with Capital Preservation.** Designed as a longer-term accumulation account, this investment objective is considered generally the most conservative. Emphasis is placed on generation of current income with minimal risk of capital loss. Lowering the risk generally means lowering the potential income and overall return.

2. **Income with Moderate Growth.** This investment objective emphasizes generation of current income with a secondary focus on moderate capital growth.
3. **Growth with Income.** This investment objective emphasizes modest capital growth with some focus on generation of current income.
4. **Growth.** This investment objective emphasizes achieving high long-term growth and capital appreciation. There is little focus on generation of current income.
5. **Aggressive Growth.** This investment objective emphasizes aggressive growth and maximum capital appreciation, with no focus on generation of current income. This objective has a very high level of risk and is for investors with a longer timer horizon.

### **LPL Financial Sponsored Platforms - Strategic Wealth Management (SWM I and SWM II)**

Strategic Wealth Management is the name of the custodial account offered through LPL Financial LLC to support investment advisory services provided by NWMG. Within a SWM account, investment advisor representatives provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds (“ETFs”), variable annuity subaccounts, real estate investment trusts (“REITs”), equities, and fixed income securities. The advice is tailored to the individual needs of the client based on the investment objective chosen by the client in order to help assist clients in attempting to meet their financial goals. Accounts are reviewed on a regular basis and rebalanced as necessary according to each client’s investment profile. More specific account information and acknowledgements are further detailed in the account opening documents.

Investment Advisors Representatives can offer SWM I or SWM II. The accounts offer the same investment choices and are managed in the same manner, but the fee structure is different. For SWM I, clients are charged transaction fees in addition to the advisory fee whereas for SWM II, the transactions fees are absorbed as part of the advisory fee. National Wealth Management Group offers SWM II as wrap fee program where the firm acts as the sponsor and portfolio manager. Please see Appendix 1 – Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure. The advisory fee for SWM II accounts may be higher than SWM I to account for the transaction fees.

Depending on the anticipated level of trading, investment advisor representatives of NWMG will work with each client to determine the most cost-effective fee structure. The minimum account opening amount is generally \$15,000, which can be by check or transfer.

### **LPL Sponsored Wrap Fee Programs**

National Wealth Management Group offers a number of other wrap fee programs where LPL serves as the sponsor and portfolio manager. While LPL serves as the wrap fee sponsor and portfolio manager, NWMG manages the allocation funds between the different portfolios and available fund selections.



## **Optimum Market Portfolios Program (OMP)**

The Optimum Market Portfolios (OMP) program offers clients the ability to participate in a professionally managed asset allocation program designed by LPL Financial. There are up to six Optimum Funds that may be purchased within an OMP account:

1. Optimum Large Cap Growth Fund
2. Optimum Large Cap Value Fund
3. Optimum Small Cap Growth Fund
4. Optimum Small Cap Value Fund
5. Optimum International Fund
6. Optimum Fixed Income Fund

National Wealth Management Group will obtain the necessary financial data from each client and then select the proper fund portfolio program. While NWMG selects the proper portfolio program, LPL Financial will manage the underlying Optimum Funds on a discretionary basis consistent with the portfolio program objectives. LPL Financial does not directly manage fund assets on behalf of any particular client. LPL Financial follows an asset allocation investment style in constructing portfolios for the Program. Asset allocation methodology is implemented by combining investments representing various asset classes that react differently to varying market conditions. Thus, if one asset class reacts negatively to certain market events, the potential exists for another asset class to react positively. As with any investment strategy, there is no guarantee that the use of an asset allocation strategy will produce favorable results. National Wealth Management Group is responsible for educating the client about this investment style in advance of opening the Account by explaining the various asset classes (e.g., large cap growth, large cap value, etc.) being used within the selected portfolio. This educational process continues throughout the time that the client maintains the account.

OMP is one of several portfolio platforms centrally managed by LPL Financial. OMP enables advisors of National Wealth Management Group to manage client assets through diversified asset allocation models, professional money management, automatic rebalancing, and online marketing and sales support. A minimum account value of \$15,000 is required for OMP.

## **Personal Wealth Portfolios Program (PWP)**

PWP offers clients an asset management account using third party adviser portfolio allocation models designed by LPL Financial. The PWP program is a unified managed account program in which LPL and Advisor provide ongoing investment advice and management. In PWP, clients invest in asset allocation portfolios ("Portfolios") designed by LPL's Research Department, which include a combination of mutual funds, exchange-traded funds ("ETFs") and investment models ("Models") provided to LPL by third party money managers ("PWP Advisors"). The Models typically consist of equity and fixed income securities but may include



investment company securities. LPL's Research Department selects the mutual funds, ETFs and Models to be made available in a Portfolio. The advisor obtains the necessary financial data from the client, assists the client in determining the suitability of the program and assists the client in setting an appropriate investment objective. The advisor, or client with the assistance of the advisor, selects a portfolio based on client's investment objective and then selects among the mutual funds, ETFs and/or Models available in the portfolio. If client authorizes advisor to take discretion to make such selections on client's behalf, the discretionary authority will be set out in the Account Agreement and Application signed by the client. Neither LPL nor a third-party money manager directly provides advisory services to the clients of National Wealth Management Group. The third-party money managers selected by LPL Financial for a program platform manage the portfolio without regard for any particular client of NWMG. National Wealth Management Group is solely responsible for the advisory services provided and selecting the proper portfolio of third-party money managers. National Wealth Management Group is not acting as a cash solicitor for LPL Financial or other third-party money managers. A minimum account value of \$250,000 is required for PWP.

### **Model Wealth Portfolios Program (MWP)**

Model Wealth Portfolios offers clients a professionally managed mutual fund asset allocation program. National Wealth Management Group investment advisor representatives will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. The Advisor will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected. The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds including in certain circumstances exchange traded funds and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts. In the future, the MWP program may make available model portfolios designed by strategists other than LPL's Research Department. If such models are made available, Advisor will have discretion to choose among the available models designed by LPL or outside strategists. A minimum account value of \$25,000 is required for MWP.

### **Manager Access Select Program (MAS)**

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. Advisor will assist client in identifying a third-party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL. The Portfolio Manager manages client's assets on a discretionary basis. Advisor will provide initial and ongoing assistance regarding the Portfolio Manager selection process. A minimum account value of \$100,000 is

required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

### **Manager Access Network Program (MAN)**

Manager Access Network enables high-net-worth investors to access a variety of institutional portfolio managers at significantly lower account minimums. By using separate account managers, clients can enjoy a higher level of specialization and service through the ownership of individual securities. A broad range of portfolio managers and multiple investment styles are available, including equity, fixed income, asset classes, mutual funds, ETFs, and specialty strategies. Clients contract directly with the portfolio managers for discretionary asset management services. LPL Financial provides brokerage, custodial, and administrative services to clients. Due diligence and portfolio monitoring is not provided by LPL Research. Minimum account balances vary by portfolio manager, but typically start at \$100,000 for equity strategies and \$250,000 for fixed income strategies.

### **Guided Wealth Portfolios (GWP)**

GWP offers clients the ability to participate in a centrally managed, algorithm-based investment program, which is made available to users and clients through a web-based, interactive account management portal (“Investor Portal”). Investment recommendations to buy and sell open-end mutual funds and exchange-traded funds are generated through proprietary, automated, computer algorithms (collectively, the “Algorithm”) of Xulu, Inc., doing business as FutureAdvisor (“FutureAdvisor”), based upon model portfolios constructed by LPL and selected for the account as described below (such model portfolio selected for the account, the “Model Portfolio”).

Communications concerning GWP are intended to occur primarily through electronic means (including but not limited to, through email communications or through the Investor Portal), although NWMG will be available to discuss investment strategies, objectives or the account in general in person or via telephone.

A preview of the Program (the “Educational Tool”) is provided for a period of up to forty-five (45) days to help users determine whether they would like to become advisory clients and receive ongoing financial advice from LPL, FutureAdvisor and NWMG by enrolling in the advisory service (the “Managed Service”). The Educational Tool and Managed Service are described in more detail in the GWP Program Brochure. Users of the Educational Tool are not considered to be advisory clients of LPL, FutureAdvisor NWMG, do not enter an advisory agreement with LPL, FutureAdvisor or NWMG, do not receive ongoing investment advice or supervisions of their assets, and do not receive any trading services. A minimum account value of \$5,000 is required to enroll in the Managed Service.

- Features of the Educational Tool - Users of the Educational Tool (each, a “user”) agree to a terms of use (“Terms of Use”) and complete an investor profile. An investment objective (“Investment Objective”) and Model Portfolio is assigned to each user based upon factors in the

investor profile, including risk tolerance and the number of years remaining until the age of retirement (such time being referred to herein as the “Retirement Age”). (See description in “Features of the Managed Service” below for information regarding the design of the Model Portfolios.) Based on the Investment Objective and Model Portfolio, the Educational Tool generates sample analysis, advice and investment recommendations (“Sample Recommendations”).

- The Educational Tool provides Sample Recommendations that may assist users in determining whether to utilize the Managed Service. Access to the Educational Tool is limited to a period of forty-five (45) days. The Educational Tool is intended to be used for educational and informational purposes only. The Educational Tool does not provide comprehensive financial planning and is not intended to constitute legal, financial or tax advice. There may be other relevant factors and financial considerations (e.g., debt load or financial obligations) that LPL, FutureAdvisor and NWMG do not take into consideration in formulating any Sample Recommendations provided. The Sample Recommendations made are meant solely as a sample of the types of recommendations available through the Managed Service. LPL, FutureAdvisor and NWMG are not responsible for any actions taken with respect to the Sample Recommendations, and users are solely responsible for making their own investment decisions. The Educational Tool is only one of many tools that users may use as part of a comprehensive investment analysis process. Users should not rely on the Educational Tool as the sole basis for investment decisions.
- Although LPL is an investment adviser and broker-dealer registered with the SEC and a member of the Financial Industry Regulatory Authority, and FutureAdvisor is an investment adviser registered with the SEC, in providing access to the Educational Tool, LPL, FutureAdvisor and NWMG do not intend to establish an advisory relationship, or in the case of LPL, a brokerage relationship, with users of the Educational Tool. Users are not charged an advisory fee or any other fee or expense to use the Educational Tool. The scope of any investment advisory relationship with LPL, FutureAdvisor and NWMG begins when users enroll in the Managed Service. The output that users receive by using the Educational Tool, including the Sample Recommendations, may differ materially from the advice users would receive as an advisory client of LPL, FutureAdvisor and NWMG.
- None of LPL, FutureAdvisor or NWMG provides ongoing investment management or trading services for assets of users of the Educational Tool, makes any determination as to whether the website through which the Program is accessed or the Educational Tool is appropriate for any user, can access any assets in any accounts users aggregate in the Educational Tool, places any trades on behalf of users of the Educational Tool, or provides ongoing supervision of assets of users of the Educational Tool. The Sample Recommendations provided are intended as an informational preview of the Managed

Service, and the Sample Recommendations are being provided to demonstrate the types of analysis, advice and recommendations provided by the Managed Service.

- Features of the Managed Service - Investors participating in the Managed Service (each, a “client”) complete an account application (the “Account Application”) and enter into an account agreement (the “Account Agreement”) with LPL, NWMG and FutureAdvisor. As part of the account opening process, clients are responsible for providing complete and accurate information regarding, among other things, their age, risk tolerance, and investment horizon (collectively, “Client Profile”). LPL, NWMG and FutureAdvisor rely on the information in the Client Profile in order to provide services under the Program, including but not limited to, determination of suitability of the Program for clients and an appropriate Investment Objective and Model Portfolio for clients. The Model Portfolios have been designed and are maintained by LPL or, in the future, a third-party investment strategist (as applicable, the “Portfolio Strategist”) and shall include a list of securities holdings, relative weightings and a list of potential replacement securities for tax harvesting purposes. None of the client, NWMG or FutureAdvisor can access, change or customize the Model Portfolios. Only one Model Portfolio is permitted per account.
  - Based upon a client’s risk tolerance as indicated in the Client Profile, the client is assigned an investment allocation track (currently Fixed Income Tilt, Balance Tilt or Equity Tilt), the purpose of which is to slowly rotate the client’s equity allocation to fixed income over time. LPL Research created these tracks using academic research on optimal retirement allocations, the industry averages as calculated by Morningstar for the target date fund universe, and input from FutureAdvisor.
  - Within the applicable allocation track and based upon a client’s chosen Retirement Age in the Client Profile, the client will be assigned a Model Portfolio and one of five of LPL’s standard investment objectives.

Both the client and NWMG are required to review and approve the initial Investment Objective. As a client approaches the Retirement Age, the Algorithm will automatically adjust the client’s asset allocation. Any change to the Investment Objective directed by a client due to changes in the Client’s risk tolerance and/or Retirement Age will require written approval from the client and NWMG before implementation. Failure to approve the change in Investment Objective may result in a client remaining in a Model Portfolio that is no longer aligned with the applicable Client Profile. The Investment Objective selected for the account is an overall objective for the entire account and may be inconsistent with a particular holding and the account’s performance at any time and may be inconsistent with other asset allocations suggested to client by LPL, NWMG or FutureAdvisor prior to client entering into the Account Agreement. Achievement of the stated investment objective is a long-term goal for the account, and asset withdrawals may impair the achievement of client’s investment objectives. A Client Profile that includes a

conservative risk tolerance over a long-term investment horizon may result in the selection of an Investment Objective that is riskier than would be selected over a shorter-term investment horizon. Clients should contact NWMG if they believe the Investment Objective does not appropriately reflect the Client Profile, such as their risk tolerance.

- By executing the Account Agreement, clients authorize LPL, NWMG and FutureAdvisor to have discretion to buy and sell only open-end mutual funds (“Mutual Funds”) and exchange-traded funds (“ETFs”) (collectively, “Program Securities”) according to the Model Portfolio selected and, subject to certain limitations described in the Account Agreement, hold or liquidate previously purchased non-model securities that are transferred into the account (“Legacy Securities”). In order to be transferred into an account, Legacy Securities must be Mutual Funds with which LPL has a full or partial selling agreement, ETFs or individual U.S. listed stocks. Securities that are not Program Securities included within the Model Portfolio will not be purchased for an account, and FutureAdvisor, in its sole discretion, will determine whether to hold or sell Legacy Securities, generally, but not solely, with the goal of optimizing tax impacts for accounts that are subject to tax. Additional Legacy Securities will not be purchased for the account. Clients may not impose restrictions on liquidating any Legacy Securities for any reason. Clients should not transfer in Legacy Securities that they are not willing to have liquidated at the discretion of FutureAdvisor.
- In addition, uninvested cash may be invested in money market funds, the Multi-Bank Insured Cash Account (“ICA”) or the Deposit Cash Account (“DCA”), as applicable, as described in the Account Agreement. Dividends paid by the Program Securities in the account will be contributed to the cash allocation and ultimately reinvested into the account based on the Model Portfolio once the tolerance within cash allocation is surpassed.
- Pursuant to the Account Agreement, FutureAdvisor is authorized to perform tax harvesting when deemed acceptable by the Algorithm. None of the client, NWMG or LPL can alter trades made for tax harvesting purposes. In order to permit trading in a tax-efficient manner, the Account Agreement also grants FutureAdvisor the authority to select specific tax lots when liquidating securities within the account. Although the Algorithm attempts to achieve tax efficiencies, by doing so the client’s portfolio may not directly align with Model Portfolio. As a result, the client may receive advice that differs from the advice received by accounts using the same Model Portfolio, and the client’s account may perform differently than other accounts using the same Model Portfolio.
- During the term of the Account Agreement, FutureAdvisor will perform a daily review of the account to determine if rebalancing is appropriate based on tolerance thresholds established by LPL and/or FutureAdvisor. At each rebalancing review, the account will be rebalanced if at least one of the account positions is outside such thresholds, subject to a minimum transaction

amount established by LPL and/or FutureAdvisor. In addition, LPL and/or FutureAdvisor may review the account for rebalancing in the event that the Portfolio Strategist changes a Model Portfolio. FutureAdvisor may delay placing rebalancing transactions for non-qualified accounts by a number of days, to be determined by FutureAdvisor, in an attempt to limit short-term tax treatment for any position being sold. In addition, trading in the account at any given time is also subject to certain conditions, including but not limited to, conditions related to trade size, compliance tests, the target cash allocation and allocation tolerances. None of the client, NWMG or LPL can alter the rebalancing frequency.

- Selection of FutureAdvisor as Third-Party Robo Advisor - After a thorough review of the digital offerings available, NWMG decided to partner with LPL and FutureAdvisor to offer this digital program. Under NWMG agreement with LPL, NWMG was provided the opportunity to offer GWP, which utilizes FutureAdvisor's Algorithm as described herein, to prospective clients. National Wealth Management Group, LLC. (NWMG) is not otherwise affiliated with FutureAdvisor. FutureAdvisor is compensated directly by LPL for its services, including the Algorithm and related software, through an annual sub-advisory fee (tiered based on assets under management by FutureAdvisor, at a rate ranging from 0.10% to 0.17%). As each asset tier is reached, LPL's share of the compensation shall increase, and clients will not benefit from such asset tiers. No additional fee is charged for FutureAdvisor's services.
- National Wealth Management Group, believes that certain clients will benefit from GWP's advisor-enhanced advisory services, particularly due to the relatively low minimum account balance and the combination of a digital advice solution with access to an advisor. Unlike direct-to-consumer Robo platforms, NWMG is responsible on an ongoing basis as investment advisor and fiduciary for the client relationship, including for recommending the program for the client; providing ongoing monitoring of the program, the performance of the account, the services of LPL and FutureAdvisor; determining initial and ongoing suitability of the program for the client; reviewing clients' suggested portfolio allocations; reviewing and approving any change in Investment Objective due to changes clients make to their Client Profile; answering questions regarding the program, assisting with paperwork and administrative and operational details for the account; and being available to clients to discuss investment strategies, changes in financial circumstances, objectives or the account in general in person or via telephone. National Wealth Management can also recommend other suitable investment programs if clients have savings goals or investment needs for which GWP is not the optimal solution.

### **Schwab Managed Account Platforms**

The Managed Account Select® ("Select") and Managed Account Access® ("Access") programs make up Schwab's single-contract offering. Select and Access are wrap fee programs that offer brokerage, custody, and money manager ("manager") services.



## **Schwab Institutional Intelligent Portfolios**

National Wealth Management Group offers an automated investment program (the "Program") through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds ("ETFs") and a cash allocation. The client may instruct us to exclude up to three ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co"). National Wealth Management Group uses the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the Program.

National Wealth Management Group is independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). National Wealth Management Group is the client's investment advisor and responsible for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. National Wealth Management Group has contracted with SPT to provide the Platform, which consists of technology and related trading and account management services for the Program.

The Platform enables National Wealth Management Group to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The System includes an online questionnaire that helps to determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that National Wealth Management Group will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but National Wealth Management Group then makes the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which client portfolios are managed on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

National Wealth Management does not pay SPT fees for the Platform so long as we maintain \$100 million in client assets in accounts at CS&Co. that are not enrolled in the Program. If we do not meet this condition, then we pay SPT an annual licensing fee of .10% (10 basis points) on the value of our clients' assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

## **D. Wrap Fee Programs**

National Wealth Management Group includes securities transaction fees together with its investment advisory fees. Including these fees into a single asset-based fee is considered a "Wrap Fee Program". The Advisor customizes its investment management services for its Clients. The Advisor sponsors the



NWMG Wrap Fee Programs solely as a supplemental disclosure regarding the combination of fees. Depending on the level of trading required for the Client's account[s] in a particular year, the Client may pay more or less in total fees than if the Client paid its own transaction fees. Please see Appendix 1 –Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure.

#### **E. Assets Under Management**

As of December 31, 2021 National Wealth Management Group manages the following assets:

Assets Under Management	Assets
Discretionary Assets	\$236,000,187
Non-Discretionary Assets	\$0.00
<b>Total</b>	<b>\$236,000,187</b>

- Investment advisor representatives of NWMG also provide consulting services to variable annuity assets under advisement held in brokerage accounts at LPL Financial that are not actively managed, there is no trading authority and no advisory fee.

Clients may request more current information at any time by contacting the Advisor.

#### **F. Retirement Plan Consulting**

Investment advisor representatives of NWMG may assist clients that are trustees or other fiduciaries to retirement plans ("Plans") by providing fee-based consulting and/or advisory services. Investment advisor representatives may perform one or more of the following services, as selected by the client in the client agreement:

- Assistance in the preparation or review of an investment policy statement ("IPS") for the Plan based upon consultation with client to ascertain Plan's investment objectives and constraints.
- Acting as a liaison between the Plan and service providers, product sponsors or vendors.
- Ongoing monitoring of investment manager(s) or investments in relation to the criteria specified in the Plan's IPS or other written guidelines provided by the client to IAR.
- Preparation of reports describing the performance of Plan investment manager(s) or investments, as well as comparing the performance to benchmarks.

- Ongoing recommendations, for consideration and selection by client, about specific investments to be held by the Plan or, in the case of a participant-directed defined contribution plan, to be made available as investment options under the Plan.
- Education or training for the members of the Plan investment committee with regard to various matters, including plan features, retirement readiness matters, service on the committee, and fiduciary responsibilities.
- Assistance in enrolling Plan participants in the Plan, including conducting an agreed upon number of enrollment meetings. As part of such meetings, IARs may provide participants with information about the Plan, which may include information on the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of pre-retirement withdrawals on retirement income, the terms of the Plan and the operation of the Plan.

If the Plan makes available publicly traded employer stock (“company stock”) as an investment option under the Plan, investment advisor representatives do not provide investment advice regarding company stock and are not responsible for the decision to offer company stock as an investment option. In addition, if participants in the Plan may invest the assets in their accounts through individual brokerage accounts, a mutual fund window, or other similar arrangement, or may obtain participant loans, investment advisor representatives do not provide any individualized advice or recommendations to the participants regarding these decisions. Furthermore, investment advisor representatives do not provide individualized investment advice to Plan participants regarding their Plan assets. In addition, if client elects to engage an Investment Advisor Representative to perform ongoing investment monitoring and ongoing investment recommendation services to a Plan subject to ERISA in the client agreement, such services will constitute “investment advice” under Section 3(21)(A)(ii) of ERISA. Therefore, the investment advisor representatives will be deemed a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of ERISA in connection with those services. Clients should understand that to the extent the IAR is engaged to perform services other than ongoing investment monitoring and recommendations, those services are not “investment advice” under ERISA and therefore, the IAR will not be a “fiduciary” under ERISA with respect to those other services.

From time to time the NWMG may make the Plan or Plan participants aware of and may offer services available from IAR that are separate and apart from the services provided under Retirement Plan Consulting. Such other services may be services to the Plan, to a client with respect to client's responsibilities to the Plan and/or to one or more Plan participants. In offering any such services, the IAR is not acting as a fiduciary under ERISA with respect to such offering of services. If any such separate services are offered to a client, the client will make an independent assessment of such services without reliance on the advice or judgment of the IAR. Such service may include:

- Assistance with investment education seminars and meetings for Plan participants. Such meetings may be on a group or individual basis, and may include information about the investment options under the Plan (e.g., investment objectives, risk/return characteristics, and historical performance), investment concepts (e.g., diversification, asset classes, and risk and return), and how to determine investment time horizons and assess risk tolerance. Such meetings do not include specific investment advice about investment options under the Plan as being appropriate for a particular participant.
- Assistance at client's direction in making changes to investment options under the Plan.
- As part of the ongoing investment recommendation service set out above, assistance in identifying investment options in connection with the "broad range" requirement of Section 404(c) of the Employee Retirement Income Security Act of 1974 ("ERISA").
- As part of the ongoing investment recommendation service set out above, assistance in identifying an investment fund product or model portfolio in connection with the definition of a "Qualified Default Investment Alternative" ("QDIA") under ERISA.
- Assistance with the preparation, distribution and evaluation of Request for Proposals, finalist interviews, and conversion support in connection with vendor analysis and service provider support.
- Preparation of comparisons of Plan data (e.g., regarding fees and services and participant enrollment and contributions) to data from the Plan's prior years and/or a benchmark group of similar plans.
- Assistance in identifying the fees and other costs borne by the Plan for, as specified by client, investment management, recordkeeping, participant education, participant communication and/or other services provided with respect to the Plan.

## **G. Plan Participant Advisory Services (PPAS)**

Investment advisor representatives of NWMG, can be engaged to provide asset allocation and/or specific investment recommendations for retirement plan assets based on the investment options available and the financial information provided by the client. The Investment Advisor Representative tailors the recommendation to the individual needs of the client based upon their investment objectives. Depending on the available options offered by the plan custodian, investment advisor representatives may have discretionary authority to directly execute trades on behalf of clients or the client may retain the sole responsibility for determining whether to implement any recommendations and for placing transactions. The Investment Advisor Representative is responsible for determining the fee to charge each client based on factors such as total amount of assets involved in the relationship and the

complexity of the services. Clients should consider the level and complexity of the services to be provided when negotiating the fee with IAR. Clients pay the fee by a check made payable to National Wealth Management Group. The client may terminate the arrangement at any time, and may request a refund of unearned fees, if any, based on the time and effort completed prior to the termination of the agreement. The agreement terminates upon delivery of a written or verbal recommendation. No refunds will be made after delivery of the recommendation, except when the number of actual hours is less than the estimated number of hours expected.

#### **H. Variable Sub-Account Management Services**

National Wealth Management Group is available to manage variable annuity and/or variable life sub-accounts by selecting, monitoring and exchanging as necessary between the available investment choices. Sub-accounts are managed based on a particular client's financial goals, risk tolerance and time horizon while taking into account certain restrictions.

#### **I. Financial Planning Services**

National Wealth Management Group will typically provide a variety of financial planning and consulting services to Clients, pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation. A particular client's financial plan will include the relevant types of planning specific to their needs and objectives such as:

- **Business Succession** – planning for the continuation of a business in a smooth a transition as possible with the use of buy-sell agreements, key-man insurance and engaging independent legal counsel as needed.
- **Cash Flow/ Budget Planning** – planning to manage expenses against current and projected income.
- **College / Education** – planning to pay the future college / education expenses of a child or grandchild.
- **Divorce** – planning for the financial impact of divorce such as change in income, retirement benefits and tax considerations.
- **Estate Planning** – planning that focuses on the most efficient and tax friendly option to pass on an estate to a spouse, other family members or a charity.
- **Final Expenses** – planning to leave assets to cover final expenses such as funeral, debts and potential business continuity.
- **Insurance Needs** – planning for the financial needs of survivors to satisfy such financial obligations as housing, dependent childcare and spousal arrangements as well as education.

- **Investment Planning** – planning an investment strategy consistent with some particular objectives, time horizons and risk tolerances.
- **Major Purchase** – Evaluation of the pros and cons of home ownership verse renting as well as buying or leasing a car, for example.
- **Retirement** – planning an investment strategy with the objective of providing inflation- adjusted income for life.
- **Tax Planning** – planning a tax efficient investment portfolio to maximize deductions and off-setting losses.
- **Wealth Accumulation** – planning to build wealth within a portfolio that takes into consideration risk tolerance and time horizon.

The services take into account information collected from the client such as financial status, investment objectives and tax status, among other data. Fees for such services are negotiable and detailed in the client agreement. The financial plan may include generic recommendations as to general types of investment products or specific securities which may be appropriate for the Client to purchase given his/her financial situation and objectives. The Client is under no obligation to act upon the investment adviser's recommendation or purchase such securities. However, if the Client desires to purchase securities or advisory services in order to implement his/her financial plan, NWMG may make a variety of products and services available through its IARs. This may result in the payment of normal and customary commissions, advisory fees or other types of compensation to National Wealth Management Group, LLC and the investment advisor representative.

For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

## **J. Coaching Services**

Once a financial plan has been created, you may engage NWMG for ongoing coaching. This differs from the financial planning process in that the wealth coach or stewardship coach is engaged to help you make progress toward your stated goals. Coaching is intended to assist you to stay on a prescribed plan for working toward financial goals. Additionally, coaching may help reduce the frequency of needed financial plan updates. Coaching services may include one or more of the following services, as elected by the client on the coaching services agreement.

- **BUCKETGRAM COACHING** - We use your personalized version of the Bucketgram, a pictorial document that summarizes your assets, liabilities, insurances and estate planning documents, to help identify areas of opportunity or concern in your financial journey.

### First Year

- Investment Coaching
- Up to 4 meeting per year (if necessary)
- Utilization of Bucketgram for prudent financial decision-making

#### Additional Years After 1st

- Investment Coaching
- Quarterly or semi-annual meetings
- Ongoing updates to Bucketgram
- Utilization of Bucketgram for prudent financial decision-making
- Cash flow analysis and planning

- **WEALTH COACHING** - We begin by helping you identify your most important life goals and continue with the development of your personal values based financial planning and maintenance of the strategies to help you work toward your financial goals. Emphasis is placed on taking you through the Wealth Optimization Process: Discovery -- Planning -- Implementation -- Maintenance.

**Maintenance Wealth Coaching** - uses the final stage of the Wealth Optimization Process (Maintenance) to monitor and maintain the financial path that has been created.

- Investment coaching
- Semi-annual meetings (more if needed)
- Quarterly snapshots and eMoney or Money Guide Pro maintenance
- Values based financial planning is aggregated with eMoney or Money Guide Pro
- No new concepts presented, only maintenance of current strategies

**Active Wealth Coaching** - uses all 4 stages of the Wealth Optimization Process (Discovery, Planning, Implementation, and Maintenance) to create new strategies and discover new opportunities to build your financial future.

- Investment coaching
- Quarterly meetings
- Quarterly snapshots and eMoney or Money Guide Pro maintenance
- Tax Review

**Family Office Coaching** - that focuses on Intergenerational Stewardship Coaching and may involve multiple households within a family.

- Investment coaching
- Monthly telephone calls to review status/progress updates with patriarch/matriarch

- Quarterly intergenerational stewardship coaching with patriarch/matriarch (more if necessary) Annual family meeting with appropriate intergenerational involvement
- Optional mentoring for next generation stewards (Proverbs 20:21, Proverbs 13:22)
- Quarterly snapshots and eMoney or Money Guide pro maintenance
- Coordination of entire financial team
- Ongoing use the Wealth Optimization Process
- Tax Review

**Stewardship Coaching-** an optional service available that helps you to understand integration of faith and finances as it pertains to all topics discussed using a biblical world view. There is no additional charge for this style of coaching. You need only to make your advisor aware of your desire for Stewardship Coaching.

### **K. Trust & Will**

National Wealth Management Group can offer estate planning services to clients that consist of education on estate planning topics and the collection of general information necessary to complete a new estate plan or review a current estate plan. National Wealth Management Group can also assist a client in gathering the required information needed by an independent third-party estate planning firm<sup>4</sup>.

Any and all fees paid by the client for outside services can be paid to the provider directly or depending on the client specific agreement such fees can be paid by National Wealth Management Group.

### **L. Hourly Consulting Services**

National Wealth Management Group representatives, may can provide consulting services including, as selected by the client in the consulting agreement, advice regarding tax planning, investment planning, retirement planning, estate planning, cash flow/budget planning, business planning, education planning, and personal financial planning. The services take into account information collected from the client such as financial status, investment objectives and tax status, among other data. Investment Advisor Representatives may or may not deliver to the client a written analysis or report as part of the services. Investment Advisor Representatives tailor the hourly consulting services to the individual needs of the

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<sup>4</sup> Certain Investment Advisor Representatives, that are not dually registered as Registered Representatives of a broker/dealer utilize the services of Trust & Will, a third-party digital estate planning service for clients who have the need for estate planning review, creation or updates (<https://trustandwill.com/>). Clients are not required to utilize any third-party products, services or referrals and can select the service provider of their choice. The introduction and/or use of such service providers does not amount to the practice of law; National Wealth Management Group does not provide legal services.



client based on the investment objective chosen by the client. The engagement terminates upon final consultation with the client. Fees for such services are negotiable and detailed in the client agreement.

#### **M. Portfolio Review Service – “Second Opinion Analysis”**

Within the scope of the NWMG hourly consulting services, an Investment Advisor Representative can perform a review, or an existing portfolio held elsewhere. The purpose of the review would be to evaluate the appropriateness of portfolio holdings based on a client’s investment objective, time horizon and risk tolerance. Clients will have the option to reallocate positions, as appropriate, with their current custodian or they can bring the account to NWMG, who can manage the account accordingly.

#### **N. Third Party Advisory Services**

National Wealth Management Group can establish agreements with a third-party adviser where that Adviser offers various types of directly sponsored programs. All third-party investment advisers to whom NWMG may refer clients will be licensed as investment advisers by their resident state and any applicable jurisdictions or Registered Investment Advisers with the SEC. After gathering information about a client's financial situation and investment objectives, NWMG may assist the client in selecting a particular third-party program. National Wealth Management Group receives compensation pursuant to its agreements with these third-party advisers for introducing clients to these third-party advisers and for certain ongoing services provided to clients. Fees shared will not exceed with any limit imposed by any federal and/or state regulatory agency.

This compensation is disclosed in a separate disclosure document and is typically equal to a percentage of the investment advisory fee charged by that third-party adviser or a fixed fee. The disclosure document provided by NWMG will clearly state the fees payable to NWMG and the impact to the overall fees due to these payments.

Since the compensation paid to NWMG may differ depending on the agreement with each third-party adviser, NWMG has an incentive to recommend one third-party advisers over another however the firm has a fiduciary duty to act in the best interests of the client.

Clients who are referred to third-party investment advisers will receive full disclosure, including services rendered and fee schedules, at the time of the referral, by delivery of a copy of the relevant third-party adviser's Form ADV 2A as well as the Form ADV 2A for NWMG. In addition, if the investment program recommended to a client is a wrap fee program the client will also receive the wrap fee program brochure provided by the sponsor of the program.

Clients will be required to enter into an advisory agreement and complete other account specific documents with the third-party money manager in order to establish an account. While NWMG will assist in determining an appropriate third-party adviser, NWMG does not participate in the management of account established with a third-party money manager.

## **O. IRA Rollover Considerations**

When National Wealth Management Group provides investment advice to clients regarding retirement plan accounts or individual retirement accounts the firm is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way National Wealth Management Group make money creates some conflicts with a client's interests, so National Wealth Management Group operates under a special rule that requires the firm to act in a client's best interest and not put the firm's interests ahead of a client.

Alternatively, National Wealth Management Group can provide an education only approach regarding rolling over assets to an individual retirement account ("IRA") that the firm can manage on a behalf of a client. Educated clients that elect to rollover assets to an IRA will pay an asset management fee, which is a conflict of interest.

Clients are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm. Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each.

An employee will typically have four options:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney. If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - Employer retirement plans generally have a more limited investment menu than IRAs.
  - Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.

3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, participants could potentially delay their required minimum distribution beyond age 70½.
6. A 401(k) may offer more liability protection than a rollover IRA; each state may vary.
  - Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies.
  - However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. Participants may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If company stock is owned in a plan, participants may be able to liquidate those shares at a lower capital gains tax rate.
10. Plans may allow NWMG to be hired as the manager and keep the assets titled in the plan name.

It is important to understand the differences between these types of accounts and to decide whether a rollover is the best option. Prior to proceeding, if you have questions contact your Investment Adviser Representative, or call our main number as listed on the cover page of this brochure.

If an Investment Advisor Representative (IAR) with NWMG recommends that a client roll over their retirement plan assets, such a recommendation creates a conflict of interest because NWMG and that IAR will earn an advisory fee on the rolled over assets. No client is under any obligation to rollover retirement plan assets to an account managed by NWMG. National Wealth Management Group's Chief Compliance Officer, Benjamin J. Jones, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

#### **P. Unaffiliated Third-Party Technology Resources**

National Wealth Management Group has incorporated certain third-party technology resources to help manage operations and regulatory Compliance.

### **Orion Portfolio Solutions, LLC**

Orion Portfolio Solutions is a turnkey asset management program and investment manager that exists to help advisors manage their clients, investments and business with confidence. Through a proprietary SMA optimization platform, Orion Portfolio Solutions delivers and manages a suite of custom stock and direct indexing portfolios. A tech-focused approach enables personalized portfolio design, enhanced tax management capabilities and agile model creation to align with current market dynamics.

Schwab Advisor Services provides Orion Portfolio Solutions with access to its institutional brokerage, trading, custody, reporting and related services, many of which are not typically available to Schwab retail customers.

### **Q. Conflicts of Interest**

Under federal and state law, National Wealth Management Group is a fiduciary and must fully disclose all material facts relating to an advisory relationship. As a fiduciary, the firm 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 disclosure goal is to allow clients to provide informed consent or to decide not to engage National Wealth Management Group for services. Clients are encouraged to consider and ask questions about the select conflicts of interest listed below.

### **Insurance Products**

Investment advisor representatives of National Wealth Management Group can also be insurance agents able to sell insurance products for commission compensation.

- Advisory fees are not charged on funds used to purchase insurance products.
- Advisory fees are not reduced due to compensation received for insurance commissions.
- The receipt of commissions provides an incentive to purchase insurance products.
- Advisory fees are not reduced due to commission compensation received.

### **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**

National Wealth Management Group 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, National Wealth Management Group can introduce the services of other professionals for certain non-investment purposes (i.e., attorneys and accountants). In particular, Clients can receive tax preparation services as a complementary or discounted service through a separate legal entity subsidiary, Alpina Tax & Accounting Services (ATAS).

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 National Wealth Management Group. 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.

### **Financial Planning**

Depending on the type of account that could be used to implement a financial plan, compensation can include (but is not limited to) advisory fees, advisory program wrap fees; commissions; mark-ups and mark-downs; transaction charges; confirmation charges; small account fees; mutual fund 12b-1 fees; mutual fund sub-transfer agency fees; hedge fund, managed futures, and variable annuity investor servicing fees; retirement plan fees; fees in connection with an insured deposit account program; marketing support payments from mutual fund, annuity and insurance sponsors; administrative servicing fees for trust accounts; referral fees; compensation for directing order flow; and bonuses, awards or other things of value. To the extent that IAR recommends that Client invest in products and services that will result in compensation being paid to NWMG and the IAR, this presents a conflict of interest. This compensation to IAR and NWMG may be more or less depending on the product or service that IAR recommends. Therefore, the IAR has a financial incentive to recommend that a financial plan be implemented using a certain product or service over another product or service.

Clients are under no obligation to act upon the recommendations contained in a financial plan. If the client elects to act on any of the recommendations, there is under no obligation to affect the transaction through the investment adviser.

Conflicts of interest are mitigated by the fiduciary duty to always act in a client's best interest and acting accordingly. National Wealth Management Group 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. Benjamin Jones, the Chief Compliance Office, is available to discuss any concerns that exist due to a conflict of interest. Mr. Jones can be reached at (800) 936-3820 or [ben@nwmgadvisors.com](mailto:ben@nwmgadvisors.com).

## Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor.

### A. Fees for Advisory Services

#### Investment Management Services

The specific way fees are charged by the firm is established in a client's written agreement between the client and NWMG – up to 3.0% of assets under management. Clients can determine to engage the services of NWMG on a discretionary or non-discretionary basis. Investment advisory fees are paid quarterly in advance or in arrears<sup>5</sup>.

- For account held at the custodian, advisory fees are based on the market value of assets under management at the end of the quarter, billed in advance.
- For account held at Schwab, advisory fees are based on the market value of assets under management at the end of the month, billed in arrears. (Please also see the [Charles Schwab Pricing Guide](#) at this hyperlink).

Investment advisory fees are negotiable based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities are likely to have a higher fee than less complicated accounts

#### Fee Schedule

Assets Under Management (\$)	Annual Rate (%)
0 to 500,000	Negotiable to 3%
500,001 to 1,000,000	Negotiable to 3%
1,000,001 to 5,000,000	Negotiable to 3%
More than 5,000,000	Negotiable to 3%

<sup>5</sup> [Quarter End Value x Advisory Fee] / 360 x 90 Days = Advance Billing  
Average daily balance x Advisory Fee / 360 x 90 Days = In Arrears Billing

The independent custodian selected sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us. The custodian is responsible for calculating and deducting advisory fees from client accounts by direct agreement or invoice.

If the advisory agreement is terminated before the end of the quarterly period, client is entitled to a pro-rated refund of any pre-paid quarterly advisory fee if any based on the number of days remaining in the quarter after the termination date.

### **Mutual Fund Share Class Selection**

Section 206 of the Investment Advisers Act of 1940 (“Advisers Act”) imposes a fiduciary duty to act in a client’s best interests and specifically prohibits investment advisers, directly or indirectly, from engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.

However, the fiduciary duty to which advisers are subject is not specifically defined in the Advisers Act or the Commission rules but reflects a Congressional recognition “of the delicate fiduciary nature of an investment advisory relationship” as well as a Congressional intent to eliminate, or at least expose, all conflicts of interest which might incline an investment adviser, consciously or unconsciously, to render advice which was not disinterested.

The purpose of 12b-1 fees, as approved by the SEC, are to cover marketing expenses and shareholder services such as the support services.

The more beneficial share class depends on an analysis of all fees including ticket charges and expected 12b-1 fees. Investing in a 12b-1 fee paying share class can be less expensive for a client than investing in a share class with a lower expense ratio if the ticket charges on the lower-cost share class exceed the amount of ongoing 12b-1 fees.

Depending on the anticipated trading volume, and the asset management fee that is determined based on account size, complexity and time requirements, investment advisor representatives have a fiduciary duty to determine the mutual fund share class that is in the best interest of each client as part of the overall fee analysis.

For a wrap fee account, a different conflict of interest is introduced because the advisor now has an incentive to not trade as frequently (reverse churning) to avoid the ticket charges which can compromise the active management of an advisory account. This conflict is mitigated by an investment adviser representative’s fiduciary duty to act in a client’s best interest while also considering the higher asset management fee charged for wrap fee accounts.



National Wealth Management Group will seek to determine the most advantageous share class available to each client. While institutional share classes are usually the lowest cost alternative, under certain circumstances clients may be better served to pay a higher annual expense ratio and avoid a transaction fee on each trade. When selecting a mutual fund for a client's advisory account, the Investment Advisor Representative has a fiduciary duty to select the share class that helps manage the overall fee structure of the account. The overall fee structure includes such fees as: Asset Management Fees, Expense ratio, which includes 12b-1 fees, generally .25% for A shares and/or trade ticket charges.

- Investment Advisor Representatives must anticipate and monitor trading volume, and the asset management fee that is determined based on account size, complexity and time requirements.
- National Wealth Management Group will review mutual fund positions that clients transfer "in kind" to be included in assets managed by National Wealth Management Group and will advise the client as to alternatives available to them regarding share classes.
- National Wealth Management Group recognizes that in some situations, alternative share classes might not be available. For example, 529 and 401(k) Plans often have a limited array of investments and share classes available.

### **Legacy Mutual Fund Holdings**

When the client transfers assets into a managed account, the portfolio advisor will review the client's mutual fund holdings. If not one of National Wealth Management Group's recommended funds, the mutual fund will generally be sold unless the client needs to avoid a taxable gain or directs the Company to hold the position. In some circumstances, if the legacy holding fits into the asset allocation of the portfolio, it may be held going forward.

When legacy holdings are maintained in a client's account, the client's primary advisor or the Head Trader (or his designee) is responsible for conducting an initial analysis of the mutual fund share class that he or she believes is in the client's best interest to hold based on the account size, investment strategy and eligibility requirements.

If in the client's best interest to convert to an alternative share class and the position meets the minimum investment and eligibility criteria, National Wealth Management Group will place instructions for the custodian to convert the position on its next available share class conversion date.

If not converted, the position will be re-evaluated during the next account review. All steps taken will be documented either in the client's file or in the trading records of the firm.

### **Retirement Plan Consulting Fees**

National Wealth Management Group offers the following optional flat fee arrangement for pension consulting agreements. The determined annual fee will be increased each year with a cost-of-living adjustment of an agreed upon percentage.

- Frequency (monthly, quarterly, annually, or other)
- Timing (fees will be charged quarterly in advance, or arrears)
- Method (based on the value of plan assets in the method determined by the third-party payer or based on the value of the plan assets at the beginning of quarter, or end of quarter).

The minimum flat fee range is generally between \$2,000 - \$5,000 annually depending on the size, complexity and services offered. Fees will be paid by the investment provider or other third party, and/or out of Plan Assets, in accordance with the third party's policies accepted by Sponsor," or "Invoice Plan Sponsor directly at Sponsor's address.

### **Plan Participant Advisory Fees (PPAF)**

For these services, the fee is negotiated between the Investment Advisor Representative and client and the amount of the fee is as stated in the client agreement. The fee is paid to NWMG, who shares up to 100% (typically between 90% and 100%) of the fee with the Investment Advisor Representative based on the agreement between NWMG and the investment advisor representative. Client pays either on an hourly basis or flat rate basis. The hourly charge is a maximum of \$500 per hour and the flat rate fee ranges from \$0 to \$15,000. On a case-by-case basis, NWMG also may charge a higher fee depending upon the complexity of the service.

The client may elect to pay the fee upon execution of the agreement or upon delivery of the recommendation. Clients should understand that the fee client negotiates with Investment Advisor Representative may be higher than the fees charged by other investment advisors for similar services. This is the case, in particular, if the fee is at or near the maximum fees set out above. The Investment Advisor Representative is responsible for determining the fee to charge each client based on factors such as total amount of assets involved in the relationship and the complexity of the services. Clients should consider the level and complexity of the services to be provided when negotiating the fee with investment advisor representative. Clients pay the fee by a check made payable to National Wealth Management Group. In the alternative, clients also may instruct and authorize NWMG to debit the fee from a non-retirement account of the client.

The client may terminate the agreement at any time, and may request a refund of unearned fees, if any, based on the time and effort completed prior to the termination of the agreement. The agreement terminates upon delivery of the written recommendation. No refunds will be made after delivery of the written recommendation, except when the number of actual hours is less than the estimated number of hours quoted in the agreement.

### **Variable Sub-Account Management Fees**

The advisory fee will be paid in arrears based upon a percentage of the market value on the last day of the calendar quarter not to exceed 2.0% annually. Alternatively, clients may negotiate an annual flat fee within a general range of between \$100 and \$1,000 depending on the market value and the extent of services. The insurance company issuing the variable annuities and/or variable life contracts will charge management expenses and possibly exchange and surrender fees in addition and separate from the investment advisory fees charged by National Wealth Management Group. The product prospectus contains more details about the additional fees that apply. If an Investment Advisor Representative of NWMG sold the variable annuity and/or variable life contract in their separate capacity as a registered representative of a broker/dealer, and insurance agent they likely received separate compensation unrelated to any advisory fees. In such an event NWMG will not charge separate advisory fees until after two years from the date of purchase.

### **Financial Planning Services**

National Wealth Management charges on an hourly fee up to \$500 an hour or flat fee generally ranging from \$100 to \$15,000 for financial planning depending on extenuating circumstances. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Depending on the complexity of a plan fees may exceed \$15,000.

### **Hourly Consulting Services**

Consulting services are based on an hourly or flat fee basis. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees range from \$100 - \$500.

### **Portfolio Review Service – “Second Opinion Analysis”**

A minimum analysis fee of \$1,000 is required. Otherwise, an analysis is billed at 0.25% of all the assets reviewed within a portfolio, which can include assets held at multiple custodians. An amount of 50% is due upon engagement with the balance due upon completion of the analysis. If a client elects to move their assets to National Wealth Management Group for asset management services, the analysis fees otherwise due for the second opinion analysis will be applied to reduce the annual asset management fee.

### **Coaching Services**

Fees are based on the complexity of the service, frequency of meetings, whether meetings are at our office or away from the office or on the telephone. Fees are clearly outlined and agreed to in advance in a coaching services agreement. Fees are negotiable.

### **Wealth Coaching**

Fees for “Wealth Coaching” may be modified based upon individual circumstances, preexisting relationships, complexity of services or as otherwise may be determined at the discretion of NWMG. Fees are due and payable to NWMG every three months in advance of the next quarterly period.

- Maintenance Wealth Coaching \$450 - \$750 quarterly
- Active Wealth Coaching \$550 - \$3,000 quarterly
- Family Office Coaching \$3,000 - \$10,000 quarterly

Clients will be sent an invoice for the quarterly fees. Clients may terminate the coaching services within five (5) business days of execution of the coaching services agreement. After the five (5) day period, clients may terminate the coaching services agreement upon written notice at any time. Refunds for coaching services terminating during a quarterly period will be calculated based on time expended by NWMG and multiplied by NWMG hourly rate of \$300 per hour. Coaching services are ongoing until terminated by client or NWMG.

### **Stewardship Coaching**

Stewardship Coaching: An optional service available that helps you to understand integration of faith and finances as it pertains to all topics discussed using a biblical world view. There is no additional charge for this style of coaching. You need only to make your advisor aware of your desire for Stewardship Coaching.

### **Third Party Advisors**

There is not a split fee arrangement but each advisor charges independent fees not to exceed 2% in total. The qualified custodian is authorized by the client under separate agreement to calculate and deduct the advisory fee. The total advisory fee is paid to the third-party advisory who makes payment to National Wealth Management Group by agreement, not an invoice. This annual fee shall be pro-rated and paid quarterly, in advance, from the fees received by the Adviser pursuant to the Program Agreement and based upon the market value of the Assets on the last business day of the previous calendar quarter.

No increase in the annual fee shall be effective without prior written notification to the Advisor.

If the advisory agreement is terminated before the end of the quarterly period, client is entitled to a pro-rated refund of any pre-paid quarterly advisory fee based on the number of days remaining in the quarter after the termination date. Lower fees for comparable services may be available from other sources.

### **Friends & Family**

National Wealth Management Group may offer services to family and friends at a reduced or no fee basis.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. National Wealth Management Group includes securities transactions costs as part of its overall investment advisory fee through the NWMG Wrap Fee Program. Securities transaction fees for Client-directed trades may be charged back to the Client. In addition, all fees paid to NWMG for investment advisory services or part of the NWMG Wrap Fee Program are

separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of NWMG, but would not receive the services provided by NWMG which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by NWMG to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

#### **D. Advance Payment of Fees and Termination**

##### **Investment Management Services**

Either party may terminate the investment advisory agreement by providing advance written notice to the other party. The Client may terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid investment advisory fees. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior approval.

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

Either party may terminate the financial planning agreement by providing advance written notice to the other party. The Client may terminate the financial planning agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be billed for actual hours logged on the planning project times the contractual hourly rate or in the case of a fixed fee engage, the percentage of the engagement scope completed by the NWMG. National Wealth Management Group will refund any unearned, prepaid planning fees from the effective date of termination. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior approval.

#### **E. Compensation for Sales of Securities**

LPL Financial 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). LPL Financial enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. LPL Financial commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by LPL Financial may be higher or lower than those charged by other custodians and broker/dealers. Clients may direct their brokerage

transactions at a firm other than LPL Financial. Advisory fees are generally not reduced to offset commissions or markups.

When dealing with investment advisory clients and services, investment adviser representatives have an affirmative duty of care, loyalty, honesty and good faith to act in the best interests of its clients.

Investment adviser representatives should fully disclose all material facts concerning any conflict that does arise with these clients and should avoid even the appearance of a conflict of interest. Please note, clients may purchase investment products recommended by our firm through other, non-affiliated broker dealers or agents.

When the firm's representatives sell an investment product on a commission basis, the firm does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, NWMG representatives do not also receive commission compensation for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). However, a client may engage the firm to provide investment management services for an advisory fee and also purchase an investment product from the firm's representatives on a separate commission basis.

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

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None of the Investment Advisor Representatives of NWMG accept performance-based fees – that is, 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). We also do 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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National Wealth Management Group generally provides investment advice to individuals and high net worth individuals, corporations and insurance companies.

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

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##### **A. Methods of Analysis**

National 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. Each client can place reasonable restrictions on the types of investments to be held in the portfolio.

The firm uses a combination of multiple forms of analysis to formulate investment advice when managing assets. Depending on the analysis the firm will implement a long or short-term trading strategy based on the particular objectives and risk tolerance of a particular client.

- **Charting Analysis** involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends
- **Cyclical Analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security. Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.
- **Fundamental Analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.
- **Long-Term Purchases** are securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Options Trading/Writing** – is a securities transaction that involves buying or selling (writing) an option. If you write an option and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option. Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.



- **Short-Term Purchases** are securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- **Technical Analysis** involves the analysis of past market data, primarily price and volume. Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

As noted above, NWMG generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. NWMG will typically hold all or a portion of a security for more than a year but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, NWMG may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. NWMG 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. The Advisor monitors these 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:

- **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.
- **Complex Product Risk** – Complex Products are complicated instruments that should only be used by sophisticated investors who fully understand the terms, investment strategy and risks associated with the funds. Clients should be aware of certain specific risks involved in trading Complex Products. These risks include, but are not limited to:
  - **Use of Leverage and/or Derivative Instruments:** Many leveraged and inverse funds as well as volatility-linked products use leverage and derivative instruments, such as futures and options contracts, to achieve their stated investment objectives. As such, they can be extremely volatile and carry a high risk of substantial losses. Complex Products are considered speculative investments and should only be used by investors who fully understand the risks and are willing and able to absorb potentially significant losses.
  - **Seeking Daily Target Returns:** Most Complex Products "reset" daily, meaning that they are designed to achieve their stated objectives daily. Because of compounding, the return for investors who invest for a period longer than one trading day may vary significantly from the stated goal as well as the target benchmark's performance. This is especially true in very volatile markets or if a Complex Product is tracking a very volatile underlying index. Investments in any Complex Product must be actively monitored daily and are typically not appropriate for a buy-and-hold strategy.
  - **Higher Operating Expenses and Fees:** Investors should be aware that these Complex Products typically rebalance their portfolios frequently, often daily, to compensate for anticipated changes in overall market conditions. For example, volatility-linked ETPs will rebalance their exposure to futures of different maturities to maintain the targeted maturity. This rebalancing can result in frequent trading and increased portfolio turnover. These Complex Products will, therefore, have higher operating expenses and investment management fees than other funds or products.

**Tax Treatment May Vary:** In many cases, Complex Products may generate their returns using derivative instruments. Because derivatives are taxed differently from equity or fixed-income securities, investors should be aware that these Complex Products may not have the same tax efficiencies as other funds or products.

- **Concentration Risk** – Concentrated portfolios are an aggressive and highly volatile approach to trading and investing and should be viewed as complementary to a stable, highly predictable investment approach. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in price of any given holding in the portfolio is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.
- **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.
- **Cybersecurity Risk.** The computer systems, networks and devices used by us and our service providers employ a variety of protections designed to prevent damage or interruption from computer viruses, network and computer failures and cyberattacks. Despite such protections, systems, networks and devices potentially can be breached. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of corrupting data, or causing operational disruption, as well as denial-of-service attacks on websites. Cyber incidents may cause disruptions and impact business operations, potentially resulting in financial losses, the inability of us or our service providers to trade, violations of privacy and other laws, regulatory fines, reputational damage, reimbursement costs and additional compliance costs, as well as the inadvertent release of confidential information.
- **Currency/Exchange Rate Risk** – the risk of a change in the price of one currency against another.
- **Exchange Traded Fund and Mutual Fund Risk:** The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may incur additional costs associated with ETFs and mutual funds (see Item 5). Consumer Discretionary ETF Shares are listed for trading on NYSE Arca and can be bought and sold on the secondary market at market prices. Although it is expected that the market price of a Consumer Discretionary ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV vary significantly. Thus, the client may pay more or less than NAV when the Consumer Discretionary ETF Shares are purchased on the secondary market, and the client may receive more or less than NAV when you sell those shares. Although Consumer Discretionary ETF Shares are listed for trading on NYSE Arca, it is possible that an active

trading market may not be maintained, and Trading of Consumer Discretionary ETF Shares on NYSE Arca may be halted by the activation of individual or market wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Consumer Discretionary ETF Shares may also be halted if the shares are delisted.

- **Inflationary Risk** – the risk that future inflation will cause the purchasing power of cash flow from an investment to decline.
- **Interval Fund Repurchase Offers Risk.** National Wealth Management Group can recommend or purchase interval funds. Subject to applicable law, one or more of these funds may place limitations on the percentage of outstanding shares that may be repurchased in each period. If a repurchase offer is oversubscribed, the fund will repurchase the shares tendered on a pro rata basis, and shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, shareholders may be unable to liquidate all, or a given percentage, of their investment in the fund during a repurchase offer. Some shareholders, in anticipation of proration, may tender more shares than they wish to have repurchased in a quarter, thereby increasing the likelihood that proration will occur. A shareholder may be subject to market and other risks, and the net asset value of shares tendered in a repurchase offer may decline between the repurchase request deadline and the date on which the net asset value for tendered shares is determined. In addition, the repurchase of shares by the fund may be a taxable event to shareholders.
- **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.
- **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.
  - **COVID-19:** The novel coronavirus known as COVID-19 involves significant risk of a sustained increase in the volatility of global markets, which volatility could continue for the

foreseeable future. Market responses to decisions made by governments and scientists around the world, including measures to contain the spread of the virus, availability of healthcare and treatments, and rolling shutdowns of markets across the globe would negatively impact markets and pose a significant risk of loss to investment principal. The pandemic also poses a risk from a human capital and resource perspective.

- **Portfolio Inactivity Risk.** Advisor maintains procedures for reviewing client portfolios and for making changes to a client's account holdings. There may be periods where Advisor determines that changes to a client's portfolio are unnecessary. Clients will remain responsible for paying Advisor's fees during all periods and are solely responsible for determining whether the Advisor's services remain appropriate for them.
- **Real Estate Investment Trust Risk.** To the extent that a client invests in REITs, it is subject to risks generally associated with investing in real estate, such as (i) possible declines in the value of real estate, (ii) adverse general and local economic conditions, (iii) possible lack of availability of mortgage funds, (iv) changes in interest rates, and (v) environmental problems. In addition, REITs are subject to certain other risks related specifically to their structure and focus such as: dependency upon management skills; limited diversification; the risks of locating and managing financing for projects; heavy cash flow dependency; possible default by borrowers; the costs and losses of self-liquidation of one or more holdings; the possibility of failing to maintain exemptions from securities registration; and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility.
- **Reinvestment Risk** – the risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.
- **Restrictions on Transferability of Certain Mutual Funds.** Certain mutual funds are generally only available through registered investment Advisors. If a client terminates Advisors' services, they may be unable to transfer their securities to a retail account or to another broker/dealer, and they may be unable to purchase additional shares of those mutual funds they currently own. If they determine to sell their mutual funds, they may be subject to tax consequences.
- **Social/Political** – the possibility of nationalization, unfavorable government action or social changes resulting in a loss of value.
- **Tax Harvesting Risk** – One trading strategy employed in client accounts is tax harvesting. The intent of this trade is to sell an ETF or mutual fund at a taxable loss and replace that position with a holding whose historical performance and expected future performance are similar, thereby having little impact on the overall strategic allocation, but capturing the tax loss. Because past performance is no indication of future performance, there is potential for the future performance of the replacement position to deviate from that of the initial holding. This

type of strategy may also incur an increase in the frequency of trading and amount of transaction costs.

- **Taxability Risk** – the risk that a security that was issued with tax-exempt status could potentially lose that status prior to maturity. Since municipal bonds carry a lower interest rate than fully taxable bonds, the bond holders would end up with a lower after-tax yield than originally planned.
- **Volatility-Linked Products Risk** – Volatility-linked ETPs are designed to track the Chicago Board Options Exchange Volatility Index (VIX) futures. The VIX is a measure of the expected volatility of the S&P 500 index as measured by the implied volatility of options on that index. Volatility ETPs gain exposure to market volatility through futures and/or options contracts on the VIX. Volatility-linked ETPs that seek to maintain a continuous, targeted maturity exposure to VIX futures will either track or hold VIX futures contracts on a rolling basis. They will sell shorter-term contracts or contracts about to expire with contracts that have more distant or deferred maturity dates in order to maintain the desired exposure. The performance of volatility-linked ETPs may be significantly different than the performance of the VIX and the actual realized volatility of the S&P 500 Index. VIX futures contracts are among the most volatile segments of all futures markets. Volatility-linked ETPs may be subject to extreme volatility and greater risk of loss than other traditional ETFs.

There are different types of investments that 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). Past performance is not indicative of future results.

### Types of Investments

The following list represents the different types of investment that are considered when building a client portfolio. The list is in alphabetical order, which does not represent any degree of preference or allocation percentage. While the list is intended to be comprehensive, it does not serve as a limitation on the type of investments available.

- **Annuities** – are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.
- **Cash Positions** – Based on a perceived or anticipated market conditions and/or events, certain assets will be taken out of the market and held in a defensive cash position. The firm invests cash



balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government-backed debt instruments. Cash positions are subject to the agreed upon advisory fee as they are managed as part of the overall active investment strategy. The firm does not hold cash positions for an extended period of time.

- **Cryptocurrency** - Cryptocurrencies refer to the actual virtual currency (decentralized digitized money) that allows individuals or entities to transfer funds online without the need for a bank or credit card company, such as Bitcoin, Ethereum, Cardona, and Litecoin. Cryptocurrency is Cryptocurrencies were not designed to be investments and have not been deemed to be a security. They were designed to be mediums of exchange and seen as an alternative to traditional sovereign currencies. Cryptocurrency-related products refer to securities that either directly purchase cryptocurrencies or are involved in the cryptocurrency space, such as through mining cryptocurrency, investing in companies that develop and use blockchain technology, etc. The SEC, CFTC, NFA, and FINRA have issued investor alerts and advisories on the risks of cryptocurrencies and initial coin offerings (ICOs). These regulators continue to warn investors to keep in mind that actual cryptocurrency and cryptocurrency-related products continue to be speculative and extremely volatile investments. Due to the unregulated nature and lack of transparency surrounding the operations of crypto exchanges, they may experience fraud, market manipulation, security failures or operational problems, which can adversely affect the value of cryptocurrencies and, consequently, the value of the shares of cryptocurrency-related products.
- **Emerging Markets** – The risks of foreign investments typically are greater in less developed countries, sometimes referred to as emerging markets. For example, political and economic structures in these countries may be less established and may change rapidly. These countries also are more likely to experience high levels of inflation, deflation, or currency devaluation, which can harm their economies and securities markets and increase volatility. Restrictions on currency trading that may be imposed by emerging market countries will have an adverse effect on the value of the securities of companies that trade or operate in such countries.
- **Equity** – investment 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.

- **Exchange-Traded Notes (ETNs)** – An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks.
- **Fixed Income** – investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

- **Hedge Funds and Managed Futures** – Hedge and managed futures funds are available for purchase in the program by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.
- **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 you 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.
- **Options** – a contract granting the right to either buy or sell a specific amount or value of a particular underlying interest at a fixed exercise price by exercising the option by or before its

specific expiration date. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, basket of securities, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses the premium paid. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security (which could result in a potentially unlimited loss) rather than only the loss of the premium payment received. Prior to buying or selling an option, investors must read a copy of the [Characteristics and Risks of Standardized Options](#), also known as the options disclosure document (ODD). It explains the characteristics and risks of exchange traded options.

- **Margin Accounts** – Client should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gain if the value of the securities in the account go up, but will result in increased losses if the value of the securities in the account goes down. The custodian, acting as the client’s creditor, will have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to the client. For performance illustration purposes, the margin interest charge will be treated as a withdrawal and will, therefore, not negatively impact the performance figures reflected on the quarterly advisory reports.
- **Non-U.S. Securities** – present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.
- **Precious Metal ETFs** - (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.
- **Real Estate Investment Trusts (REITs)** - A real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate. Modeled after mutual funds, REITs pool the capital of numerous investors. This makes it possible for individual investors to earn dividends from real estate investments—without having to buy, manage, or finance any properties themselves. REITs are designed to generate a steady income stream for investors but offer little in the way of capital appreciation. Most REITs are publicly traded like stocks, which makes them highly liquid (unlike physical real estate investments). REITs invest in most real estate property types, including apartment buildings, cell towers, data centers, hotels, medical facilities, offices, retail centers, and warehouses. In general, REITs specialize in a specific real

estate sector. However, diversified and specialty REITs may hold different types of properties in their portfolios, such as a REIT that consists of both office and retail properties.

- **Regulation D Private Placements** - Under the federal securities laws, any offer or sale of a security must either be registered with the SEC or meet an exemption. Regulation D under the Securities Act provides a number of exemptions from the registration requirements, allowing some companies to offer and sell their securities without having to register the offering with the SEC. However, a "Form D" must be electronically filed with the SEC after they first sell their securities. Form D is a brief notice that includes the names and addresses of the company's promoters, executive officers and directors, and some details about the offering, but contains little other information about the company.
- **Short Sales** - A short sale involves the sale of a security that the Client does not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the Client must borrow the security and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The Client realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases respectively between the date of the short sale and the date on which the Client covers its short position, i.e., purchases the security to replace the borrowed security. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.
- **Structured Products** – Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though

payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

- **Unit Investment Trust (UIT)** – An investment company that offers a fixed, unmanaged portfolio, generally of stocks and bonds, as redeemable "units" to investors for a specific period of time. It is designed to provide capital appreciation and/or dividend income. UITs can be resold in the secondary market. A UIT may be either a regulated investment corporation (RIC) or a grantor trust. The former is a corporation in which the investors are joint owners; the latter grants investors proportional ownership in the UIT's underlying securities.
- **Variable Annuities** – If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.

Past performance is not a guarantee of future returns. 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.

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#### **Item 9 – Disciplinary Information**

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There are no material legal, regulatory or disciplinary events to disclose.

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

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##### **Broker-Dealer Affiliation**

Investment Advisor Representatives can also be registered representative of LPI Financial a registered broker-dealer (CRD No. 6413), member FINRA/SIPC. Registered Representatives earn receive commission commissions for securities transactions.

##### **Insurance Agency Affiliations**

Certain Investment Advisor Representatives are also a licensed insurance professional (agent). Insurance Agents earn commission compensation for selling insurance products. Commissions generated by insurance sales do not offset regular advisory fees. This represents a conflict of interest. Clients are under no obligation to implement any recommendations made.

##### **Accounting Firm Affiliation**

Certain Investment Advisor Representatives and Management personnel are also employees or owners in the accounting firm, Alpina Tax and Accounting Services, LLC, where some (not all) are individually licensed and practicing Certified Public Accountants providing accounting services for

separate and typical compensation. Alpina Tax and Accounting Services, LLC typically recommends NWMG to accounting clients in need of advisory services. Conversely, NWMG typically recommends Alpina Tax and Accounting Services, LLC to advisory clients in need of accounting services. Accounting services provided by Alpina Tax and Accounting Services, LLC are separate and distinct from our advisory services, and are provided for separate and typical compensation. There are no referral fee arrangements between our firms for these recommendations. No NWMG client is obligated to use Alpina Tax and Accounting Services, LLC for any accounting services and conversely, no accounting client is obligated to use the advisory services provided by us. Alpina Tax and Accounting Services, LLC do not include the authority to sign checks or otherwise disburse funds on any of our advisory client's behalf.

Neither NWMG 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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### **A. Code of Ethics**

NWMG has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with NWMG (our “Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. NWMG and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of NWMG’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code.

An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser’s responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. 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 (800) 936-3820 or by email at [ben@nwmgadvisors.com](mailto:ben@nwmgadvisors.com).



## **B. Personal Trading with Material Interest**

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, thereby preventing an employee from benefiting from transactions placed on behalf of advisory accounts. NWMG does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund or advise an investment company. NWMG does not have a material interest in any securities traded in Client accounts.

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

NWMG 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 the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by NWMG requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer (“CCO”) or delegate/OR by conducting a coordinated review of personal accounts and the accounts of the Clients. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

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

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, thereby preventing an employee from benefiting from transactions placed on behalf of advisory accounts.

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## **Item 12 – Brokerage Practices**

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### **A. Recommendation of Custodian**

At no time will NWMG accept or maintain custody of a Client’s funds or securities, except for authorized deduction of the Advisor’s fees. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client investment advisory agreement.

National Wealth Management group will recommend that Clients establish accounts at LPL Financial, Schwab & Co., Inc. (Schwab), a FINRA/SIPC member broker/dealer or Interactive Brokers, Inc., a FINRA/SIPC member broker/dealer to serve as the Client’s “qualified custodian”. Neither we nor any of our firm’s related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission



rates at which such securities transactions are affected. Clients may direct their brokerage transactions at a firm other than the Custodians. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices. Likewise, client directed brokerage accounts may also result in more favorable prices, depending on each client's individual situation.

- National Wealth Management Group does not maintain custody of your assets, although we are deemed to have constructive custody of your assets based on the ability to withdraw assets from your account.
- National Wealth Management Group is independently owned and operated and are not affiliated with the account custodian.
- The custodian will hold your assets in a brokerage account and buy and sell securities when instructed.
- While National Wealth Management Group recommends the custodian/broker, you will decide to will open your account by entering into an account agreement directly with the custodian/broker.
- National Wealth Management Group does not open the custodial/brokerage account, although we may offer assistance.
- Not all advisors require their clients to use a particular broker-dealer or custodian selected by the advisor.

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

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)

- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see "Products and services available to us from Schwab")

### **Brokerage and Custody Costs**

The custodian generally does not charge you separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle in an account. Certain trades (for example, many mutual funds and ETFs) may not incur commissions or transaction fees. Custodians are also compensated by earning interest on the uninvested cash in an account.

For some accounts held at Schwab, you may be charged a percentage of the dollar amount of assets in the account in lieu of commissions.

Schwab's commission rates and asset-based fees applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$ 15,000,000.00.

This commitment benefits you because the overall commission rates and asset-based fees you pay are lower than they would be otherwise. In addition to commissions and asset-based fees, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker/dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

### **Custodial Services offered by LPL Financial (LPL)**

NWMG can recommend that clients establish a brokerage account with LPL to maintain custody of clients' assets and to effect trades for their accounts. LPL provides brokerage and custodial services to independent investment advisory firms, including NWMG. For accounts custodied at LPL, LPL generally is compensated by clients through commissions, trails, or other transaction-based fees for trades that are executed through LPL Financial 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 NWMG an asset-based administration fee for administrative services provided by LPL. Such administration fees are not directly borne by clients but may be considered when NWMG negotiates its advisory fee with clients. While LPL does not participate in, or influence the formulation of, the investment advice provided, certain supervised persons are dually registered with LPL. Dually registered IARs are restricted by certain FINRA rules and policies from maintaining client accounts at another custodian or executing client transactions in such client accounts through any broker/dealer or custodian that is not approved by LPL. Clients should also be aware that for accounts where LPL serves as the custodian, NWMG is limited to offering services and investment vehicles that are approved by LPL and may be prohibited from offering services and investment vehicles that may be available through other broker/dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through LPL.

Clients should understand that not all investment advisers recommend that clients custody their accounts and trade through specific broker/dealers.

Clients should also understand that LPL is responsible under FINRA rules for supervising certain business activities of NWMG and its Dually Registered Persons that are conducted through broker/dealers and custodians other than LPL Financial. LPL charges a fee for its oversight of activities conducted through these other broker/dealers and custodians. This arrangement presents a conflict of interest because NWMG has a financial incentive to recommend that you maintain your account with LPL rather than with another broker/dealer or custodian to avoid incurring the oversight fee. LPL is responsible under FINRA rules for supervising certain account activity of accounts held at a custodian other than LPL. LPL charges a fee for its oversight. This presents a conflict of interest because NWMG has a financial incentive to recommend LPL rather than an alternate custodian to avoid incurring this oversight fee. The conflict is mitigated by the fiduciary duty to act in a client's best interest and by doing so.

### **Custodial Services offered by Schwab**

National Wealth Management Group is deemed to have custody of client assets held at Schwab based on the authority to withdraw fee from the account. Schwab will hold client assets in a brokerage account and buy and sell securities when instructed.

Schwab generally does not charge separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into a Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program.

## **Products and Services available to us from Schwab**

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms. They provide access to institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

- Access to a broad range of investment products
- Execution and custody of assets.
- Investment products which might not otherwise be available
- Lower minimum initial investments

Schwab offers products and services to National Wealth Management Group that do not directly benefit clients, but these products and services assist in managing and administering accounts, such as:

- Investment research,
- Software and other technology that provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Schwab offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services. Schwab may also discount or waive fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide other benefits, such as occasional business entertainment of our personnel.

The availability of these services from Schwab benefits National Wealth Management Group because we do not have to produce or purchase them. National Wealth Management Group does not have to pay for Schwab's services. Schwab has also agreed to provide to NWMG without a cost we would otherwise incur for technology, research, marketing, and compliance consulting products and services once the value of our clients' assets in accounts at Schwab reaches \$15,000,000.00.

- These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody.
- This creates an incentive to recommend that clients maintain accounts with Schwab, based on our interest in receiving Schwab's services that benefit our business and Schwab's payment for services for which we would otherwise have to pay rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions.

This is a conflict of interest. In some cases, the services that Schwab pays for are provided by an affiliate or by another party that has some pecuniary, financial or other interests. This creates an additional conflict of interest. This conflict of interest is mitigated by the fiduciary duty to act in a best interests.

Interactive Brokers is compensated through commissions, trails, or other transaction-based fees for trades that are executed and settle. In addition, Broker/Dealer also charges clients miscellaneous fees and charges, such as account transfer fees. Broker/Dealer charges the firm an asset-based administration fee for administrative services provided by Broker/Dealer. Such administration fees are not directly borne by clients.

Clients should also be aware that for accounts where Broker/Dealer serves as the custodian, The firm is limited to offering services and investment vehicles that are approved by Broker/Dealer, and may be prohibited from offering services and investment vehicles that may be available through other broker/dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through Broker/Dealer.

### **Electronic Trading and Order Routing System**

Electronic trading and order routing systems differ from traditional open outcry pit trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchanges offering the system and/or listing the contract. You are responsible for directing your trading in accordance with the relevant policies, procedures and trading rules of the exchanges or systems to which your orders are routed. Before you engage in transactions using an electronic system, you should carefully review the rules and regulations of the exchanges offering the system and/or listing the instruments you intend to trade.

### **Difference Among Electronic Trading Systems**

Trading or routing orders through electronic systems varies widely among the different electronic systems. Each system presents risks related to system access, varying response times, and security. In the case of Internet-based systems, there may be additional types of risks related to system access, varying response times and security, as well as risks related to service providers and the receipt and monitoring of electronic mail.

### **Risks Associated with System Failure**

Trading through an electronic trading or order routing system exposes you to risks associated with system or component failure. In the event of system or component failure, it is possible that, for a certain time period, you may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority. In this regard, Customer must maintain alternative trading arrangements in addition to Customer's IB account in the event that the IB system is unavailable for any reason.

### **Simultaneous Open Outcry Pit and Electronic Trading**

Some contracts offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. You should review the rules and regulations of the exchange offering the system and/or listing the contract to determine how orders that do not designate a particular process will be executed.

### **Limitation of Liability**

Exchanges offering an electronic trading or order routing system and/or listing the contract may have adopted rules to limit their liability, the liability of FCMs and software and communication system vendors, and the amount of damages you may collect for system failure and delays. These limitations of liability provisions vary among the exchanges. You should consult the rules and regulations of the relevant exchanges in order to understand these liability limitations.

### **Transition Assistance – Broker/Dealer Loans**

Certain investment advisor representatives may have received a loan from LPL Financial in order to assist with transitioning their business onto the LPL Financial custodial platform. This loan may not be forgiven by LPL Financial based on the scope of business engaged in with LPL Financial, including the amount of client assets held with LPL Financial. This economic benefit presents a conflict of interest in recommending to clients that they use LPL Financial as a custodian. However, to the extent an investment adviser representative recommends you use LPL Financial for such services; it is because they believe it is in your best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL Financial. A few investment advisor specific considerations are listed below:

- The amount of a potential loan differs per investment advisor representative.

- A larger loan represents a greater conflict.
- Clients should discuss the specifics of a loan with their investment advisor representative.
- A portion of a loan provided to an Investment Advisor Representative may be paid directly to National Wealth Management Group to cover the transition support provided.
- If an advisor terminates from the broker/dealer within 12 months all transition assistance is subject to repayment.
- If a loan were to go into default, a potential demand for full payment could potentially cause an economic hardship for the investment advisor representative.

Following are additional details regarding the brokerage practices of the Advisor:

### **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.

National Wealth Management Group, LLC does not receive soft dollars; however, the firm receives support services and/or products from our custodians to better monitor and service program accounts maintained on behalf of NWMG's clients. These support services and/or products are received without cost, at a discount, and/or at a negotiated rate, and may include the following:

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

The research products and services provided by a Custodian may include research reports on recommendations 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 in investment decision-making. These support services provided by a Custodian to NWMG are based



on the overall relationship between NWMG and the Custodian. It is not the result of soft dollar arrangements or any other express arrangements with the Custodian that involves the execution of client transactions as a condition to the receipt of services.

- National Wealth Management Group, LLC will continue to receive the services regardless of the volume of client transactions executed with the Custodian.
- Clients do not pay more for services as a result of this arrangement.
- There is no corresponding commitment made by the NWMG to the Custodian or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement.

Although the non-soft dollar investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. As a result of receiving the services NWMG may have an incentive to continue to use or expand the use of the Custodian's services. Our firm examined this potential conflict of interest when we chose to enter into the relationship and we have determined that the relationship is in the best interest of our clients and satisfies our fiduciary obligations, including our duty to seek best execution.

### **Brokerage Referrals**

NWMG does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

### **Transaction Fees**

The Custodians charge 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 Custodians enable us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The Custodians 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.

### **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.

## **B. Aggregating and Allocating Trades**

For advisory services, NWMG and its related persons may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. National Wealth Management Group and its related persons may determine not to aggregate transactions, for example, based on the size of the trades, number of client accounts, the timing of trades, and the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If National Wealth Management or its related persons do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

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## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

For those clients to whom NWMG provides investment advisory services, account reviews are conducted on an ongoing basis by the investment advisor representative. All investment advisory clients are advised that it remains their responsibility to advise NWMG of any changes in their investment objectives and/or financial situation. 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 on an annual basis.

### **B. Causes for Reviews**

Client accounts are reviewed at least annually by the individual investment advisor representative(s) assigned to the account. Reviews may be conducted more or less frequently at the Client's request. Accounts may 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 NWMG 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.

National Wealth Management Group's Compliance Department regularly performs surveillance on accounts. The surveillance process focuses on accounts that have potential issues in the following areas:

Market Performance  
Trading Inactivity  
High Cash Balance

Position Concentration  
Asset Allocation

Risk Tolerance  
Senior Suitability

## C. Review Reports

The Client will receive brokerage statements no less than quarterly from the trustee or Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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## Item 14 - Client Referrals and Other Compensation

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### A. Compensation Received by NWMG

National Wealth Management Group is a fee-based advisory firm, that is compensated solely by its Clients and not from any investment product. National Wealth Management Group does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. National Wealth Management Group may refer Clients to various unaffiliated, non-advisory professionals (e.g., attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, NWMG may receive non-compensated referrals of new Clients from various third-parties. National Wealth Management Group receives an economic benefit from LPL Financial in reimbursement for marketing related expenses. Please see detailed discussion of the categories of marketing related expenses and potential conflicts of interest in Item 12 Brokerage Practices.

National Wealth Management Group and employees receive additional compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with investment advisor representatives, client workshops or events, marketing events or advertising initiatives, including services for identifying prospective clients. Product sponsors may also pay for, or reimburse NWMG for the costs associated with, education or training events that may be attended by NWMG employees and investment advisor representatives and for NWMG sponsored conferences and events.

- Certain investment adviser representatives may have received an economic benefit from LPL Financial in the form of a repayable or forgivable loan. Please see detailed discussion of the conditions and potential conflicts of interest in Item 12 Brokerage Practices.
- Certain investment adviser representatives receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 - Brokerage Practices).

National Wealth Management Group has entered into service agreements with certain unaffiliated financial institutions (e.g., Banks and or Credit Unions) that permit NWMG to provide investment advisory services to the financial institutions customers. Pursuant to service agreements NWMG shares a portion of the advisory fees with the financial institutions for use of the financial institution's facilities and for access to financial institution customers.

As a result of our relationship with LPL Financial, we will receive production bonuses, stock options to purchase shares of LPL Financial's parent company, and other things of value such as free or reduced-cost attendance at LPL Financial's national sales conference or top producer forums and events. Such compensation may be based on overall business produced and/or on the amount of assets serviced through LPL Financial. Thus, there is a financial incentive for us to recommend that you establish a Program account so that we will be compensated. We take our responsibilities to clients very seriously and we will only recommend that clients hire us for management services if we believe it is appropriate and, in the client's, best interests.

National Wealth Management Group receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

#### **B. Ramsey Solutions – SmartVestor™**

In addition, certain advisory representatives of NWMG have a relationship with Ramsey Solutions ("RS") whereby RS provides online advertising services in exchange for a flat monthly marketing fee. The services include advertising space on RS's web based SmartVestor™ lists assigned to particular geographic markets, use of the SmartVestor™ marks in advertising, and provision of other marketing materials. Potential clients using the SmartVestor™ site may select and choose to contact the advisory representative for services; potential clients are not referred to NWMG or the advisory representative.

#### **C. Client Referrals from Solicitors**

If a Client is introduced to NWMG by either an unaffiliated party or by a NWMG affiliate, NWMG may pay that solicitor a referral fee. Any such referral fee shall be paid solely from the investment management fees earned by NWMG and shall not result in any additional charge to the Client. There are no other economic benefits provided by someone who is not a client for providing investment advice.

#### **D. Sponsorship of Corporate Events**

Investment companies offering mutual funds, exchange traded funds and other securities on occasion sponsor or host a National Wealth Management Group event or conference. This could include direct payment to vendors or reimbursement or expenses in connection with the event. Sponsorship or

hosting provides a direct and/or indirect economic benefit that creates a conflict of interest when recommending securities offered by the sponsor/host company. This conflict of interest is mitigated by the firm's fiduciary duty to act in a client's best interest.

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## **Item 15 – Custody**

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National Wealth Management Group does not maintain custody of client assets, although we are deemed to have constructive custody of assets based on the authority to withdraw assets from account.

LPL Financial LLC (CRD No. 6413), Charles Schwab and Co., Inc. (CRD No. 5393) and Interactive Brokers LLC (CRD No. 36418) serve as the primary qualified custodians for assets under management. The custodians are responsible to provide clients with trade confirmations, tax forms and at least quarterly statements listing your 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.

### **Fee Deduction**

National Wealth Management Group has constructive custody of client assets held at Charles Schwab or Interactive Brokers based on the ability to deduct advisory fees directly from client accounts or based on the authority to move your money to an unlike registered account. The qualified custodian maintains actual custody of your assets. Clients will receive account statements directly from qualified custodian at least quarterly. They will be sent to the email or postal mailing address you provided. Clients should carefully review their account statements promptly when received. For accounts held at LPL Financial, fee deduction is by separate agreement direct with the Client where NWMG is not a party.

### **Standing Letters of Instructions (SLOAs)**

While NWMG does not take actual custody or possession of client funds or securities, the firm is deemed to have constructive custody based on the ability to establish Standing Letters of Authorization (SLOA) to make payments or transfers to authorized third parties. When an SLOA is established, the following controls apply:

- The client provides instructions to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.

- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The Perspective Group has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The Perspective Group maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Clients are encouraged to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

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#### **Item 16 – Investment Discretion**

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The client can determine to engage NWMG to provide investment advisory services on a discretionary basis. Prior to NWMG assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming NWMG as the client's attorney and agent in fact, granting NWMG 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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National Wealth Management Group does not vote client proxies. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact NWMG at (513) 772-2592 to discuss any questions they may have with a particular solicitation.

Third party money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a third-party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's 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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National Wealth Management Group, LLC does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. There are no financial conditions that are reasonably likely to impair the firm's ability to meet contractual commitments to clients. At no time has National Wealth Management Group, LLC been the subject of a bankruptcy petition.

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# Form ADV Part 2A – Appendix 1 (“Wrap Fee Brochure”)

**Effective:** September 25, 2022

11260 Chester Road, Suite 250 | Cincinnati, OH 45246

Phone: (800) 936-3820 | Fax: (513) 772-0419

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

This wrap fee program brochure provides information about the qualification and business practices of National Wealth Management Group, LLC. If you have any questions about the contents of this brochure, please contact us at (800) 936-3820 or by email at [ben@nwmgadvisors.com](mailto:ben@nwmgadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about National Wealth Management Group, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



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## Item 2 – Material Changes

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### Material Changes

Other than the material changes disclosed in Item 2 of the ADV 2A, there are no additional material changes since the previous annual amendment filed on March 25, 2021.

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## Item 4 – Services Fees and Compensation

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### A. Services

National Wealth Management Group can provide portfolio management services as a Wrap Fee Program, where the asset management fee and brokerage transaction fees (ticket charges) are combined or “wrapped” into a single fee. For such accounts, National Wealth Management Group is considered the Sponsor and Portfolio Manager. This brochure is provided as an appendix to Form ADV 2A to describe fee structure of a wrap fee program..

Other than the fee structure, the services offered in a wrap fee and a non-wrap fee account are identical. In either account type the total fees are negotiable and paid to National Wealth Management Group. A wrap fee program will generally have a higher asset management fee to account for the additional cost of ticket charges paid by National Wealth Management Group.

### B. Program Costs

The fee structure that is in the client’s best interest depends on the type of positions held, anticipated frequency of trading and fee payment preference. For example, a portfolio of primarily No Transaction Fee (NTFs) positions or an account with a low volume of trading will generally not benefit from the higher asset management fee of a wrap fee account. Whereas an account that has positions that include a ticket charge per transaction and there is an anticipated high degree of trading would likely benefit from a wrap fee program.

A Wrap Fee program introduces a conflict of interest because it creates an incentive to limit the number of trades placed in the Client’s account to reduce the ticket charges to the Advisor.

### C. Fees

Investment advisory fees are paid quarterly in advance or in arrears based on the billing cycle end value or daily average balance pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the following schedule:

Assets Under Management (\$)	Annual Rate (%)
0 to 500,000	Negotiable to 3%
500,001 to 1,000,000	Negotiable to 3%
1,000,001 to 5,000,000	Negotiable to 3%
Above 5,000,000	Negotiable to 3%

The applicable fee is based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

Clients will incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. In addition, all fees paid to NWMG for investment advisory services or part of the Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee.

The Client can also incur other costs assessed by the Custodian or other parties for account related activity fees, such as wire transfer fees, fees for trades executed away from the Custodian and other fees. The Advisor does not control nor share in these fees. The Client should review both the fees charged by the fund[s] and the fees charged by NWMG to fully understand the total fees to be paid.

#### **D. Compensation**

National Wealth Management Group receives investment advisory fees paid by Clients for participating in the Wrap Fee Program and pays the Custodian for the costs associated with the normal trading activity in the Client's account[s].

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

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There are no other types of clients to disclose other than those listed in Item 7 of the preceding ADV 2A.

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

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##### **Portfolio Manager Selection**

National Wealth Management Group serves as sponsor and as portfolio manager for the services under this Wrap Fee Program.

##### **Performance-Based Fees**

National Wealth Management Group does not charge performance-based fees.

##### **Proxy Voting**

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

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**Item 7 – Client Information Provided to Portfolio Managers**

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National Wealth Management Group is the sponsor and sole portfolio manager for the Program. The Advisor does not share Client information with other portfolio managers because it is the sole portfolio manager for this Wrap Fee Program.

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**Item 8 – Client Contact with Portfolio Managers**

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National Wealth Management Group is a full-service investment management advisory firm. Clients always have direct access to the Portfolio Managers at NWMG.

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**Item 9 – Additional Information**

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**Disciplinary Information**

There is no information to disclose.

**Other Financial Industry Activities and Affiliations**

Item 10 of the ADV 2A provides complete information about Other Financial Industry Activities and Affiliations. There is no additional information to disclose regarding a wrap fee program.

**Code of Ethics**

Item 11 of the ADV 2A provides complete information regarding the Code of Ethics. There is no additional information to disclose regarding a wrap fee program.

**Client Referrals and Other Compensation**

Item 14 of the ADV 2A provides complete information regarding the client referrals and other compensation. There is no additional information to disclose regarding a wrap fee program.

**Financial Information**

Item 18 of the ADV 2A provides complete information regarding financial information. There is no additional information to disclose regarding a wrap fee program.

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## Privacy Policy

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### **Our Commitment to You**

National Wealth Management Group, LLC (“NWMG” or the “Advisor”) is committed to safeguarding the use of personal information of our Clients (also referred to as “you” and “your”) that we obtain as your Investment Advisor, as described here in our Privacy Policy (“Policy”).

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. NWMG (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you. National Wealth Management Group does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below. Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### **Why you need to know?**

Registered Investment Advisors (“RIAs”) must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### **What information do we collect from you?**

Driver’s license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### **What Information do we collect from other sources?**

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account



### **How do we protect your information?**

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information. We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### **How do we share your information?**

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

<b>Basis For Sharing</b>	<b>Do we share?</b>	<b>Can you limit?</b>
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; compliance purposes, responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> National Wealth Management Group does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where NWMG or the client has a formal agreement with the financial institution. We will only share information for purposes of servicing your accounts, not for marketing purposes.	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> National Wealth Management Group does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### **Changes to our Privacy Policy**

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### **Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (800) 936-3820 or by email at [ben@nwmgadvisors.com](mailto:ben@nwmgadvisors.com).