

# Kaiser Wealth Management

## Form ADV Part 2A

**KAISER WEALTH MANAGEMENT  
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307-634-1547**

**March 27, 2023**

This brochure provides information about the qualifications and business practices of Kaiser Wealth Management. If you have any questions about the contents of this brochure, please contact us at 307-634-1547 and/or [compliance@kaiserinvest.com](mailto:compliance@kaiserinvest.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 Kaiser Wealth Management also is available on the SEC's website at [www.sec.gov](http://www.sec.gov)

## **Item 2 – Material Changes**

Changes made to Item 4.E. Client Assets Managed.

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## **ITEM 4. ADVISORY BUSINESS**

### **A. Ownership/Advisory History**

Kaiser Wealth Management is a Registered Investment Adviser based in Cheyenne, Wyoming. Kaiser Wealth Management was originally known as Western Asset Management and has been in existence since September 1998. Kaiser Wealth Management is owned by Todd Bishop.

### **B. Advisory Services Offered**

Kaiser Wealth Management contracts with independent advisor representatives. These advisor representatives each have their own way of assisting clients in managing their assets and achieving their investment goals. The advisor representatives may use any of the following investment programs.

#### **INVESTMENT ADVISORY MANAGED PROGRAMS (REP MANAGED)**

Kaiser Wealth Management has a platform for Investment Advisor Representatives and client's to develop a custom portfolio of certain classes of no-load and load waived mutual funds, equities, fixed income securities, UITs, variable products, options, partnerships, including interest in equipment leasing and housing tax credits, cash and cash equivalents. Custody of assets and funds are maintained through a "fully disclosed" clearing arrangement between Pershing LLC (Pershing) and Geneos Wealth Management.

The client, Kaiser Wealth Management and the Investment Advisor Representative enter into a Client Services Agreement. Kaiser Wealth Management, through the Investment Advisor Representative provides asset management services that include an initial consultation, completion of a client profile, and any reasonable account restrictions. Based upon the consultation and client profile, a model portfolio ("Recommendation") will be presented to client. Using the Recommendation as a guide, the Investment Advisor Representative will manage client's account in accordance with the client profile and reasonable restrictions by purchasing and/or selling securities in the account. Securities may include individual stocks, bonds, and shares of "no-load" mutual funds or "front-end load" mutual funds purchased at net asset value (NAV).

Geneos Wealth Management acts as broker for transactions and routes all transactions through its clearing firms. The Clearing Firm executes all transactions and is the qualified custodian for all rep managed accounts. The Clearing Firm provides clients with either a monthly account statement and/or quarterly account statement depending upon the account activity. At a minimum, client will receive a quarterly account statement from The Clearing Firm.

In addition to the investment advisory fee, the clients may be charged account maintenance fees and transaction charges for trade execution in accordance with the pricing forms provided by the individual Clearing Firm and furnished by the Investment Advisor Representative.

Managed accounts are designed as a long-term investment vehicle. Asset or cash withdrawals may impair the achievement of client's investment objectives. Client is advised that the investment recommendations and advice offered by Investment Advisor Representatives of Kaiser Wealth Management are not legal or accounting advice. Client should coordinate and discuss the impact of financial advice with their attorney and/or accountant.

## THIRD PARTY PROGRAMS

Kaiser Wealth Management has entered into agreements with various third party managers. Under these agreements, Kaiser Wealth Management offers client various types of programs sponsored by these Third Party Managers. Certain third party managers may be affiliated with Kaiser Wealth Management.

After gathering client profile information, an Investment Advisor Representative will assist the client in selecting one or more suitable Third Party Manager Programs or services or in selecting a particular advisory program or service.

Client will execute account-opening documents with Kaiser Wealth Management and of the Third Party Manager of program selected. The advisory relationship may be terminated by the client, Kaiser Wealth Management, or the Third Party Manager in accordance with the provisions of these agreements.

Listed below are general descriptions of the types of third party programs available:

**Direct Asset Management Programs:** In this program, the Third Party Manager manages the account in accordance with the disclosures set forth in their documents. The Third Party Manager may assume discretionary authority over the account. Kaiser Wealth Management will not manage or obtain discretionary authority over the assets in accounts participating in these programs.

**Manager Selection Programs:** In this program, the Third Party Manager who sponsors the program evaluates other investment advisers and selects certain of those advisers to participate as portfolio managers in the program. In certain programs, the client reviews the list of the participating portfolio managers with the Investment Advisor Representative and selects one or more portfolio managers from that list to manage the account. In other programs, the program sponsor selects the portfolio manager(s). The portfolio manager(s) manage the account and may assume discretionary authority over the account. Certain portfolio managers may be affiliates of Kaiser Wealth Management. The selection of such advisers might be deemed to create a conflict of interest for Kaiser Wealth Management because it results in an increase in compensation to Kaiser Wealth Managements' affiliates.

Client is advised that the investment recommendations and advice offered by Investment Advisor Representatives of Kaiser Wealth Management are not legal or accounting advice. Client should coordinate and discuss the impact of financial advice with their attorney and/or accountant.

Please refer to Fees and Compensation for related expenses for Third Party Programs.

## FINANCIAL PLANNING AND CONSULTING SERVICES

Kaiser Wealth Management, through certain Investment Advisor Representatives, provides financial planning and consulting services. These services will be provided to clients in accordance with the terms of an Advisory Service Agreement. The details of the actual services rendered and the fees charged to a specific client in connection with such services will be set forth in the client's Advisory Services Contract. The services provided can generally be categorized as one, or a combination of the services set forth below. Not all Investment Advisor Representatives provide financial planning and consulting services.

The general categories of financial planning/consulting services are as follows:

**Hourly Financial Consulting:** Client may retain an Investment Advisor Representative of Kaiser Wealth Management to provide financial consulting service for an hourly fee. The actual consulting service to be performed and an estimate of the total fee will be disclosed in the Advisory Services Contract.

**Fixed Fee Services:** Client may retain Investment Advisor Representative to provide a one-time financial plan, a portfolio analysis, and/or an investment policy statement for a fixed fee. Clients will typically have five days after signing an agreement with Kaiser Wealth Management to terminate the agreement without penalty.

**Fixed Periodic Fee:** Clients may retain Investment Advisor Representatives of Kaiser Wealth Management to provide a financial plan, similar to the one-time financial plan described above, plus updates to the plan and financial consulting services for a Quarterly in Advance, Quarterly, Semi-Annually or Annually.

**Percentage of Assets:** Clients may retain Investment Advisor Representatives of Kaiser Wealth Management to provide financial consulting services based on assets held outside of Kaiser Wealth Management. The actual consulting service to be performed and an estimate of the total fee will be disclosed in the Advisory Services Contract.

Investment Advisor Representatives offer services of other independent registered investment advisers, financial planning, investment products, and products and services offered through Geneos Wealth Management, or fixed insurance products as licensed life agents. Not every Investment Advisor Representative will offer all of these services.

Because Kaiser Wealth Management and the Investment Advisor Representative may receive different fees depending on the services offered and because not all Investment Advisor Representatives offer each type of service, the Investment Advisor Representative may have a financial incentive to recommend one type of advisory service over another.

Most clients will receive advisory services through Kaiser Wealth Management's Investment Advisor Representatives and brokerage services and/or direct investment products through Geneos Wealth Management's RRs. Whether a client uses brokerage, direct, advisory services, or a combination depends on the client's profile, investment style, and trading preferences. Because Investment Advisor Representatives/RRs may receive different compensation depending on the services engaged, there may be a financial incentive to recommend one type of service over another or a combination of services over a single service.

Client is advised that the investment recommendations and advice offered by Investment Advisor Representatives of Kaiser Wealth Management are not legal or accounting advice. Client should coordinate and discuss the impact of financial advice with their attorney and/or accountant.

### **C. Tailored Services**

For clients in the Rep Managed platforms, Investment Advisor Representatives may be granted discretionary authority via the client services agreement. Investment Advisor Representatives will have authority to determine the securities to be purchased or sold and the amount of securities that are purchased or sold. Clients have the right to restrict this discretionary authority by notifying the Investment Advisor Representative and/or Kaiser Wealth Management in writing of any and all limitations.

#### **D. Wrap Program**

Kaiser Wealth Management currently does not utilize a rep as portfolio manager wrap program.

#### **E. Client Assets Managed**

As of December 31, 2022, Kaiser Wealth Management has approximately \$33,193,741.61 in discretionary assets under management.

### **ITEM 5. FEES AND COMPENSATION**

#### **INVESTMENT ADVISOR REPRESENTATIVE MANAGED PROGRAM**

The client will have the choice to pay the annualized fee quarterly in advance, with no fees over \$1,200 being collected more than six months in advance, or the annualized fee may be paid in arrears. The Fee charged to the account is negotiable and is disclosed in the Client Services Agreement in accordance with the maximum annualized schedule as follows:

<u>Portfolio Value</u>	<u>Maximum Fee</u>
\$25,000 - \$100,000	2.50%
\$100,001 – \$150,000	2.50%
\$150,001 - \$250,000	2.50%
\$250,001 - \$500,000	2.50%
Over \$1,000,000	2.50%

The first Fee payment is due in the calendar quarter in which the agreement is executed. The Fee is pro-rated in the event that the Client Services Agreement is executed at any time other than the first day of the calendar quarter. Subsequent Fee payments are calculated as set forth in the Client Services Agreement and are debited from the account on the first day of each calendar quarter.

For those clients choosing to have their account billed in arrears, the fee is calculated on the ending market value of the assets in the account during the initial billing period. This fee is due on the first day of the calendar quarter following establishment of your account and will be assessed pro rata in the event the account is opened at any time other than the first day of the calendar quarter. Subsequent payments are due and will be assessed quarterly in arrears on the first day of the calendar quarter based on the ending account value of assets for the previous quarter.

The Fee covers Kaiser Wealth Management's and the Investment Advisor Representative's asset management and administrative services. A portion of the Fee is retained by Kaiser Wealth Management and the remainder is paid to the Investment Advisor Representative. Kaiser Wealth Management may share its portion of the Fee with its Clearing Firms. In addition to the Fee, there may be additional charges including but are not limited to;

- transaction charges,
- charges imposed by third parties such as contingent deferred sales charges on mutual funds purchased prior to their deposit to the account,
- debit balances,
- related margin interest,
- certain custodial fees,

- SEC fees,
- fees or taxes required by law

These charges may be higher or lower than transaction charges or commissions at other broker-dealers. Some Investment Advisor Representatives may absorb the transaction charge on behalf of client, or may decide to offset the transaction charge from the Fee at the time of billing. Geneos Wealth Management, our broker/dealer, will act as broker for transactions in these accounts and will be paid a ticket charge or commission out of your accounts for each transaction. The amount of this compensation will vary depending upon the circumstances of the transaction but will typically be \$18 per trade. Geneos Wealth Management and Pershing may receive portions of the transaction charges. This compensation is not shared with the Investment Advisor Representative. Kaiser Wealth Management may have a potential conflict of interest therefore; Kaiser Wealth Management monitors the amount of activity in its advisory accounts on a periodic basis.

Fees will be deducted directly from the clients account. The fee will be payable first from the free credit balance, money market funds or cash equivalents, if any, and second from the liquidation of client assets. The Clearing Firms will pay Geneos Wealth Management, who pays Kaiser Wealth Management, who pays the Investment Advisor Representative. The client will be provided, at least quarterly, with an account statement reflecting the Fee amount and transaction charges that have been debited.

The client can terminate discretionary authority through written notice both to the Investment Advisor Representative and Kaiser Wealth Management.

The Client Services Agreement may be terminated by either party at any time upon written notice to the other. The procedures and conditions for termination are described in the agreement.

When a Client Services Agreement has been terminated, transactions will be processed at prevailing brokerage rates. Client will be entitled to a prorated refund of any pre-paid quarterly account fee based on the number of days remaining in the quarterly termination date. Client will be responsible for any fees and charges incurred by client from third parties as a result of maintaining the account such as transaction fees for any securities transactions executed and account maintenance or custodial fees. Upon termination, it is the client's responsibility to monitor the account assets. Neither Kaiser Wealth Management nor the Investment Advisor Representative will have any further obligation to act or advise client with respect to the account assets.

### THIRD PARTY MANAGED PROGRAMS

Kaiser Wealth Management and the Investment Advisor Representative receive compensation pursuant to Kaiser Wealth Management's agreements with the Third Party Manager for introducing Client to the investment programs and for ongoing services provided to client. This compensation, which is disclosed to the client in a separate disclosure document provided by the Third Party Manager, is typically equal to a percentage of the investment advisory fee or fixed fee charged by that Third Party Manager.

Because Kaiser Wealth Management and the Investment Advisor Representative receive compensation from these Third Party Managers for referring Clients and compensation may



differ depending on the individual agreements with each Third Party Manager, Kaiser Wealth Management and/or the Investment Advisor Representative may have an incentive to recommend one of these Third Party Managers over: 1) other investment managers with which it has less favorable compensation arrangements, 2) Kaiser Wealth Management's managed programs, 3) programs offered through an independent registered investment adviser (if applicable), or 4) alternative advisory programs. Certain programs may charge a "wrap fee".

Accounts are managed in accordance with the client's profile and reasonable investment restrictions by purchasing and/or selling securities. Assets may consist of mutual fund shares, individual stocks, bonds, or other securities as set forth in the client services agreement or other account opening documents. Fees are typically charged in advance either quarterly or annually and are debited directly from the client's account. Maximum annual fees are 2.50%. Fees disclosed on the fee schedule are negotiable between client and Investment Advisor Representative, and may not exceed the maximum annual fee.

The Fee is separate from and may not include commissions charged (if applicable), custodial charges, transaction charges, contingent deferred sales charges on funds purchased prior to their participation in the account, debit balances or related margin interest, or other costs imposed by third parties.

## FINANCIAL PLANNING AND CONSULTING SERVICES

Investment Advisor Representatives of Kaiser Wealth Management have the availability to provide financial planning and consulting services to their clients. These services will be provided to clients in accordance with the terms of an Advisory Services Agreement. The details of the actual services rendered and the fees charged to a specific client in connection with such services will be set forth in the client's Advisory Services Agreement. The services provided can generally be categorized as one, or a combination of the services set forth below. All services and fees are negotiable. Not all Investment Advisor Representatives provide financial planning and consulting services.

Clients who receive financial planning and consulting services may purchase securities or insurance products offered through Geneos Wealth Management pursuant to the plan or consultation or through a broker-dealer of their choice. If products are purchased through Geneos Wealth Management, Investment Advisor Representatives typically receive commission compensation as Registered Representatives (RRs) in connection with such transactions. Thus, the Investment Advisor Representative may have a conflict of interest when providing financial planning services because they may receive separate and additional compensation if the client chooses to execute transactions through them in their capacity as a Registered Representative as a result of such services. Clients are under no obligation to purchase products recommended by the Investment Advisor Representative through Geneos Wealth Management or its affiliates.

There are various ways that a client may be assessed a fee for financial planning and/or consulting services. They include;

*Hourly Financial Consulting:* Client may retain an Investment Advisor Representative of Kaiser Wealth Management to provide financial consulting services for an hourly fee. The fee for such service will generally range from \$35 to \$300 an hour, but may be higher or lower depending on a variety of factors. The actual consulting service to be performed and an estimate of the total fee will be disclosed in the Advisory Services Contract. The actual fee charged may be higher than

the estimate. The client will typically be billed for the total fee after the service has been rendered. The client will then be responsible for the payment of the bill. Clients will typically have five days after signing an agreement with Kaiser Wealth Management to terminate the agreement without penalty.

*Fixed Fee Services:* Client may retain Investment Advisor Representative to provide a one-time financial plan, a portfolio analysis, and/or an investment policy statement for a fixed fee. The fixed fee will vary depending on a variety of factors, including the services provided and the complexity of the client's financial situation and objectives. The fee typically ranges from \$500 to \$50,000 but it is negotiable. The fixed fee will typically be agreed upon by Kaiser Wealth Management, the client and the Investment Advisor Representative in advance and will generally be set forth in the Advisory Services Agreement. The client will typically be billed for the total fee after the service has been rendered. The client will then be responsible for the payment of the bill. Clients will typically have five days after signing an agreement with Kaiser Wealth Management to terminate the agreement without penalty.

*Fixed Periodic Fee:* Clients may retain Investment Advisor Representatives of Kaiser Wealth Management to provide a financial plan, similar to the one-time financial plan described above, plus updates to the plan and financial services Quarterly, Semi-Annually or Annually. The fee will be a flat dollar amount and will not be based upon capital gains or capital appreciation. The fee typically ranges from \$500 to \$50,000 but it is negotiable. An estimate of the fee will typically be set forth in the Advisory Services Agreement. Clients typically will pay a portion of the fee in advance of the provisions of any services and will pay the balance upon completion of the agreed upon services. Clients will typically have five days after signing an agreement with Kaiser Wealth Management to terminate the agreement without penalty. If a client terminates the Advisory Services Agreement after the first five days, the client will either receive a refund of a portion of any prepaid fees or be charged a portion or all of the balance of the fee, depending on the value of the services provided by the Investment Advisor Representative of Kaiser Wealth Management before the notice of termination was received.

*Percentage of Assets under Management:* Clients may retain Investment Advisor Representatives of Kaiser Wealth Management to provide financial consulting services based on assets held outside of Kaiser Wealth Management. The fee for such services will be a percentage of all assets being managed by the Investment Advisor Representative and will be negotiated between the Investment Advisor Representative and the client. The total fee may not exceed 2.50% of the assets under management. The actual consulting service to be performed and an estimate of the total fee will be disclosed in the Advisory Services Agreement. Clients typically will pay a portion of the fee in advance of the provision of any services and will pay the balance upon completion of the agreed upon services. Clients will typically have five days after signing an agreement with Kaiser Wealth Management to terminate the agreement without penalty.

Kaiser Wealth Management and the Investment Advisor Representatives receive asset-based fees, hourly fees, or fixed fees when providing advisory services. Because Kaiser Wealth Management and the Investment Advisor Representative may receive different fees depending on the services offered and because not all Investment Advisor Representatives offer each type of service, the Investment Advisor Representative may have a financial incentive to recommend one type of advisory service over another.

When a Client Services Agreement has been terminated, transactions will be processed at prevailing brokerage rates. Clients will be entitled to a prorated refund of any pre-paid quarterly account fee based on the number of days remaining in the quarterly termination date. Client will be responsible for any fees and charges incurred by client from third parties as a result of maintaining the account such as transaction fees for any securities transactions executed and account maintenance or custodial fees. Upon termination, it is the client's responsibility to monitor the account assets. Neither Kaiser Wealth Management nor the Investment Advisor Representative will have any further obligation to act or advise client with respect to the account assets.

#### MUNICIPAL ADVISOR

Kaiser Wealth Management also acts as a municipal advisor. In this capacity, Kaiser Wealth Management provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms and other similar matters concerning such financial products or issues. Kaiser Wealth Management also undertakes a solicitation of a municipal entity.

#### MISCELLANEOUS INDIRECT FEES AND CHARGES

Most of Kaiser Wealth Management's Investment Advisor Representative's will also be licensed to sell securities in their capacity as RR's of Geneos Wealth Management. Clients may also purchase securities and services through brokers not affiliated with Kaiser Wealth Management or Geneos Wealth Management.

The broker/dealer, Geneos Wealth Management, may receive 12b-1 distribution fees as a result of client's investments in certain mutual funds and variable products. These distribution fees will be paid to Geneos Wealth Management and a portion may be passed on to the Investment Advisor Representative's. The receipt of such fees could represent an incentive for Investment Advisor Representative's to recommend funds with distribution fees over funds that have no fees or lower fees. Kaiser Wealth Management and/or Geneos Wealth Management may receive benefits such as assistance with conferences and educational meetings by product sponsors assisting with the costs of such meetings.

Kaiser Wealth Management and/or Geneos Wealth Management may receive a marketing allowance that creates a potential conflict of interest in the form of an additional financial incentive to the firm, its equity owners, and investment representatives in connection with the sale of Variable Annuities, Direct Participation, Limited Partnerships or other Alternative investments.

The fees charged by Kaiser Wealth Management for advisory or management services, financial planning, or consulting services do not include charges imposed by or fees paid to Kaiser Wealth Management by product sponsors. For example, mutual funds and insurance companies charge specific fees to client to manage the assets in the mutual fund account or variable annuity sub-accounts. Client should read the product prospectus carefully to learn more about the charges and fees imposed on client by product sponsors. Kaiser Wealth Management generally imposes certain account fee conditions or restrictions on the transfer into or the purchase of commissionable securities, including stocks, bonds, mutual funds, and variable insurance products in a managed account. Client should ask the Investment Advisor Representative about

Kaiser Wealth Management's policies with respect to the transfer in or purchase of a specific type of commissionable securities in a managed account, including the offset of commissions earned by Geneos Wealth Management and the Registered Representative against an equal amount of Account Fees that may be incurred by client.

Fees and expenses in connection with the advisory services may be higher than the cost of similar services offered through other financial firms or the fees associated with other financial services. No assumption can be made that a particular advisory service, investment strategy, or fee arrangement will provide better returns over other investment strategies.

The Client may request periodic withdrawals at the time the account is opened or any time thereafter. The Client may make additions and withdrawals at any time; withdrawals are subject to the usual securities settlement procedures. If a withdrawal request necessitates securities liquidation, it is understood that proceeds will not be available until one (1) day following settlement of liquidating trades. In the event withdrawals cause the account asset value to fall below the required minimum, the Client understands this agreement may be subject to termination. The Client understands that the program is designed as a long-term investment vehicle and that withdrawals of assets may impair the achievement of the Client's investment objectives. No assets-based fee adjustment will be made during any quarter for appreciation or depreciation in account asset value. Nor shall any adjustment or refund be made with respect to partial additions or withdrawals which, when aggregated total less than \$5,000 per day.

#### **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Kaiser Wealth Management does not have advisor representatives or supervised persons who manage accounts where performance-based fees are charged.

#### **ITEM 7. TYPES OF CLIENTS**

Kaiser Wealth Management's clients generally may entail individuals, corporations, partnerships, institutional, trusts, state or municipal government entities, etc. Investment advice and services are tailored to the stated objectives of the client account and is determined by the areas of expertise of the Investment Advisor Representative providing the advice. For this reason, the amount of time spent providing financial planning or consulting services, researching and implementing a managed account portfolio or program management service, the reports provided, the issues addressed, and consequently the fees charged to the client may vary from Investment Advisor Representative to Investment Advisor Representative and office to office.

Investment Advisor Representatives will review with client their investment objectives, risk tolerance, time horizon, financial circumstances and other material considerations ("client's profile") in assisting client to determine the types of services and programs that may be suitable for the client prior to making a service or program recommendation or a change to the current service or program client may be participating in.

It is essential that the client provide accurate, candid, and complete information to the Investment Advisor Representative to match services to the client's profile. Client is also obligated to promptly inform the Investment Advisor Representative of material changes to their client profile to enable the Investment Advisor Representative to re-evaluate and make suitable recommendations based on the changes.

The Investment Advisor Representative will, on an annual basis, or another frequency agreed to

by client and Investment Advisor Representative, review with the client whether the advisory account or services continue to reflect the investment objectives, financial requirements, and reasonable investment restrictions of the client.

All accounts are in the custody of the Clearing Firms and the account minimums vary. Typically, the minimum account fee begins at \$25,000 for individual accounts or \$100,000 for households. Kaiser Wealth Management at its discretion may open or retain accounts with less than the required minimum.

Investment Advisor Representative will use the above information to assist the client in completing account opening documentation including but not limited to Geneos Wealth Management New Account Application, Investment Questionnaires, Sponsor Paperwork (if applicable) and either a Kaiser Wealth Management Client Services Contract or Advisory Services Contract. Kaiser Wealth Management contracts are dependent upon desired services.

## **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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

Investment advice and services are tailored to the stated objectives of the client and is determined by the areas of expertise of the Investment Advisor Representative providing the advice. Investment Advisor Representatives will review with client their investment objectives, risk tolerance, time horizon, financial circumstances and other material considerations (“client’s profile”) in assisting client to determine the types of services and programs that may be suitable for the client prior to making a service or program recommendation or a change to the current service or program client may be participating in.

Some Investment Advisor Representatives utilize the modern portfolio theory in developing client portfolios. Modern Portfolio Theory proposes that investing in a predetermined asset mix derived from the efficient frontier (dictated to achieve a specific client objective within a certain risk tolerance) and rebalancing with discipline, the portfolio is diversified across the various asset classes to mitigate unnecessary risk. This also provides for a portfolio that can operate without reliance on market timing and security selection; however, as with all equity investments positive returns are not guaranteed. In conjunction to investing in a diversified portfolio, each portfolio is constructed to meet specific parameters set forth in the individual client’s investment policy statement and/or other documents. These parameters can include - but are not limited to - tax efficiency, concentrated stock positions and management history.

Other investment adviser representatives use fundamental analysis when developing client portfolios. Fundamental analysis is a technique that attempts to determine a security’s value by focusing on underlying factors that affect a company's *actual* business and its future prospects. The analysis is performed on historical and present data. On a broader scope, one can perform fundamental analysis on industries or the economy as a whole. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. The risk associated with fundamental analysis is that despite the appearance that a security is undervalued, it may not rise in value as predicted.

### **B. Investment Risks/Risk of Loss**

The consulting and financial planning services provided by Investment Advisor Representatives

may involve advice on a combination of investments. Investment Advisor Representatives typically provides advice on individual stocks, bonds, and shares of mutual funds. However, other types of investments, such as warrants, commercial paper, variable life insurance, options contracts on securities and interests in partnerships, may be purchased or sold in certain client accounts as set forth in the advisory Services Contract or other account opening documentation. Investment Advisor Representatives may also assist clients in the selection and ongoing retention of third party investment advisers who may manage assets for clients using a variety of investments. In connection with such referrals, Investment Advisor Representatives may assist clients in selecting mutual funds, variable annuities or model portfolios consisting of mutual funds and/or variable annuities or model portfolios consisting of mutual funds and/or variable annuities.

There is no guarantee that the advisory services offered or engaged would result in the client's goals and objectives being met or a profit or protection from loss. Fees and expenses in connection with the advisory services may be higher than the cost of similar services offered through other financial firms or the fees associated with other financial services. No assumption can be made that a particular advisory service, investment strategy, or fee arrangement will provide better returns over other investment strategies. Managed accounts and investment advice is generally given for long-term investing therefore, asset or cash withdrawals and frequent trading may impair the achievement of the client's investment objectives.

An investment could lose money over short or even long periods. A client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets. A client's account performance could be hurt by:

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- **Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates.
- **Manager risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **International investing risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.
- **Options Risk:** Like other securities - including stocks, bonds, and mutual funds - options carry no guarantees, and a person must be aware that it is possible to lose all of the principal he/she invests, and sometimes more. As an option holder, a person risks the entire amount of the premium he/she paid. But as an options writer, a person takes on a much higher level of risk. For example, if a person writes an uncovered call, he/she faces unlimited potential loss, since there is no cap on how high a stock price can rise. However, since initial options investments usually requires less capital than equivalent

stock positions, a potential cash losses as an options investor are usually smaller than if someone bought the underlying stock or sold the stock short. The exception to this general rule occurs when an option is used to provide leverage: Percentage returns are often high, but it is important to remember that percentage losses can be high as well.

## **ITEM 9. DISCIPLINARY INFORMATION**

Kaiser Wealth Management has no disciplinary information to disclose for either the company or its management.

## **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The principal business of Kaiser Wealth Management is as a Registered Investment Advisor. Securities and investment advisory services are offered through Geneos Wealth Management, Inc. Member FINRA and SIPC.

Many of the Investment Advisor Representatives of Kaiser Wealth Management are also Registered Representatives of Geneos Wealth Management. In these multiple capacities, the representatives are actively engaged in selling securities, mutual funds, insurance products, and investment advice and investment management services. The Investment Advisor Representative and Registered Representative may be the same individual operating in two distinct capacities. An Investment Advisor Representative receives fee-based compensation; the Registered Representative receives commission-based compensation.

Registered Representatives are required to run all security based transactions through its broker/dealer Geneos Wealth Management. The Registered Representative may receive commission-based compensation on the transaction and the broker/dealer, Geneos Wealth Management, may receive a percentage of the transaction for normal and customary processing.

Investment Advisor Representatives may be affiliated with various insurance companies in order to provide fixed and/or variable insurance products to their clients as part of an overall investment plan. Investment Advisor Representatives may also refer clients to other professional advisors such as Certified Public Accountants and/or Attorneys, etc. While there is no direct compensation for this, the Investment Advisor Representative may receive normal and customary fees by obtaining the clients from those referrals.

Kaiser Wealth Management also allows Investment Advisor Representatives to have their own Registered Investment Advisors. These Registered Investment Advisors are independent from that of Kaiser Wealth Management.

Some investment adviser representatives of Kaiser Wealth Management are also registered representatives of Geneos Wealth Management. With the ability to work as a client's registered representative and investment adviser representative, this could be viewed as a conflict of interest because each service pays a separate fee or commission. Kaiser Wealth Management and its investment adviser representatives attempt to alleviate any conflicts of interest through their fiduciary duty, the implementation of the firm's code of ethics and other policies and procedures that address any potential conflict. Furthermore, when receiving a recommendation to purchase other investment products, clients always have the option to purchase the investment products through other brokers, producers or agents that are not affiliated with the Firm.

Kaiser Wealth Management may from time to time participate in other public finance business

including but not limited to equipment leasing projects, tax credit programs, the sale of municipal bonds at public sale, and other public financing activities that may arise.

Kaiser Wealth Management does not affect agency cross transactions. Kaiser Wealth Management does not enter into any stock transactions with an advisory client on a principal basis but in certain circumstances might for bond transactions.

The principal executive officers of Kaiser Wealth Management are responsible for managing its public finance business and affiliated investment advisory activities and may spend a majority of their time engaged in these other related business activities.

## **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT AND PERSONAL TRADING**

### *Code of Ethics*

Kaiser Wealth Management, as a matter of policy and practice, and consistent with industry best practices and SEC requirements has adopted a written Code of Ethics covering all supervised persons.

The Code of Ethics consists of the following core principles:

- The interests of clients will be placed ahead of the firm's or any employee's own investment interests.
- Associated Persons are expected to conduct their personal securities transactions in accordance to the firm's trading policy and will strive to avoid any actual or perceived conflict of interest with the client. Associated Persons will consult with the CCO before taking any action that may result in conflict.
- Associated Persons will not take inappropriate advantage of their position with the firm.
- Associated Persons are expected to act in the best interest of each of our clients.
- Associated Persons are expected to comply with federal securities laws.

### *Personal Trading*

Investment Advisor Representative's are allowed to trade the same security as those of their clients. In order to avoid possible conflicts of interest Investment Advisor Representative's transactions are thoroughly reviewed to verify transactions are in line with the Investment Advisor Representative's normal trading activities both in their own account and those of their clients. In addition, Investment Advisor Representative's are not allowed to trade the same security of any client on the same day unless they utilize an aggregate trading system. This is to avoid a conflict of interest where the advisor received better pricing than the client.

Kaiser Wealth Management is happy to provide a separate copy of our Code of Ethics to any client or prospective client upon request.

## **ITEM 12. BROKERAGE PRACTICES**

### **A. Recommendation Criteria**

When Kaiser Wealth Management recommends brokers or custodians, it will seek broker-dealers who offer competitive commissions costs together with reliable services. A client's choice of another broker-dealer is acceptable if proven feasible. Kaiser Wealth Management recommends Geneos Wealth Management for transaction execution. The firm recognizes its fiduciary



responsibility in negotiating brokerage commissions, assuring best execution practices and assuring adequate investment availability/inventory on behalf of our clients.

Clients who receive their advisory services through Kaiser Wealth Management's Investment Advisor Representatives may choose to receive their brokerage services and/or direct investment products through Geneos Wealth Management's Registered Representatives. Many of the Investment Advisor Representatives of Kaiser Wealth Management are also Registered Representatives of Geneos Wealth Management. In these multiple capacities, the representatives are actively engaged in selling securities, mutual funds, insurance products, and investment advice and investment management services. The Investment Advisor Representative and Registered Representative may be the same individual operating in two distinct capacities. An Investment Advisor Representative receives fee-based compensation; the Registered Representative receives commission-based compensation.

Accounts may be assessed transaction charges which may be higher or lower than transaction charges or commissions at other broker-dealers. Geneos Wealth Management and Pershing receive portions of the transaction charges. Kaiser Wealth Management does not receive any portion of the ticket charge or sales commission. In addition, clients may not receive the most favorable execution for transactions. Geneos Wealth Management routes client orders to its clearing firm Pershing who then make their best efforts to execute them at the most favorable cost under the circumstances at that time. Best execution at our clearing firm is reviewed on a periodic basis. Best execution is determined on a number of factors including but not limited to order size, speed of execution, depth of market and cost of execution. Geneos Wealth Management compares this to Pershing peers to determine whether or not best execution is met. If it is felt that Geneos Wealth Management has not received best execution for its client then its corresponding clearing firm will be contacted.

#### **i. Research and Soft Dollars**

"Soft dollars" are defined as a form of payment investment firms can use to pay for goods and services such as subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. Kaiser Wealth Management does not receive "soft dollars" from any vendor, service provider or custodian in exchange for its placement of brokerage services.

#### **ii. Brokerage for Client Referrals**

Kaiser Wealth Management does not receive client referrals from recommended brokerage firms or custodian.

#### **iii. Directed Brokerage**

Some clients may direct us to a specific broker-dealer to execute securities transactions for their accounts. When so directed, we may not be able to effectively negotiate lower brokerage commissions or achieve best execution on clients' transactions. This can result in substantially higher fees, charges or dealer concessions in one or more transactions for the clients' account because the Adviser cannot negotiate favorable prices.

### **B. Trade Aggregation**

Because each of our Investment Advisor Representative's have unique specialties and practices the decision to aggregate trades is left to the individual Investment Advisor Representative as trade aggregation may not be a good fit for all practices. Feel free to discuss trade aggregation with your Investment Advisor Representative as it may or may not cause higher brokerage and trading costs.

## **ITEM 13. REVIEW OF ACCOUNTS**

### **A. Periodic Reviews**

Generally, the Firm's Investment Advisor Representative are primarily responsible for reviewing their own client accounts and do so on an annual basis, or another frequency agreed to by client and Investment Advisor Representative, review with the client whether the advisory account or services continue to reflect the investment objectives, financial requirements, and reasonable investment restrictions of the client.

Kaiser Wealth Management's Compliance will, on a periodic basis, review accounts for suitability and trading activity. Recommendations, in accordance with an Advisory Agreement, will also be reviewed on a periodic basis for suitability and adherence to the agreement.

### **B. Other Reviews**

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client's financial situation (such as retirement, termination of employment, physical move or inheritance).

### **C. Reports**

For each month in which there is account activity, client will receive a custodial statement; or if there is no account activity, client will receive an account statement on a quarterly basis from the custodian. For other managed accounts, reports on account activity and performance will be provided by the broker/custodian in accordance with the account opening documentation. In addition to the account statements, clients may be provided with reports detailing the performance of their account(s). In the third party programs, clients will receive reports as set forth in their third party program agreements and other disclosure materials. These statements should be carefully reviewed by the client for accuracy.

## **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

Kaiser Wealth Management, or its Investment Advisor Representatives, is allowed to directly compensate or receive direct compensation for client referrals. Investment advisor representatives may build business relationships with other professionals to recommend or receive recommendations for prospective client relationships. While there is no direct compensation for this the Investment Advisor Representative may receive normal and customary fees by obtaining clients from those referrals.

Investment Advisor Representatives may receive economic benefits, including sales awards or prizes, for providing advisory services to clients from Kaiser Wealth Management, its affiliate broker/dealer Kaiser and Company or Geneos Wealth Management.

## **ITEM 15. CUSTODY**

Kaiser Wealth Management does not take custody of client funds or securities. However, the

client will be asked to authorize the firm with the ability to deduct its advisory fees directly from the client's account. This authorization will be to deduct the firm's management fee only. Still, through executed agreements with our broker/dealer, Geneos Wealth Management, qualified custodians are utilized to maintain client funds or securities. Upon account opening, clients are provided in writing, the qualified custodian's name, address, and the manner in which funds or securities are maintained.

For each month in which there is account activity, client will receive a custodial statement; or if there is no account activity, client will receive an account statement on a quarterly basis from the custodian. The statements will show the fee withdrawn. We urge each client to carefully review such statements.

For other managed accounts, reports on account activity and performance will be provided by the broker/custodian in accordance with the account opening documentation. In addition to the account statements, clients may be provided with reports detailing the performance of their account(s). In the third party programs, clients will receive reports as set forth in their third party program agreements and other disclosure materials. These statements should be carefully reviewed by the client for accuracy.

## **ITEM 16. INVESTMENT DISCRETION**

### **INVESTMENT ADVISORY MANAGED PROGRAMS**

For clients in the rep managed platforms, Investment Advisor Representatives may be granted discretionary authority via the client services agreement. Investment Advisor Representatives will have authority to determine the securities to be purchased or sold and the amount of securities that are purchased or sold. Clients have the right to restrict this discretionary authority by notifying the Investment Advisor Representative and/or Kaiser Wealth Management in writing of any and all limitations. The client can terminate discretionary authority through written notice both to the Investment Advisor Representative and Kaiser Wealth Management.

### **THIRD PARTY MANAGED PROGRAMS**

For clients in the Third Party Managed platforms, Investment Advisor Representatives may be granted discretionary authority via the client services agreement. Investment Advisor Representatives will have authority to determine Third Party Managers hired and/or fired for investment purposes. Clients have the right to restrict this discretionary authority by notifying the Investment Advisor Representative and/or Kaiser Wealth Management in writing of any and all limitations. The client can terminate discretionary authority through written notice both to the Investment Advisor Representative and Kaiser Wealth Management.

Neither investment Advisor Representatives nor Kaiser Wealth Management will have authority to determine the securities to be purchased or sold in these programs. This discretionary authority will lie with the Third Party Managers based on contracts completed directly with them.

## **ITEM 17. VOTING CLIENT SECURITIES**

Kaiser Wealth Management does not exercise proxy voting authority for clients. All client accounts are established such that any proxy materials are sent directly to the client. Clients are encouraged to vote and ask general questions related to proxy content. However, to avoid

conflicts of interest, we will not provide recommendations as to how a client should vote. Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised.

## **ITEM 18. FINANCIAL INFORMATION**

### **A. Balance Sheet**

While fees may be paid in advance, no fees over \$5,000 will be collected more than six months in advance

### **B. Financial Condition**

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about the Adviser's financial condition. Kaiser Wealth Management has no financial commitment that impairs its ability to service its clients.

### **C. Bankruptcy**

Kaiser Wealth Management have not been the subject of a bankruptcy proceeding.