

# Calvert Wealth Management, Inc.

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## ***Form ADV, Part 2A Brochure***

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*This brochure provides information about the qualifications and business practices of Calvert Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at 301-812-1550. 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 Calvert Wealth Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Calvert Wealth Management, Inc. is a registered investment adviser registered. Registration as an investment adviser does not imply any level of skill or training.*

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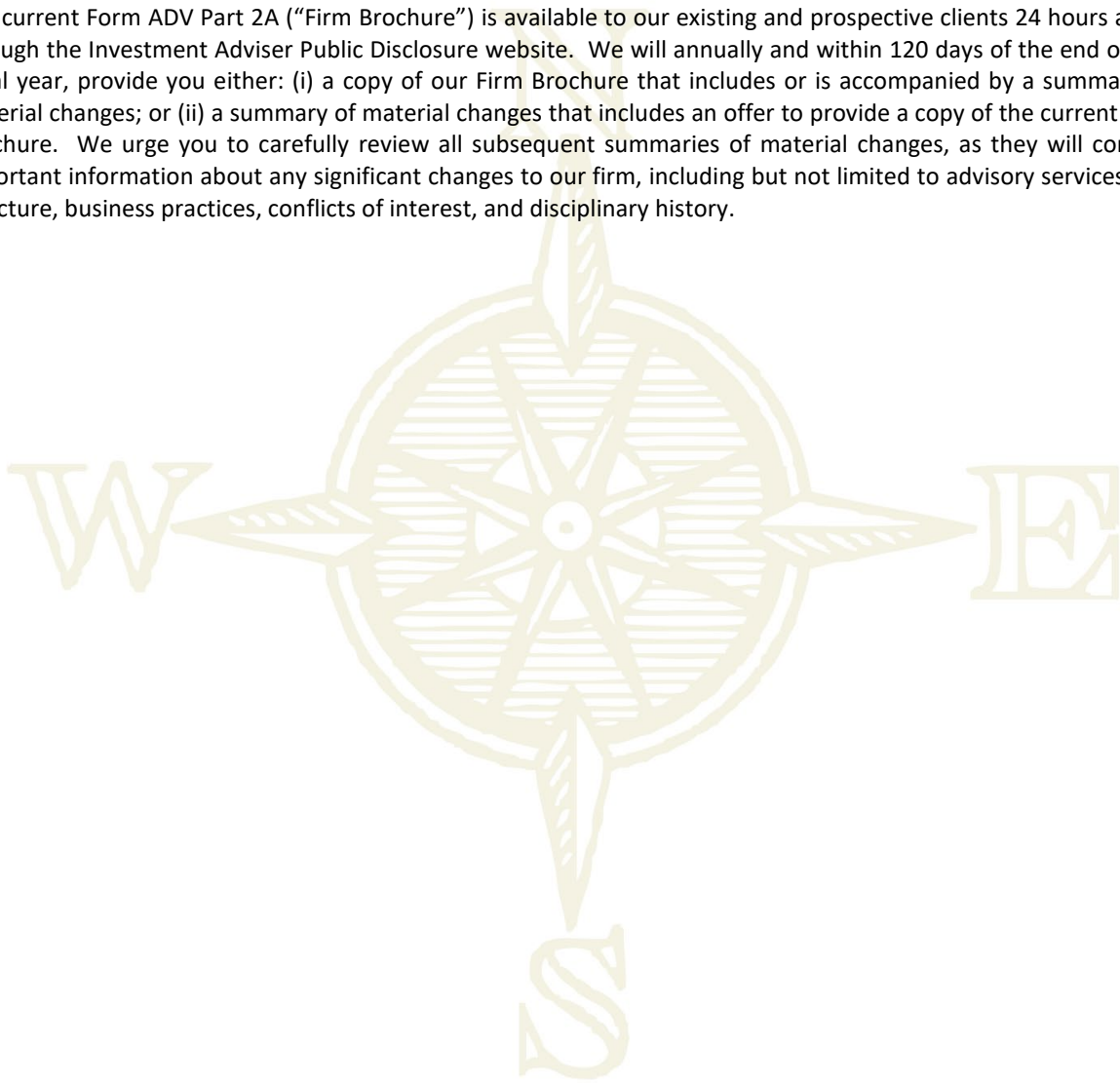
## *Item 2: Material Changes*

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There have been no material changes to report since the last annual update of this Firm Brochure on 03/23/2022.

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Our current Form ADV Part 2A ("Firm Brochure") is available to our existing and prospective clients 24 hours a day through the Investment Adviser Public Disclosure website. We will annually and within 120 days of the end of our fiscal year, provide you either: (i) a copy of our Firm Brochure that includes or is accompanied by a summary of material changes; or (ii) a summary of material changes that includes an offer to provide a copy of the current Firm Brochure. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our firm, including but not limited to advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.



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#### *Item 4: Advisory Business*

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Calvert Wealth Management, Inc. (hereafter, known as the "Company"), was established in September 1998. The principal owners of the firm are John T. Stone, Jr. and Kelly C. Sheahan. The Firm offers Portfolio Management, Wealth Planning, and Financial Consulting Services.

##### **Portfolio Management Services:**

The Company provides continuous advice to a client regarding investment of client funds based on the individual needs of the client. Through personal discussions in which client goals and objectives are established, the Company creates and manages a portfolio. The company will manage advisory accounts on a discretionary basis. Account supervision is guided by the stated objectives of the client (e.g., Capital Preservation, Income with Growth, Growth and Income, etc.)

Portfolios are created consisting of one or more of the following: Money Markets, CDs, Bonds, Individual Equities, Exchange Traded Funds (ETFs), No-Load or Load Waived Mutual Funds, and other investment products consistent with the client's objectives. The Mutual Funds will be selected on the basis of any or all of the following criteria: The fund's performance history, the industry sector in which the fund invests, the track record of the fund's manager, the fund's investment objective, the fund's management style and philosophy, and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's risk tolerance, and stated goals and objectives. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. When appropriate to the needs of the client, the Company may recommend the use of trading (Securities sold within 30 days). Because this investment strategy involves certain additional degrees of risk, it will only be recommended when consistent with the client's stated tolerance for risk.

##### **Institutional Wealth Management:**

The Company provides fiduciary and educational services to 401(k)s and other Employer Sponsored Retirement Plans. The primary objective/service of the Company to these plans is to align the goals and objectives of the Plan to those of the Employers and Employees. This service is provided through the organization of the Investment Committee, investment monitoring through the use of an Investment Policy Statement, and a high level of attention to employee education.

Portfolios are created consisting of one or more of the following: Money Markets, CDs, Bonds, Individual Equities, Exchange Traded Funds (ETFs), No-Load or Load Waived Mutual Funds, and other investment products consistent with the client's objectives. The Mutual Funds will be selected on the basis of any or all of the following criteria, as detailed within the Investment Policy Statement: The fund's performance history, the industry sector in which the fund invests, the track record of the fund's manager, the fund's investment objective, the fund's management style and philosophy, and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's risk tolerance, and stated goals and objectives. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. When appropriate to the needs of the client, the Company may recommend the use of trading (Securities sold within 30 days). Because this investment strategy involves certain additional degrees of risk, it will only be recommended when consistent with the client's stated tolerance for risk.

### **Financial Planning Services:**

The Company offers Financial Planning Services which provide a comprehensive evaluation of a client's overall financial situation. This assessment is then utilized to develop an actionable plan to help the client reach their stated financial goals.

*Preliminary Meeting:* The process starts with a preliminary meeting to explore the benefits and costs of preparing a Financial Plan. The initial meeting is offered at no cost or obligation.

*Plan Development:* Once services are retained and the scope of the engagement has been agreed to, the company requests a variety of information concerning the client's financial situation and objectives utilizing an interview process where client goals and plans are identified. It is at this meeting that the cost for the plan preparation is estimated, and the client signs the Financial Planning Agreement.

*Plan Analysis and Design:* Information provided by the client is reviewed and analyzed. The Financial Plan is designed based on the client's objectives, interests, and family situation. The plan incorporates the company's evaluation on investments, taxes, insurance and risk management, estate planning, college planning, retirement, survivor needs, and senior care as each of these situations may apply to the client's financial situation. After the Plan has been completed and checked, a presentation meeting is scheduled with the client. At this meeting the results of the evaluation, as well as recommended actions are presented to the client. The client is encouraged to take the plan home for further review and discussion. A follow up meeting is then scheduled for plan finalization.

*Plan Finalization:* After the client has had the opportunity to review the plan document and associated recommendations, the Company schedules the plan finalization meeting to review and address any questions the client may have. At this meeting, the initial planning agreement comes to a close and payment is made for services rendered.

*Plan Implementation:* Available under a separate agreement, the company coordinates the implementation of the Financial Plan, monitors the progress made on the recommended actions, and updates the plan as necessary.

### **Consulting Services:**

For those situations in which the preparation of a Financial Plan would be inappropriate, the company provides financial consulting on an hourly basis. This limited consultation may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### **Legal Services:**

The company does not provide any legal services, but will coordinate with the Attorney of the client's choice during the design and coordination of the Financial Plan. Any fees for legal services are billed directly by the provider and are not shared with the company.

### **Tax Services:**

The company does not provide any tax services but will coordinate with the Accountant or CPA of the client's choice during the design and coordination of the Wealth Plan. Any fees for tax services are billed directly by the provider and are not shared with the company.

### Management of Client Assets:

As of December 31, 2022, CWM was managing \$126,773,750 of client assets under management on a discretionary basis. CWM does not manage client assets on a non-discretionary basis.

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** To the extent requested by a client, CWM shall generally provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. CWM does not serve as an attorney or accountant, and no portion of our services should be construed as same. Accordingly, CWM does not prepare estate planning documents or tax returns. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e., attorneys, accountants, insurance, etc.). You are under no obligation to engage the services of any such recommended professional, including certain CWM's representatives, in their separate individual capacities as representatives of Comprehensive Asset Management and Servicing, Inc. ("Comprehensive"), an SEC registered and FINRA member broker-dealer, and as licensed insurance agents-see disclosure at Item 10 below. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation that we make.

If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

It remains the client's responsibility to promptly notify CWM, in writing, if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising CWM's previous recommendations and/or services.

**Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If CWM recommends that a client roll over their retirement plan assets into an account to be managed by CWM, such a recommendation creates a conflict of interest if CWM will earn new (or increase its current) compensation as a result of the rollover. If CWM provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), CWM is acting as 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. No client is under any obligation to roll over retirement plan assets to an account managed by CWM, whether it is from an employer's plan or an existing IRA.

**Use of Mutual and Exchange Traded Funds:** CWM utilizes mutual funds and exchange traded funds for its client portfolios. In addition to CWM's investment advisory fee described below, and transaction and/or custodial fees discussed above, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). All mutual fund fees are separate from, and in addition to, CWM's wealth management fee as described at Item 5 below.

**Socially Responsible Investing Limitations:** Socially Responsible Investing involves the incorporation of Environmental, Social and Governance ("ESG") considerations into the investment due diligence process. There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). The number of these securities may be limited when compared to those that do not maintain such a mandate. ESG securities could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange traded funds are few when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by CWM), there can be



no assurance that investment in ESG securities or funds will be profitable or prove successful. CWM does not maintain or advocate an ESG investment strategy, but will seek to employ ESG if directed by a client to do so

**Cash Positions:** CWM continues to treat cash as an asset class. As such, unless determined to the contrary by CWM, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating CWM's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), CWM may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, CWM's advisory fee could exceed the interest paid by the client's money market fund.

**Cash Sweep Accounts.** Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian's sweep account. The yield on the sweep account is generally lower than those available in money market accounts. To help mitigate this issue, CWM generally purchases a higher yielding money market fund available on the custodian's platform with cash proceeds or deposits, unless CWM reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to, the amount of dispersion between the sweep account and a money market fund, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

**eMoney.** In conjunction with the services provided by eMoney, CWM may also provide access to account aggregation services, which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets that we manage (the "Excluded Assets"). Unless otherwise agreed to in writing, the client and/or their other advisors that maintain trading authority, and not us, shall be exclusively responsible for the investment performance of the Excluded Assets. CWM does not provide investment management, monitoring or implementation services for the Excluded Assets. The client may engage CWM to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between CWM and the client.

**Client Obligations.** In performing our services, CWM shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify CWM, in writing, if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising our previous recommendations and/or services.

**Cybersecurity Risk.** The information technology systems and networks that CWM and its third-party service providers use to provide services to CWM's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in CWM's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and CWM are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although CWM has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that CWM does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by CWM) will be profitable or equal any specific performance level(s).

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### *Item 5: Fees and Compensation*

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#### **Financial Planning:**

The preparation of a Financial Plan is billed at an hourly rate of \$150 per hour. The amount of time required to prepare a Financial Plan varies for each client depending on their financial goals and overall financial situation. The minimum cost for preparing a Financial Plan is \$1,500. Payment for planning services is due when the plan is presented to the client at the plan finalization meeting.

#### **Consulting Services:**

For those clients who wish to retain the company's services to help them implement changes to their financial situation, or to address specific financial questions, an hourly rate of \$150 is charged. Payment for hourly consulting services are due as billed. Billing will be sent to the client at the end of the calendar month during the term of the agreement for any services performed during that period.

#### **Portfolio Management Services:**

The annual fee for portfolio management services will be charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Up to \$1,999,999	1.10 %
The next \$2,000,000-\$5,000,000	1.00 %
The next \$5,000,001-\$7,000,000	0.60 %
The next \$7,000,001+	0.50 %

#### **Direct Debiting of Client Accounts:**

In accordance with the client services agreement, the company's portfolio management fee is deducted from client accounts on a quarterly basis. The account fee is payable in advance based upon the value of the client's account at the end of the previous quarter. The account quarter will begin on the first day of the month in which the account is accepted by the company. Statements are issued by the custodian at least quarterly indicating all amounts disbursed from the account, including advisory fees paid directly to the advisor. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

The fee is negotiable on a client-to-client basis. Calvert Wealth Management, Inc. retains the right to modify the fee structure through writing to the client. There is no minimum account size required to open or maintain an account with Calvert Wealth Management, Inc.



### **Institutional Wealth Management:**

The annual fee for portfolio management services to individually held accounts, which are actively traded by the Company as detailed in the Portfolio Management Services section, will be charged as a percentage of assets under management according to the above schedule.

The annual fee for portfolio management services to group retirement accounts, which are managed, but not actively traded by the Company, will be charged as a percentage of assets under management, according to the following schedule:

<u>Institutional Assets Under Management</u>	<u>Annual Fee</u>
<i>Up to \$1,000,000</i>	<i>0.75 %</i>
<i>The next \$1,000,001-\$2,000,000</i>	<i>0.50 %</i>
<i>The next \$2,000,001-\$3,000,000</i>	<i>0.40 %</i>
<i>The next \$3,000,001-\$4,000,000</i>	<i>0.35 %</i>
<i>The next \$4,000,001-\$5,000,000</i>	<i>0.25%</i>
<i>The next \$5,000,001-\$10,000,000</i>	<i>0.20%</i>
<i>The next \$10,000,001-\$25,000,000</i>	<i>0.15%</i>
<i>The next \$25,000,001-\$50,000,000</i>	<i>0.10%</i>
<i>The next \$50,000,001+</i>	<i>0.05%</i>

The fee is billed in arrears at the beginning of each calendar quarter based upon the value of the client's account at the end of the previous quarter. In accordance with the Services Agreement, the client will be invoiced or have the fee deducted from their account. Advisory fees for Retirement Plans, such as 401(k)s, are deducted by the Custodian based upon the agreement between the Custodian and Plan Sponsor. The Adviser does not have the ability to withdrawal the fee or change the fee schedule. Should a different fee be negotiated, the Plan Sponsor must update the fee schedule with the Custodian.

CWM is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, CWM is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, CWM may only charge fees for investment advice about products for which our firm and/or related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset CWM's advisory fees.

The fee is negotiable on a client-to-client basis. Calvert Wealth Management, Inc. retains the right to modify the fee structure through writing to the client. There is no minimum account size required to open or maintain an account with Calvert Wealth Management, Inc.

### **Limited Negotiability of Advisory Fees:**

Although we have established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

### Other Fees and Expenses:

All fees paid to the company for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of the company. In that case, the client would not receive the services provided by the company which are designed, among other things to assist the client in determining which mutual funds or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and fees charged by the company to fully understand the total amount of fees to be paid by the client.

In addition to the company's advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account.

### Termination and Refund:

*Financial Planning Agreement*- the Financial Planning Agreement terminates thirty (30) days after the plan document has been presented to the client. However, either party can terminate the agreement at any time by written notification. Upon termination, fees are billed to the client for work completed to that date. A full refund of any and all fees will be paid if the agreement is terminated within five (5) business days from the date the original agreement was executed.

*Hourly Consulting Agreement*- the Hourly Consulting Agreement is for an as needed basis. The agreement can be terminated at any time by written notification. Upon termination, fees are billed to the client for work completed to that date.

*Portfolio Management Services* - A Portfolio Management Client Agreement may be terminated at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees (based on the number of days remaining in the quarter that have been pre-paid) will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate a portfolio management agreement without penalty within five business days after entering into the agreement.

This fee is negotiable on a client-to-client basis. Calvert Wealth Management, Inc. retains the right to modify the fee structure through writing to the client.

Management personnel and other related persons of our firm are licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. In their separate capacity(ies), these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation). This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Therefore, these individuals have an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with Calvert Wealth Management, Inc. The implementation of any or all recommendations is solely at the discretion of the client.

The Company utilizes the services of the Fidelity Institutional Wealth Services ('FIWS') program sponsored by Fidelity Brokerage Services LLC ("Fidelity"), as well as services offered by APW Capital, Inc. ("APW"). While there is no direct linkage (except in certain circumstances) between the investment advice given to clients and the Company's participation in the FIWS program, economic benefits are received by the Company which would not be received if the Company did not give investment advice to clients. These benefits include: A dedicated trading desk that services

FIWS participants exclusively, a dedicated service group and an account services manager dedicated to the Company's accounts, access to a real-time order matching system, ability to 'block' client trades, electronic download of trades, balances and positions, access, for a fee, to an electronic interface with FIWS' software, duplicate and batched client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), availability of third-party research and technology, a quarterly newsletter, access to Fidelity mutual funds, access to AdvisorChannel.com (internet access to statements, confirmations and transfer of asset status), access to Account View (through which clients may access their account information over the internet via the Company's website), access to over 350 mutual fund families and 4,500 mutual funds NOT affiliated with Fidelity, of which over 2,000 have no transaction fee, ability to have loads waived for Company's clients who invest in certain Fidelity loaded funds, when certain conditions are met and maintained and the ability to have custody fees waived (when negotiated by the adviser and allowed under certain circumstances). The benefits received through participation in the FIWS program may depend upon the amount of transactions directed to, or amount of assets custodied by, Fidelity Brokerage Services LLC. Please see Item 12 of this brochure for detailed information on our brokerage practices.

The Services of APW are utilized for the purchase of Variable Annuities, 529 Plans, and other Direct Business investments such as those utilized for Profit Sharing Plans.

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

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Calvert Wealth Management, Inc. does not charge performance based fees, that is, fees based on a share of capital gains or capital appreciation of the client's assets.

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#### *Item 7: Types of Clients*

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Calvert Wealth Management, Inc., Inc. generally provides advice to Individuals, Trusts, Estates, Charitable Organizations, Profit Sharing Plans, and Business Entities. There are no minimum requirements to open or maintain an account with Calvert Wealth Management, Inc.

CWM, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

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

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Investing in securities involves risk of loss that clients should be prepared to bear. Calvert Wealth Management's asset management philosophy is centered on asset allocation, instead of market timing. Asset allocation provides the basis for building diversified portfolios that seek to maximize return while staying within reasonable and acceptable risk levels, as determined by the client's risk profile, identified in the 'Suitability Evaluation'. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market

sector. Another risk is that the ratio of securities, fixed income and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Internal and Third Party research is conducted in an effort to establish independent, unbiased advice that is in the best interest of the client. Based on short and long term economic outlooks, core portfolios are established based on risk tolerance. The core portfolio models may be shifted in an attempt to provide the client with risk adjusted returns that are in alignment with their appropriate risk tolerance/investment objective. The Company's core portfolios, based on the level of risk include listed from the most conservative to the most aggressive:

*Very Conservative:* An investment portfolio with near complete risk aversion. This objective is for an investor who seeks only capital preservation, does not want to solely be in cash, and can accept low average returns. This objective gives up growth for low volatility and investment portfolio stability. With low average returns this objective may or may not maintain purchasing power. Fluctuations in the value of the portfolio should be minor. This objective may be more appropriate for an investor with a short-term time horizon who is less concerned about capital growth and/or preserving purchasing power.

*Conservative:* An investment portfolio characterized by substantial risk aversion. This objective is for an investor who seeks capital preservation, a low degree of short-term volatility, and can accept low average returns. This objective gives up growth for low volatility and investment portfolio stability. With low average returns this objective may or may not maintain purchasing power. Fluctuations in the value of the portfolio should be minor. This objective may be more appropriate for an investor with a short-term time horizon who is less concerned about capital growth and/or preserving purchasing power.

*Moderately Conservative:* An investment portfolio characterized by risk aversion. This objective is for an investor who would like to exceed long-term inflation by a small margin and accepts a low to moderate degree of short-term volatility. It is for an investor who seeks both modest capital appreciation and income. While this portfolio is still designed to preserve the investor's capital, small fluctuations in the value of the portfolio may occur.

*Moderate:* An investment portfolio characterized by moderate risk. This objective is for a client who accepts a fair degree of risk and is looking to exceed long-term inflation by a fair margin (e.g., 3-5% over the long term). The investor understands, and is comfortable with the fact, that short-term volatility is a price to be paid for higher long-term returns. The main objective is to achieve steady portfolio growth while limiting fluctuations in the value of their portfolio to less than those of the overall equity markets.

*Moderately Aggressive:* An investment portfolio characterized by above average risk. This objective is for an investor looking to exceed long-term inflation by a significant margin and who can accept a moderate to high degree of short-term volatility. It is for an investor who seeks above-average growth with a long-term time horizon.

*Aggressive:* An investment portfolio characterized by high risk. The objective is for an investor looking to exceed long-term inflation by a high margin and who can accept a high degree of short-term volatility. It is for the investor seeking high growth over a very long-term time horizon. This portfolio may have substantial fluctuations in value greater than overall equity markets.

Deviations may occur relative to the Account allocations during any specific short-term period (6 months or less) due to market conditions or Adviser perceived and/or anticipated market developments. There can be no assurance that any such perceived and/or anticipated market developments will occur, be correct or prove profitable.

Once the portfolios allocation models are established, investment selections are made adhering to weightings that may shift based on the established model. These selections include, but are not limited to the following categories: stocks / bonds / ETFs / fixed income securities / mutual funds / commodities / variable annuities / REITs / natural resources / options / precious metals.

These selections are subject to change due to the underlying research and mutually agreed upon varying strategies determined by the Portfolio Manager and the Advisors. Clients may see varying periods of trading frequencies based on this notion and should not expect a definite pattern.

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always the risk that our analysis may be compromised by inaccurate or misleading information.

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### *Item 9: Disciplinary Information*

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There are no legal, disciplinary, criminal, civil, self-regulatory organization (SRO) proceedings, or administrative proceedings associated with Calvert Wealth Management, Inc. (CWM) or advisors employed by CWM.

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

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John Stone, RFC AIF® serves as representative of APW Capital, Inc. and as a licensed insurance agent. Nicholas Thomas Boyd serves as a licensed insurance agent. In such capacity, Mr. Stone and Mr. Boyd may offer insurance products and receive normal and customary commissions as a result of any purchase made by clients. The recommendation by CWM that a client purchase a securities or insurance-commission product from CWM's representative in their separate individual capacities as representatives of APW Capital, Inc. and/or as an insurance agent, presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products from CWM's representatives. Clients are reminded that they may purchase securities and insurance products recommended by CWM through other, non-affiliated broker-dealers and/or insurance agencies.

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### *Item 11: Code of Ethics*

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This Code of Ethics ("Code") has been adopted by Calvert Wealth Management, Inc. and is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act").

This Code establishes rules of conduct for all employees of Calvert Wealth Management, Inc. and is designed to, among other things, govern personal securities trading activities in the accounts of employees, immediate family/household accounts and accounts in which an employee has a beneficial interest. The Code is based upon the principle that Calvert Wealth Management Inc. and its employees owe a fiduciary duty to Calvert Wealth Management Inc.'s clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (1) making decisions in the best interest of advisory clients and (2) implementing such



decisions while, at the same time, allowing employees to invest for their own accounts. Calvert Wealth Management, Inc. allows our employees 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 clients presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. It is the expressed policy of our firm that no person employed by Calvert Wealth Management, Inc. may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts. We have adopted a Code of Ethics which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

The Code is designed to ensure that the high ethical standards long maintained by Calvert Wealth Management, Inc. continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

Pursuant to Section 206 of the Advisers Act, both Calvert Wealth Management, Inc. and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that the Calvert Wealth Management, Inc. has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

Calvert Wealth Management, Inc. and its employees are subject to the following specific fiduciary obligations when dealing with clients:

- The duty to have a reasonable, independent basis for the investment advice provided;
- The duty to seek best execution for a client's transactions where the Firm is in a position to direct brokerage transactions for the client;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and
- A duty to be loyal to clients.

In meeting its fiduciary responsibilities to its clients, Calvert Wealth Management, Inc. expects every employee to demonstrate the highest standards of ethical conduct for continued employment with Calvert Wealth Management, Inc. strict compliance with the provisions of the Code shall be considered a basic condition of employment with Calvert Wealth Management, Inc. Calvert Wealth Management, Inc.'s reputation for fair and honest dealing with its clients has taken considerable time to build. This standing could be seriously damaged as the result of even a single securities transaction being considered questionable in light of the fiduciary duty owed to our clients. Employees should also understand that a material breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with Calvert Wealth Management, Inc.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [kelly@calvertwealth.com](mailto:kelly@calvertwealth.com) or by calling us at (301) 812-1550.

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### *Item 12: Brokerage Practices*

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#### **Brokerage Practices**

In the event that the client requests that we recommend a broker-dealer/custodian for execution and/or custodial services, we generally recommend that investment accounts be maintained at Fidelity Brokerage Services LLC

("Fidelity") Prior to engaging us to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with us setting forth the terms and conditions under which we shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that we consider in recommending *Fidelity* (or any other broker-dealer/custodian to clients) include historical relationship, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by our clients shall comply with our duty to seek best execution, a client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the transaction fee is reasonable. 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, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, our investment advisory fee.

**Non-Soft Dollar Research and Additional Benefits:** Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, we may receive from *Fidelity* (or another broker-dealer/custodian, investment manager, platform or fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist us to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by us may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by us in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist us in managing and administering client accounts. Others do not directly provide such assistance, but rather assist us to manage and further develop its business enterprise.

There is no corresponding commitment made by us to *Fidelity* or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**Directed Brokerage.** CWM recommends that its clients utilize the brokerage and custodial services provided by *Fidelity*. CWM accepts directed brokerage arrangements (when a client requires that account transactions be affected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and CWM will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by CWM. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that the client directs CWM to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through CWM. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Order Aggregation.** Transactions for each client account generally will be affected independently, unless CWM decides to purchase or sell the same securities for several clients at approximately the same time. CWM may (but is

not obligated to) combine or “bunch” such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among CWM’s clients, differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. CWM shall not receive any additional compensation or remuneration as a result of such aggregation.

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### *Item 13: Review of Accounts*

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#### **Financial Planning:**

*Reviews:* These client accounts will be reviewed as contracted for at the inception of the advisory relationship by Kelly C. Sheahan and John T. Stone, Jr.

*Reports:* Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for at the inception of the advisory relationship.

#### **Consulting Services:**

*Reviews:* These client accounts will be reviewed as contracted for at the inception of the consulting relationship by Kelly C. Sheahan and John T. Stone, Jr.

*Reports:* These client accounts will receive reports as contracted for at the inception of the consulting relationship.

#### **Portfolio Management Services:**

*Reviews:* While the underlying securities within Portfolio Management Services accounts are continuously monitored, these accounts are reviewed at least quarterly by Kelly C. Sheahan and John T. Stone, Jr. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

*Reports:* In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker dealer, the Company will provide reports summarizing account performance, balances and holdings during review meetings with clients.

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### *Item 14: Client Referrals and Other Compensation*

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As indicated at Item 12 above, CWM may receive from *Fidelity* without cost (and/or at a discount), support services and/or products. There is no corresponding commitment made by CWM to *Fidelity* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements.

CWM does not compensate unaffiliated individuals or entities for prospective client introductions.

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### *Item 15: Custody*

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CWM is deemed to have limited custody of client funds and/or securities as a result of CWM's authority from certain clients to directly debit client advisory fees from their custodian accounts consistent with industry practices and regulatory requirements. We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, we have written authorization from the client to deduct advisory fees from the account held with a qualified custodian. The client's custodian is advised of the amount of the fee to be deducted from the client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Custodians provide statements to clients on a periodic basis, and we urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

In addition to the periodic statements that clients receive from their custodian, we also provide reports summarizing account performance, balances and holdings during review meetings with clients. We urge our clients to carefully compare the information provided on these reports to ensure that all account transactions, holdings and values are correct and current.

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### *Item 16: Investment Discretion*

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For clients granting the Company discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for the client's account(s), the Company requests that such authority be granted in writing. Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments shall be submitted in writing.

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### *Item 17: Voting Client Securities*

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As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, 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. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

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### *Item 18: Financial Information*

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As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Calvert Wealth Management, Inc. has no such financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Calvert Wealth Management, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.

CWM's Chief Compliance Officer, Kelly C. Sheahan, RFC, AIF®, remains available to address any questions that a client or prospective client may have regarding this Brochure.

