

## **ITEM 1: COVER SHEET**

### **PART 2A**

## **MW Investment Strategy**

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March 27, 2023

This brochure provides information about the qualifications and business practices of MW Investment Strategy. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

MW Investment Strategy is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the advisor.

Additional information about MW Investment Strategy is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## MW Investment Strategy

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### Item 2: Material Changes

Our previous annual updating amendment was dated March 30, 2022, there have been no material changes to report. In the future, any material changes that occur will be reported here.

Please contact us at (916) 608-4284 if you would like a copy of our updated Part 2. Additional information about us is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **ITEM 3**

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## **ITEM 4: ADVISORY BUSINESS**

### **Who we are**

MW Investment Strategy (referred to as “we,” “our,” “us,” or “MWI”), has been registered as an investment advisor since April 1997. In March 2018, we became registered with the Securities and Exchange Commission.

**Who We Are:** Our sole shareholder is Van Hulzen Asset Management, LLC (“VAM”), an investment adviser managed by Craig Dennis Van Hulzen (CRD Number 2468474) its Executive Chairman, Chief Investment Officer, and Founder. Mr. Van Hulzen is also the majority owner of the equity in VAM. Bradley Robert Nicholson (CRD Number 4846561) is President of VAM. Mssrs. Van Hulzen and Nicholson are responsible for all investment decisions and the day-to-day management of the firm.

### **Services we offer**

MWI is an independent, fee-only Investment Advisor and Financial Planning firm, offering a full range of financial planning and investment advisory services. We manage investment and retirement accounts for individuals, family partnerships, trusts, and closely-held businesses.

In providing Financial Planning services, MWI works with each client first to identify and then to achieve their long-term financial goals. These goals can be retirement, education funding, a home purchase, and leaving a bequest, among many others. We quantify how a client’s goals can be achieved through a combination of realistic savings, investment and spending targets. Risk management is critical to the success of a financial plan, and we work as needed with a client’s insurance, tax and legal professionals to ensure that appropriate planning and policies are in place in each of these areas.

In managing a client’s assets, MWI is directed by the written investment policy statement that is submitted to each client for their review and approval. Based on their particular financial situation and needs, this investment policy outlines the core asset allocation and risk exposure to be employed, as well as savings and spending goals to be met in support of the client's goals.

MWI assumes discretionary investment authority over those accounts that we manage for our clients. Accounts are invested following one of four broadly diversified portfolio models that we have developed and manage. Each model is designed to meet a different investor time horizon and risk tolerance, and each is comprised of low cost, no-load mutual funds and exchange traded securities.

Clients in the highest income tax brackets often request that their portfolio be comprised predominantly of index and/or exchange-traded funds in order to minimize tax liabilities.

We do not provide portfolio management services to a wrap fee program.

### **Assets under management**

As of December 31, 2022, we manage assets of \$48,186,114 on a discretionary and \$0 on a non-discretionary basis.

## **ITEM 5: FEES AND COMPENSATION**

### **Advisory Fees & Billing Practices**

Fees for investment management services are calculated as a percentage of assets under management. These fees are billed at the end of each quarter, based on the assets under management as of the last day of the calendar quarter. Our standard fee schedule is:

<u>Assets</u>	<u>Annual Fee</u>
On amounts up to \$1,000,000	0.900%
On amounts from \$1,000,001 - \$2,000,000	0.600%
On amounts over \$2,500,000	0.375%

Consulting services may also be provided at the rate of \$325 per hour.

Fees are negotiable based on the scope and complexity of services provided to clients. At our sole discretion, MWI may waive its minimum fee during a client's initial year with our firm.

We generally require that you provide authorization for us to deduct our fees directly from your investment account. Important information about the deduction of management fees:

- You must provide authorization for us to deduct fees by initialing the appropriate section of our contract.
- We will mail a detailed invoice each quarter which outlines our fees and how they are calculated at the same time we request payment from the custodian.
- You will receive a statement from your custodian which shows all transactions in the account and your holdings.
- You are responsible for reviewing the accuracy of the fees being billed, as the custodian will not do so.

In limited circumstances we may agree to allow clients to pay by check rather than deducting payment directly from the client account.

If you would like to end our advisory relationship, you may do so by providing 30 days written notice. We will prorate the advisory fees received through the termination date and send you an invoice for the advisory fees due.

### **Other Costs Involved**

In addition to our advisory fee shown above, you are responsible for paying fees associated with investing for your account. These fees include:

- management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- brokerage costs and transaction fees for any securities, fixed income trades, or mutual funds (if applicable). These are generally charged by your custodian and/or executing broker.

Additional information about brokerage costs and services is provided in “Item 12: Brokerage Practices.”

We believe the fees mentioned above are competitive; however, you may be able to obtain similar services from other sources at a lower price.

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

We do not receive performance fees for managing accounts.

## **ITEM 7: TYPES OF CLIENTS**

Our clients are both employed and retired; working couples with children and single persons; small business owners, and professionals. Our clients reside principally in California, although we have client relationships in New York and in other states.

Generally, we require that you maintain \$1,000,000 under management with us. However, we may waive that minimum at our sole discretion.

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

Our investment process is based on a fundamental target asset allocation and then we select mutual funds and other investments to fill that target allocation. Specific manager and fund selection is obtained from Morningstar and our own independent research. Our principal criteria for mutual (and other) fund selection is that the vehicle be low cost, have a shareholder friendly culture and that the manager(s) exhibit a track record of excellence in their field.

In addition to this process, we employ a tactical overlay on top of our target allocations, over- or under-weighting asset classes according to our evaluation of the risk-adjusted rewards available.

Each of our client accounts holds a selection of mutual funds invested variously in domestic and foreign equities and fixed income securities. Accounts may also hold positions in funds invested in real estate securities, commodities and other alternative investments.

We have designed each portfolio to adhere to a specific target loss threshold in most market scenarios. However, there can be no guarantee that these thresholds will not be breached. During the 2008 financial crisis in particular, each of our models declined more than their designated target loss threshold.

The principal risks of the domestic equity investments in these portfolios include, but are not limited to:

- Market risk
- Company risk
- Sector risk

Fixed income investments are subject to:

- Interest rate risk
- Credit risk

Foreign investments are subject as well to currency risk

In addition, client accounts may under or over-perform their specific target benchmark due to our specific mutual fund manager selection as well as our tactical asset class weighting decisions.

Our client accounts are primarily invested in a broadly diversified selection of actively-managed, no-load, low cost mutual funds. Index and exchange-traded funds often complement the mutual fund holdings in our portfolios. All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situations at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.

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

MWI is wholly owned by Van Hulzen Asset Management, LLC a federally registered investment adviser. Services provided to clients who engaged MWI prior to VAM becoming the owner will continue to receive the services for which they contracted MWI. Clients who engage(d) MWI after VAM became the owner will receive financial planning services through MWI, and all other services through VAM. Clients who receive financial planning services through MWI are under no obligation to implement the financial plan through VAM, MWI, or any person or entity affiliated with VAM and/or MWI. Wedbush Capital is a passive owner of Van Hulzen Asset Management, LLC and also owns Wedbush Securities, Inc., a registered Broker Dealer. MWI does not have Wedbush Capital, nor Wedbush Securities, Inc., provide services to its clients.

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

### **Code of Ethics**

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by MWI and our associated persons. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using nonpublic information gathered when providing services to you for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

## **Personal Trading for Associated Persons**

We may buy or sell some of the same securities for you that we already hold in our personal account. We may also buy for our personal account some of the same securities that you already hold in your account. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by your transactions.

We may restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be placed as part of a block trade with client trades, or individually after client trades have been completed. Additional information about block trades is provided in the Aggregation of Orders section of “Item 12: Brokerage Practices.” When our trades are placed after our client trades, we may receive a better or worse price than that received by the client.

MWI and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

All persons associated with us are required to report all personal securities transactions to us quarterly.

## **Investment Advice Relating to Retirement Accounts**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

In addition, and as required by this rule, we provide information regarding the services that we provide to you, and any material conflicts of interest, in this brochure and in your client agreement.



## **ITEM 12: BROKERAGE PRACTICES**

### **The Custodian and Brokers We Use**

We do not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account for payment of our advisory fees (see “Item 15: Custody”). Your assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank. We request that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker/dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we request that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

### **How We Select Brokers/Custodians**

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

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “*Products and Services Available to Us From Schwab*”)

### **Your Brokerage and Custody Costs**

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges you a flat dollar

amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute virtually all trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “*How We Select Brokers/Custodians*”).

## **Products and Services Available to Us From Schwab**

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

### Services That Benefit You.

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

### Services That May Not Directly Benefit You.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

### Services That Generally Benefit Only Us.

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

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

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

### **Aggregation of Orders**

There are occasions on which portfolio transactions will be executed as part of concurrent authorizations to purchase or sell the same security for another client or one or more of our associated persons.

We may choose to block (aggregate) trades for your account with those of other client accounts and personal accounts of persons associated with MWI. When we place a block trade, all participants included in the block receive the same price per share on the trade. The price is calculated by averaging the price of all of the shares traded. Due to the averaging of price over all of the participating accounts, aggregated trades could be either advantageous or disadvantageous. Commission costs are not averaged. You will pay the same commission whether your trade is placed as part of a block or on an individual basis. The objective of the aggregated orders will be to allocate the executions in a manner that is deemed equitable to the accounts involved.

We trade client positions per our model portfolio allocations and will generally aggregate trade orders for exchange traded funds and other equity securities by model portfolio group.

When raising cash for clients, or when cash is added to a client's account, the account will be traded individually, and orders will not be aggregated with other accounts.

### **Soft Dollars**

"Soft dollars" are typically generated when an investment advisor enters into an agreement with an executing broker to receive a portion of the commissions generated by the advisor's client trades. The soft dollars are allocated to the investment advisor and can then be used to purchase items or services. The investment advisor has a fiduciary duty to its clients to obtain best execution, on an overall basis, for any securities transactions.

We do not use soft dollars as described above. The SEC recently changed the wording of certain questions on the Form ADV and has indirectly changed the definition of soft dollars. Due to the new wording, the receipt of goods and/or services from a third party in connection with providing advice to clients could be seen as "soft dollars." The additional services we receive from Schwab, as disclosed in

the section entitled “Products and Services Available to Us From Schwab “above, would fall under this description of soft dollars. We may receive similar services from other custodians.

### **Directed Brokerage**

You may instruct us to execute any or all securities transactions for your account with or through one or more broker/dealers designated by you. In these cases, you are responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by the broker/dealers and you are satisfied with the terms and conditions. We have no responsibility for obtaining the best prices or any particular commission rates for transactions with or through the broker/dealer in these situations. You recognize that you may not obtain rates as low as you might otherwise obtain if we had discretion to select broker/dealers other than those chosen by you. If you would like us to cease executing transactions with or through the designated broker/dealer you must notify us in writing.

### **ITEM 13: REVIEW OF ACCOUNTS**

Client accounts are reviewed in-house on a quarterly, or as-needed, basis. Face-to-face client meetings are scheduled at least once per year. Annual reviews include an analysis of the client's account(s) and financial plan, if applicable. A material change in the client's circumstances will typically trigger a review. Craig Van Hulzen, CEO, and Bradley Nicholson, President, perform all review services.

Clients receive investment account reports and analysis either electronically or by mail on a quarterly basis. The report includes statements of periodic performance, and account holdings as well as our commentary on the markets and our investment outlook. Financial planning issues specific to each client are also reviewed.

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

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see “Item 12: Brokerage Practices”). The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We do not directly or indirectly compensate anyone for client referrals.

### **ITEM 15: CUSTODY**

If you give us authority to deduct our fees directly from your separately managed account, we are deemed to have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the procedures outlined in “Item 5: Fees and Compensation.” You will also receive quarterly statements directly from custodian of the account that details all transactions in the account. You should carefully review those statements promptly when you receive them. We also urge you to compare the custodian account statements to the periodic portfolio reports you will receive from us. At no time do we accept physical custody of client assets.

## **ITEM 16: INVESTMENT DISCRETION**

As one of the conditions of managing your account, you are required to provide discretionary authority for us to manage your assets. Discretionary authority means that you are giving us a limited power of attorney to place trades on your behalf. This limited power of attorney does not allow us to withdraw money from your account, other than advisory fees if you agree to give us that authority.

You grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on your behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for your account(s).

Clients may request that certain securities (typically "legacy" holdings purchased prior to our management) not be sold without prior approval; that taxable income be minimized; or that a specific level of cash be maintained in an account.

## **ITEM 17: VOTING CLIENT SECURITIES**

As a matter of policy and as a fiduciary to our clients, we have responsibility for voting proxies for your portfolio securities consistent with your best economic interests. We maintain written policies and procedures as to the handling, research, voting and reporting of proxy voting and make appropriate disclosures about our proxy policies and practices. Our policy and practice include the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. You may provide written direction regarding any particular proxy solicitation.

You may elect to retain the authority to vote the proxies yourself. In this case, you will receive proxies and other related paperwork directly from your custodian and we do not offer guidance in the voting of those proxies.

## **ITEM 18: FINANCIAL INFORMATION**

We do not charge or solicit pre-payment of more than \$1,200 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.