

## Item 1: Cover Page

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# **ClientFirst Wealth Management, LLC**

## **Form ADV Part 2A**

### **Investment Adviser Brochure**

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March 2023

This Brochure provides information about the qualifications and business practices of ClientFirst Wealth Management, LLC (“we”, “us”, “our”). If you have any questions about the contents of this Brochure, please contact Edward P. Mahaffy, President, Senior Portfolio Manager and Chief Compliance Officer at (501) 603-0406 or [ed@clientfirstwealthmanagement.com](mailto:ed@clientfirstwealthmanagement.com).

Additional information about our Firm is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). 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.

We are a registered investment adviser. Please note that use of the term “registered investment advisor” and a description of the Firm and/or our employees as “registered” does not imply a certain level of skill or training. For more information on the qualifications of the Firm and our employees who advise you, we encourage you to review this Brochure and the Brochure Supplement(s).

## Item 2: Summary of Material Changes

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### **Annual Update**

In this Item of ClientFirst Wealth Management's (ClientFirst or the Firm) Form ADV 2, the Firm is required to discuss any material changes that have been made to Form ADV since the last Annual Amendment.

### **Material Changes since the Last Update**

Since our last Annual Amendment filing on March 28, 2022, the Firm has the following Material Changes to report:

- This Form was updated to include information regarding our fiduciary role when providing services to retirement investors and retirement accounts. Please see Item 4: Advisory Business for more information.
- This Form was updated to include disclosure of our conflict of interest related to the financial incentive we have in recommending the transfer of retirement plan assets to accounts that we manage. Please see Item 5: Fees and Compensation for more information.

### **Full Brochure Available**

ClientFirst's Form ADV may be requested at any time, without charge by contacting Edward P. Mahaffy, President, Senior Portfolio Manager and Chief Compliance Officer at (501) 603-0406 or [ed@clientfirstwealthmanagement.com](mailto:ed@clientfirstwealthmanagement.com).

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

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## Item 4: Advisory Business

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### **Firm Description**

ClientFirst is an investment adviser providing investment advisory services to individuals and high net worth individuals. ClientFirst was founded in 2002.

### **Principal Owners**

ClientFirst is owned by its sole employee, Edward P. Mahaffy, President, Senior Portfolio Manager and Chief Compliance Officer.

### **Types of Advisory Services**

ClientFirst offers the following types of advisory services: Financial planning services and portfolio management for individuals and/or small business.

### **Investment Advisory Services**

ClientFirst provides **fee-only** investment advisory services, providing ongoing investment advice and monitoring of securities holdings based on the individual needs of the client.

ClientFirst develops portfolios based upon a client's goals, objectives, investment time horizon and risk tolerance, as well as their core financial-related values. ClientFirst uses asset allocation or spreading investments among a number of asset classes and sectors (corporate bonds vs. government securities) for most client portfolios.

ClientFirst will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Client portfolios include, but are not limited to, mutual funds, ETF's and Fixed Income securities. The mutual funds, if selected, 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 objectives; management style and philosophy; and fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances.

Financial planning may be offered as a component of the overall investment advisory services and may include a review a client's current financial situation. A review may include the following components: cash management, risk management, insurance, education funding, goal setting, retirement planning, estate and charitable giving planning, tax planning, and capital needs planning. ClientFirst generally does not charge a separate fee for financial planning services.

### **Tailored Relationships**

ClientFirst tailor's investment advisory services to the individual needs of the client. The goals and objectives for each client are documented in our client relationship management system. Client Questionnaires are created that reflect the stated goals and objective. ClientFirst clients

are allowed to impose restrictions on the investments in their account. ClientFirst may accept any reasonable limitation or restriction to discretionary authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to ClientFirst in writing.

### **Fiduciary Statement**

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act, (“ERISA”) and/or the Internal Revenue Code, (“IRC”), as applicable, which are laws governing retirement accounts.

We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. We must take into consideration each client’s objectives and act in the best interests of the client. We are prohibited from engaging in any activity that is in conflict with the interests of the client. We have the following responsibilities when working with a client:

- To render impartial advice;
- To make appropriate recommendations based on the client’s needs, financial circumstances, and investment objectives;
- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner and not in a way to mislead;
- To have a reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and
- Treat clients fairly and equitably.

Regulations prohibit us from:

- Employing any device, scheme, or artifice to defraud a client;
- Making any untrue statement of a material fact to a client or omitting to state a material fact when communicating with a client;
- Engaging in any act, practice, or course of business which operates or would operate as fraud or deceit upon a client; or
- Engaging in any manipulative act or practice with a client.

We will act with competence, dignity, integrity, and in an ethical manner, when working with clients. We will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

**Wrap Fee Programs**

ClientFirst does not participate in a Wrap Fee Program.

**Client Assets**

As of January 31, 2023, ClientFirst manages \$ 219,948,548 in assets all on a discretionary basis.

## Item 5: Fees and Compensation

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### **Compensation**

ClientFirst bases its fees on a percentage of assets under management, hourly charges, and fixed fees. ClientFirst's fee schedules are described below.

### **Compensation – Investment Advisory Services**

Fees for investment advisory services are billed as a percentage of assets under management as follows:

#### **Comprehensive Wealth Management**

<b><u>Client Account Balance</u></b>	<b><u>Annual Fee</u></b>
Under \$500,000	Requires Approval
\$500,001 to \$1,000,000	1.00%
\$1,000,001 to \$2,000,000	0.85
\$2,000,001 to \$3,000,000	0.75
\$3,000,001 to \$5,000,000	0.65
Over \$5,000,000	Negotiable

#### **Fixed Income Management Only**

<b><u>Client Account Balance</u></b>	<b><u>Annual Fee</u></b>
Under \$500,000	Requires Approval
\$500,001 to \$1,000,000	0.75%
\$1,000,001 to \$2,000,000	0.65
\$2,000,001 to \$3,000,000	0.55
\$3,000,001 to \$5,000,000	0.45
Over \$5,000,000	Negotiable

Investment advisory fees are due and payable quarterly in arrears. Fees are generally calculated using the value of the client's portfolio on the last trading day of the quarter.

### **Calculation and Payment**

The specific manner in which fees are charged by ClientFirst is established in a client's investment advisory agreement with ClientFirst. ClientFirst will generally calculate fees in arrears on a quarterly basis. Clients may elect to be invoiced directly for fees or authorize ClientFirst to directly debit fees from client accounts.

Accounts initiated or terminated during a calendar quarter may be charged a prorated fee.

### **Agreement Terms**

A client may terminate the client agreement at any time by notifying ClientFirst in writing and

paying the rate for the time spent on the investment advisory engagement prior to notification of termination.

### **Cash Balances**

Some of your assets may be held as cash and remain uninvested. Holding a portion of your assets in cash and cash alternatives, i.e., money market fund shares, may be based on your desire to have an allocation to cash as an asset class, to support a phased market entrance strategy, to facilitate transaction execution, to have available funds for withdrawal needs or to pay fees or to provide for asset protection during periods of volatile market conditions. Your cash and cash equivalents will be subject to our investment advisory fees unless otherwise agreed upon. You may experience negative performance on the cash portion of your portfolio if the investment advisory fees charged are higher than the returns you receive from your cash.

### **Retirement Plan Rollover Recommendations**

As part of our investment advisory services to our clients, we may recommend that clients roll assets from their employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an "IRA Account") that we will advise on the client's behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts.

If the client elects to roll the assets to an IRA that is subject to our advisement, we will charge the client an asset-based fee as set forth in the advisory agreement the client executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to the client (i.e., receipt of additional fee-based compensation). Clients are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if clients do complete the rollover, clients are under no obligation to have the assets in an IRA advised on by our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in our clients' best interests and not put our interests ahead of our clients'.

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 our clients' 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 our clients' best interests;
- charge no more than a reasonable fee for our services; and
- give clients basic information about conflicts of interest.



Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, clients should consider the costs and benefits of a rollover. Note that an employee will typically have four options in this situation:

1. leaving the funds in the employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide clients with a written explanation of the advantages and disadvantages of both account types and document the basis for our belief that the rollover transaction we recommend is in your best interests.

#### **Other Fees and General Information on Compensation**

ClientFirst's fees may be negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low-cost basis securities, fixed income holdings, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation. Lower fees for comparable services may be available from other sources.

Neither ClientFirst nor any of its supervised persons (employees) accept compensation (including commissions or 12b-1 fees) for the sale of securities or other investment products in client portfolios.

In addition to ClientFirst investment advisory fees, custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Mutual funds charge investment advisory fees and other fees which are described in each prospectus. ClientFirst is not compensated by mutual fund companies. Clients could generally avoid paying ClientFirst's investment advisory fees by purchasing mutual funds directly from the mutual fund companies.

Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

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

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Neither ClientFirst nor any of its Supervised Persons (employees) accepts performance- based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

ClientFirst does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Item 7: Types of Clients

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### **Types of Clients**

As described in Item 4, ClientFirst's clients include individuals and high net worth individuals.

### **Account Minimums**

ClientFirst requires a minimum account of \$500,000 for investment advisory services. Waivers or exceptions from the minimum may be granted at the exclusive discretion of Edward P. Mahaffy, President, Senior Portfolio Manager and Chief Compliance Officer. ClientFirst may group certain related client accounts for the purposes of achieving the minimum account size.

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

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### **Methods of Analysis**

ClientFirst may employ several security analysis methods including charting; fundamental analysis; technical analysis; and cyclical analysis.

**Fundamental Analysis:** ClientFirst attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Charting/Technical Analysis:** The terms “charting” and “technical” analysis are generally used synonymously and therefore, for the purpose of this document, we will use the term, “technical analysis.” ClientFirst analyzes past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis:** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

### **Investment Strategies**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes a Client Questionnaire that documents their objectives and their desired investment strategy. Other strategies may include long-term and short-term purchases.

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear.

**All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. Although we manage assets in a manner consistent with your investment objectives and risk tolerance, there can be no guarantee that our efforts will be successful. You should be prepared to bear the following risk of loss:**

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Cybersecurity Risk:** A breach in cyber security refers to both intentional and unintentional events that may cause an account to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause an account to incur regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures, and/or financial loss.
- **Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.

ClientFirst reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. ClientFirst may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice.

## Item 9: Disciplinary Information

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ClientFirst or the integrity of ClientFirst's management. ClientFirst has no information to disclose applicable to this Item.

## Item 10: Other Financial Industry Activities and Affiliations

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### **Financial Industry Activities**

ClientFirst is not registered as a broker-dealer, and none of its management persons are registered representatives of a broker-dealer.

Neither ClientFirst nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

### **Affiliations**

Edward P. Mahaffy, President, Senior Portfolio Manager and Chief Compliance Officer is the co-owner of another Registered Investment Adviser, Fiduciary Wealth Management, LLC.

### **Other Investment Advisors**

ClientFirst does not recommend or select other investment advisors for its clients.

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

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### **Code of Ethics**

ClientFirst employees must comply with a Code of Ethics and Statement for Insider Trading. The Code describes the Firms' high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Edward P. Mahaffy, President, Senior Portfolio Manager and Chief Compliance Officer, reviews all trades each quarter. These reviews ensure that personal trading does not affect the markets, and that clients of ClientFirst receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

As the sole employee, Edward P. Mahaffy maintains records on all personal trading.

Clients and prospective clients can obtain a copy of ClientFirst's Code of Ethics by contacting Edward P. Mahaffy, President, Senior Portfolio Manager and Chief Compliance Officer at (501) 603-0406.

### **Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross**

ClientFirst and its employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

It is ClientFirst's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. ClientFirst will also not cross trades between client accounts.

### **Participation or Interest in Client Transactions – Personal Securities Transactions**

ClientFirst and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of ClientFirst will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would materially



not interfere with the best interest of ClientFirst's clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics and designed to reasonably prevent conflicts of interest ClientFirst and its clients.

## Item 12: Brokerage Practices

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### **Research and Other Soft Dollar Benefits**

ClientFirst does not receive formal soft dollar benefits other than execution from broker/dealers in connection with client securities transactions. See disclosure below in “Directed Brokerage – Other Economic Benefits”.

### **Brokerage for Client Referrals**

ClientFirst does not receive client referrals from broker/dealers.

### **Directed Brokerage**

Clients may come to ClientFirst with an existing brokerage relationship and direct ClientFirst to execute their trades through that broker. This brokerage direction must be requested by the client in writing. Clients normally negotiate their commission rate directly with their broker. ClientFirst will not seek better execution services or prices from other brokers or dealers and as a result, client could pay higher commissions, other transaction costs, greater spreads, or receive less favorable net prices on transactions for the client’s portfolio than would otherwise be the case. Not all advisers require or allow their clients to direct brokerage. Subject to its duty of best execution, ClientFirst may decline a client’s request to direct brokerage if, in ClientFirst’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

If a client does not have an existing relationship with a broker, ClientFirst may suggest the use of and request the client to authorize discretion on an account established through a variety of brokerage firms.

When ClientFirst recommends a broker, it has considered the broker's ability to offer best execution, including the costs of trades of listed securities, the costs of trades of securities in which other brokers may make a market, and the ability to execute trades as well as the full range and quality of the broker's services. ClientFirst periodically evaluates brokers/dealers or custodian based on a variety of factors, including, but not limited to, commission rates, the ability to negotiate commissions, execution capability, the financial condition of the broker/dealer, responsiveness, and the value and quality of custodial services provided to the client, if any.

In the case where a client has not directed his portfolio to a specific broker and ClientFirst has discretion to select the broker, ClientFirst negotiates brokerage fees on a case-by-case basis. Any negotiated discount is dependent upon the value of the services provided by the broker and transaction execution. ClientFirst does not adhere to any fixed guideline or formula. ClientFirst does not transact brokerage business based solely upon negotiated discount but also any discount negotiated is relative to the value of services provided. The clients of ClientFirst may pay commissions higher than those obtainable from other brokers as a result of this analysis.

ClientFirst's fundamental policy is to seek for its clients what, in its judgment, will be the best overall execution of purchase or sale orders and most favorable net prices in securities transactions consistent with its judgment as to the business qualifications of the various brokers with which ClientFirst may do business. Decisions with respect to the market in which the transaction is to be completed, the form of transaction, and the allocation of orders among brokers or dealers are made in accordance with this policy.

With respect to any brokerage commissions charged by executing brokers, for investment advisory portfolios, ClientFirst will continually review the commission charges to ensure they are reasonable within the current marketplace. The amount of commission paid for by each client for a transaction placed by ClientFirst may be higher than the cost if executed by an alternative broker/dealer. In such cases, ClientFirst will use its best efforts to determine that the higher commissions are reasonable in relation to the value of the brokerage and research services provided by the executing broker- dealer viewed in terms of either a particular transaction or ClientFirst's overall responsibilities to its other clients.

#### **Directed Brokerage – Other Economic Benefits**

ClientFirst may have the opportunity to receive traditional "non-cash benefits" from brokers such as customized statements; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk servicing a broker's advisers exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client portfolios; ability to have investment advisory fees deducted directly from client portfolios; access to an electronic communication network for client order entry and portfolio information; access to mutual funds which generally require significantly high minimum initial investments or those that are otherwise only generally available to institutional investors; reporting features; receipt of industry communications; and perhaps discounts on business-related products.

Brokers may also provide general access to research and perhaps discounts on research products. Any research received is used for the benefit of all clients. ClientFirst has no written or verbal arrangements whereby it receives soft dollars. While ClientFirst endeavors at all times to put the interest of the clients first as part of its fiduciary duty, clients should be aware that the receipt of any additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

ClientFirst has been provided with a one-time credit from a broker/dealer to be used towards technology and/or other economic benefits. ClientFirst may receive these benefits without cost because ClientFirst renders investment management services to clients that maintain assets with that broker/dealer. ClientFirst is not required to send a certain amount of business to the broker/dealer to receive this benefit. These economic benefits may benefit ClientFirst, but not its clients directly. In fulfilling its duties to its clients, ClientFirst endeavors at all times to put the interests of its clients first. Clients should be aware, however, that ClientFirst's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence ClientFirst's choice of broker-dealer over another broker-dealer that does not furnish

similar technology or other economic benefits. ClientFirst does not believe this benefit impairs its fiduciary duty to clients.

### **Trade Aggregation**

Trade aggregation is the act of trading a large block of a security in a single order. Shares of a purchased security are then allocated to the appropriate accounts in the appropriate proportion. The main purposes of order aggregation are (i) for ease of trading and (ii) to obtain a lower transaction cost associated with trading a larger quantity. ClientFirst does not aggregate Equity trades. As a result, clients purchasing securities around the same time may receive a less favorable price than other clients. In addition, not aggregating trades may result in higher transaction costs, as a client will not benefit from lower transaction cost which might be achieved if the trade was aggregated.

Occasionally, ClientFirst will aggregate Fixed Income purchases, which are then allocated on an average cost basis. Accounts for the Firm or Employees will not be included in a block trade with client accounts.

## Item 13: Review of Accounts

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### **Reviews**

Edward P. Mahaffy, President, Senior Portfolio Manager and Chief Compliance Officer, typically prepares a Client Questionnaire to establish investment goals, objectives and management policies applicable to the client's investment portfolio. The Questionnaire generally covers the following areas: a review of the client's circumstances, the purpose of the portfolio and its time horizon, portfolio goals, tax considerations, investor goals, investment policy objectives, anticipated liquidity needs, investment philosophy and proposed asset allocation, investment selection, constraints, risk tolerance, monitoring intervals, and portfolio loans.

Edward P. Mahaffy President, Senior Portfolio Manager and Chief Compliance Officer continually supervises and monitors client accounts and performs a more detailed review of client accounts periodically. These reviews typically include comparing the portfolio with the goals and objectives as outlined by the Client Questionnaire, reviewing changes to the client's investment circumstances, evaluating the specific holdings, re-balancing the portfolio and communicating the status of the portfolio to the client.

Clients are obligated to promptly notify ClientFirst of any changes in the client's financial status to ensure that investment strategies continue to meet the client's changing needs.

At the client's request, ClientFirst may review and/or update financial plans that are not implemented upon presentation. Such reviews and/or updates may be subject to ClientFirst's then current hourly rate.

### **Review Triggers**

Other conditions that may trigger a review are changes in market, political or economic conditions, tax laws, deposits, new investment information, and changes in a client's own situation.

### **Reporting**

Clients receive monthly and/or quarterly statements from the custodian.

## Item 14: Client Referrals and Other Compensation

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### **Other Compensation**

ClientFirst does not receive any formal economic benefits (other than normal compensation and benefits described in Item 12) from any firm or individual for providing investment advice.

### **Other Compensation – Brokerage Arrangements**

See disclosure in Item 12 regarding compensation, including economic benefits received in connection with giving advice to clients.

### **Compensation – Client Referrals**

ClientFirst may enter into written arrangements to pay cash referral fees to individuals or companies (solicitors) who refer prospective clients to the Firm. There will be a written agreement between ClientFirst and the solicitor, which will clearly define the duties and responsibilities of the solicitor under this arrangement. In addition, either the solicitor or ClientFirst will provide a written disclosure document, which explains to the prospective client the terms and compensation structure under which the solicitor is working with ClientFirst. ClientFirst will ensure that a copy of ClientFirst's Form ADV Part 2 be delivered to the prospective client and will obtain a written acknowledgement from the client that both the solicitor's disclosure document and ClientFirst's Form ADV Part 2 have been received.

## Item 15: Custody

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### **Custody – Fee Debiting**

ClientFirst has one form of custody. Clients may authorize ClientFirst (in the investment advisory agreement) to debit fees directly from the client's account at the broker dealer, bank or other qualified custodian (custodian). ClientFirst's investment assets will be held with a custodian agreed upon by the client and Client. The custodian is advised in writing of the limitation of ClientFirst's access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to ClientFirst.

### **Custody – Account Statements**

As described in Item 13, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the account statements or other reports that ClientFirst provides. ClientFirst statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16: Investment Discretion

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Through the investment management agreement, ClientFirst may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows ClientFirst to execute trades on behalf of clients.

When such limited powers exist between the ClientFirst and the client, ClientFirst has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, ClientFirst may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to ClientFirst in writing.

However, ClientFirst consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.



## **Item 17: Voting Client Securities**

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ClientFirst does not have any authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies and receive proxies from directly from either custodians or transfer agents.

If requested, ClientFirst may provide advice to clients regarding proxy votes and legal proceedings. If any conflict of interest exists, it will be disclosed to the client. Clients may contact Edward P. Mahaffy President, Senior Portfolio Manager and Chief Compliance Officer, at (501) 603-0406 for information about proxy voting.

## **Item 18: Financial Information**

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ClientFirst is not required to provide a balance sheet; ClientFirst does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

ClientFirst has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

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## Form ADV Part 2B – Investment Adviser Brochure Supplement

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# **ClientFirst Wealth Management, LLC**

## **Form ADV Part 2B**

### **Investment Adviser Brochure Supplement**

1501 N. University Avenue, Suite 715

Little Rock, AR 72207

(501) 603-0406

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

**Supervisor and Supervised Person: Edward P. Mahaffy**

March 2023

This Brochure Supplement provides information about the Firm's ("we", "us", "our") employees that supplements our Brochure. You should have received a copy of that Brochure. Please contact Edward P. Mahaffy, President, Senior Portfolio Manager and Chief Compliance Officer at (501) 603-0406 or [ed@clientfirstwealthmanagement.com](mailto:ed@clientfirstwealthmanagement.com) if you did not receive our Brochure or if you have any questions about the contents of this Supplement.

Additional information about our employee(s) referenced above is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site using a unique identifying number, known as a CRD number for each employee.

## Item 2: Educational Background and Business Experience

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### **Education and Business Background**

ClientFirst requires a college degree and/or industry experience.

### **Supervised Person**

***Edward P. Mahaffy***

Born 1959

**CRD#1259126**

### **Business Background:**

ClientFirst Wealth Management

2002 to Present

President, Senior Portfolio Manager and Chief Compliance Officer

Merrill Lynch Wealth Management

1995 to 2001

Vice President and Portfolio Manager

Raymond James Financial Services, Inc.

2001 to 2007

Financial Adviser, Registered Principal and Portfolio Manager

Stephens, Inc.

1984 to 1995

Financial Advisor and Portfolio Manager

### **Formal Education after High School:**

University of Arkansas

Masters in Business Administration

The Citadel

Bachelor of Science in Business Administration

### **Professional Designations:**

Certified Financial Planner (CFP®)

Chartered Financial Consultant (ChFC®)

Member of National Association of Personal Financial Advisors (NAPFA)

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### **Professional Certifications**

Our Supervised Person maintains professional designations, which requires the following minimum requirements:

#### **Chartered Financial Consultant (ChFC)**

##### **Issued By**

The American College

##### **Prerequisites**

Candidate must meet the following requirements:

- 3 years of full-time business experience within the five years preceding the awarding of the designation

<b>Education Requirements</b>	6 core and 2 elective courses
<b>Exam Type</b>	Final proctored exam for each course
<b>Continuing Education Requirements</b>	30 CE credits every 2 years

  

<b>Certified Financial Planner™ (CFP®)</b>	
<b>Issued By</b>	Certified Financial Planner Board of Standards, Inc.
<b>Prerequisites</b>	<p>Candidate must meet the following requirements:</p> <ul style="list-style-type: none"> <li>• A bachelor's degree (or higher) from an accredited college or university, and</li> <li>• 3 years of full-time personal financial planning experience</li> </ul>
<b>Education Requirements</b>	<p>Candidate must complete a CFP®-board registered program, or hold one of the following:</p> <ul style="list-style-type: none"> <li>• CPA</li> <li>• ChFC</li> <li>• Chartered Life Underwriter (CLU)</li> <li>• CFA</li> <li>• Ph.D. in business or economics</li> <li>• Doctor of Business Administration</li> <li>• Attorney's License</li> </ul>
<b>Exam Type</b>	CFP® Certification Examination
<b>Continuing Education Requirements</b>	30 hours every 2 years

### Item 3: Disciplinary Information

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Neither ClientFirst nor any Supervised Persons have been involved in any activities resulting in a disciplinary disclosure.

### Item 4: Other Business Activities

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As disclosed in Form ADV Part 2A Item 10 – Other Financial Industry Activities and Affiliations, Edward P. Mahaffy, President, Senior Portfolio Manager and Chief Compliance Officer, is the co-owner of another Registered Investment Adviser, Fiduciary Wealth Management, LLC.

### Item 5: Additional Compensation

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No Supervised Person receives any economic benefit outside of regular salaries or bonuses related to amount of sales, client referrals or new accounts, except as described in Form ADV Part 2A, Item 12.

## Item 6: Supervision

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Edward P. Mahaffy, President, Senior Portfolio Manager and Chief Compliance Officer, is the sole employee named in this Form ADV Part 2B Investment Adviser Brochure Supplement. Edward P. Mahaffy may be reached at (501) 603-0406.