

**Provident Wealth Management, LLC**

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**March 24, 2023**

**FORM ADV PART 2A**  
**BROCHURE**

This brochure provides information about the qualifications and business practices of Provident Wealth Management, LLC ("PWM"). If the client has any questions about the contents of this brochure, contact us at 615-656-4050 or [kmckissock@providentwealthmanagement.com](mailto:kmckissock@providentwealthmanagement.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

PWM is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify the client and provide the client with a description of the material changes.

The following material changes have been made to this Brochure since the last annual amendment filing dated March 27, 2022.

Item 4 – Advisory Business has been revised to reflect PWM’s updated ownership structure, the removal of financial planning as a stand-alone service offering and PWM’s assets under management as of December 31, 2022;

Item 5 – Fees and Compensation has been updated to reflect PWM’s current fee structure;

Item 10 – Other Financial Industry Activities and Affiliations has been updated to reflect the name change of PWM’s affiliated insurance company; and

Item 13 – Review of Accounts has been updated to reflect that PWM does not produce reports for clients.

ANY QUESTIONS: PWM’s Chief Compliance Officer, Keith E. McKissock, remains available to address any questions regarding the above changes, or any other issue pertaining to this Brochure.

### **Item 3 Table of Contents**

Item 1 Cover Page	Page 1
Item 2 Summary of Material Changes	Page 2
Item 3 Table of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 8
Item 6 Performance-Based Fees and Side-By-Side Management	Page 10
Item 7 Types of Clients	Page 10
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 10
Item 9 Disciplinary Information	Page 14
Item 10 Other Financial Industry Activities and Affiliations	Page 14
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 15
Item 12 Brokerage Practices	Page 16
Item 13 Review of Accounts	Page 18
Item 14 Client Referrals and Other Compensation	Page 19
Item 15 Custody	Page 19
Item 16 Investment Discretion	Page 19
Item 17 Voting Client Securities	Page 20
Item 18 Financial Information	Page 20

## **Item 4 Advisory Business**

**Description of Services and Fees.** PWM is a registered investment adviser primarily based in Brentwood, Tennessee. PWM is organized as a limited liability company under the laws of the State of Tennessee. PWM has been providing investment advisory services since 2004. PWM's principal owners are the PWMAD Trust and PWMADSR Trust. Currently, PWM offers Portfolio Management and Investment Advisory Services.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how PWM tailors our advisory services to the client's individual needs. As used in this brochure, the words "PWM", "our", "we" and "us" refer to Provident Wealth Management, LLC, and the words "you", "your" and "client" refer to the client as either a client or prospective client of our firm.

**Portfolio Management Services.** PWM offers portfolio management services, which consist of ongoing financial advice and discretionary and non-discretionary investment management. Our investment advice is tailored to meet our client's needs and investment objectives.

**Investment Advisory Services.** PWM offers investment advisory services which typically involves addressing clients' management of their financial resources based upon an analysis of their individual needs. PWM will meet with the client to gather information about the client's financial circumstances and objectives. PWM will typically select an investment portfolio based on the client's financial needs, investment goals, tolerance for risk, and investment objectives. The client's assets will typically be custodied at Charles Schwab & Co., Inc. ("Schwab").

Individual securities purchased within the portfolios will be selected by PWM. The client's portfolio performance will be periodically monitored and will be rebalanced as required by changes in market conditions and/or the client's financial circumstances or goals. The client must promptly notify PWM if the client's financial situation, goals, objectives, or needs change.

If the client participates in our portfolio management and investment advisory services, PWM requires the client to grant our firm and Schwab, discretionary authority to manage the client's account. Discretionary authorization will allow PWM, and consequently Schwab, to determine the specific securities, and the amount of securities, to be purchased or sold for the client's account without the client's approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement and/or trading authorization forms the client signs with our firm, and/or Schwab. The client may limit the discretionary authority (for example, limiting the types of securities that can be purchased or sold for the client's account) by

providing PWM and Schwab with restrictions and guidelines in writing.

**Limitations of Investment Advisory Services and Non-Investment Consulting/Implementation Services.**

In addition to its portfolio management services, and to the extent requested by the client, PWM will generally provide investment advisory services and related consulting services regarding matters such as tax and estate planning, insurance, etc. Please Also Note: PWM does not serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, PWM does not prepare legal documents, prepare tax returns, or sell insurance products. To the extent requested by a client, PWM may recommend the services of other professionals for non-investment implementation purposes (i.e., attorneys, accountants, insurance agents, etc.) including PWM's representatives in their separate individual capacities as a licensed attorney and/or insurance agent per the terms and conditions of a separate written agreement and additional compensation-see Item 10 below. The client is under no obligation to engage the services of any such recommended professional. **Please Note-Conflict of Interest:** The recommendation that a client engage a representative of PWM (or an entity with which such representative is affiliated) for legal or insurance services presents a conflict of interest, as the receipt of legal fees and/or insurance commissions may provide an incentive to recommend such services and/or products based upon fees and/or commissions to be received, rather than on a particular client's need. The fees charged and commissions derived from such legal services and sale of insurance products respectively, are separate from, and in addition to, PWM's investment advisory fee. No portion of any such fees or commissions are shared with PWM. No client is under any obligation to engage either of PWM's representatives for legal or insurance services. Clients are free to engage unaffiliated attorneys or insurance agents of their choosing. ANY QUESTIONS: PWM's Chief Compliance Officer, Keith E. McKissock, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.

**Please Note: 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 PWM recommends that a client roll over their retirement plan assets into an account to be managed by PWM, such a recommendation creates a conflict of interest if PWM will earn new (or increase its current) compensation as a result of the rollover. If PWM 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), PWM 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 PWM, whether it is from an employer's plan or an existing IRA. PWM's Chief Compliance Officer, Keith E. McKissock, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

**Custodian Charges-Additional Fees.** As discussed below at Item 12, when requested to recommend a broker-dealer/custodian for client accounts, PWM generally recommends that Schwab serve as the broker-dealer/custodian for client investment management assets (Certain clients continue to maintain accounts at SEI). Broker-dealers such as Schwab charge brokerage commissions, transaction, and/or other types of fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including Schwab, do not currently charge fees on individual equity transactions, others do). These fees/charges are in addition to PWM's investment advisory fee at Item 5 below. PWM does not receive any portion of these fees/charges. ANY QUESTIONS: PWM's Chief Compliance Officer, Keith E. McKissock, remains available to address any questions that a client or prospective client may have regarding the above.

**Portfolio Activity.** PWM has a fiduciary duty to provide services consistent with the client's best interest. PWM will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when PWM determines that changes to a client's portfolio are neither necessary, nor prudent. Clients remain subject to the fees described in Item 5 below during periods of account inactivity.

**Please Note-Use of Mutual and Exchange Traded Funds.** PWM utilizes mutual funds and exchange traded funds for its client portfolios. In addition to PWM's investment advisory fee described below, and transaction and/or custodial fees discussed below, 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).

**Please Note: Cash Positions.** PWM continues to treat cash as an asset class. As such, unless determined to the contrary by PWM, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating PWM'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), PWM 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, PWM's advisory fee could exceed the interest paid by the client's money market fund. ANY QUESTIONS: PWM's Chief Compliance Officer, Keith E. McKissock, remains available to address any questions that a client or prospective client may have regarding the above fee billing practice.

**Client Obligations.** In performing our services, PWM 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, it remains each client's responsibility to promptly notify PWM if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

**Please Note: 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 PWM) will be profitable or equal any specific performance level(s).

**Wrap Fee Program(s).** PWM is not a portfolio manager to, nor sponsor of, any wrap fee programs.

**Types of Investments.** PWM primarily offers advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual funds, and US government securities.

Additionally, PWM may advise the client on any type of investment that PWM deems appropriate based on the client's stated goals and objectives. PWM may also provide advice on any type of investment held in the client's portfolio at the inception of our advisory relationship.

The client may request that PWM refrain from investing in particular securities or certain types of securities. The client must provide these restrictions to our firm in writing.

**Assets Under Management.** As of December 31, 2022, PWM provide continuous management services for \$506,343,267 in client assets on a discretionary basis, and \$0 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

**Portfolio Management Services.** PWM's fee for portfolio management and investment advisory services is based on a flat fee and/or percentage of the client's assets PWM manage as follows:

### **Assets Under Management Fees, Flat Fees and Platform Fees.**

PWM's assets under management fees range from 0.25-1.00% and are charged according to the following categories:

#### **Quarterly Financial Reviews / Briefings:**

- For the first \$2,000,000 of supervised assets, the fee is \$16,000 annually (payable \$4,000 per quarter) plus 0.25% of these assets annually.
- For supervised assets over \$2,000,000, the fee is 0.75% of these assets annually.

#### **Semi-Annual Financial Reviews:**

- For the first \$400,000 of supervised assets, the fee is \$4,000 annually (payable \$1,000 per quarter).
- For supervised assets greater than \$400,000 and up to \$2,000,000, the fee is 1.00% of these assets annually.
- For supervised assets over \$2,000,000, the fee is 0.75% of these assets annually.

#### **Annual Financial Reviews:**

- For supervised assets, the fee is 1.00% of these assets annually.

PWM charges an annual platform fee of 0.08% upon the transfer of accounts to Schwab, maximum per account of \$3,000 annually, for the provision of technical services, including trading, account aggregation and other similar services.

PWM's fees are billed and payable quarterly in arrears based on the average value of the client's account over the quarter. Flat fees are billed and payable quarterly in arrears.

PWM's fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which the client is a client.

PWM's fees will be deducted directly from the client's account through the qualified custodian holding the client's funds and securities. The qualified custodian will deliver an account statement to the client at least quarterly. These account statements will show all disbursements from the client's account. The client should review all statements for accuracy.

PWM does not charge the client a separate fee for the selection of other advisers, nor will PWM share in the advisory fee the client pays directly to Schwab or the manager(s) they select. Advisory fees that the client pays to Schwab and/or the manager(s) they select are established and payable in accordance with the disclosure documents provided by Schwab. These fees may or may not be negotiable. The client should



review Schwab's documents for information on its fees and services.

At our discretion, PWM may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, PWM may combine account values for the client and the client's children, joint accounts with the client's spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in the client paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

The client may terminate their Investment Advisory Agreement upon 30-days' written notice to our firm. The client will incur a pro rata charge for services rendered prior to the termination of their Investment Advisory Agreement, which means the client will incur advisory fees only in proportion to the number of days in the quarter for which the client is a client.

PWM encourages the client to reconcile the statement(s) the client receives from the qualified custodian. If the client finds any inconsistent information from the qualified custodian, please call our main office number located on the cover page of this brochure.

**Fee Dispersion.** PWM, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge a fee on a different interval, 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, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). Please Note: 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. **ANY QUESTIONS:** PWM's Chief Compliance Officer, Keith E. McKissock, remains available to address any questions that a client or prospective client may have regarding advisory fees.

**Additional Fees and Expenses.** As part of our investment advisory services to you, PWM may invest, or recommend that the client invest, in mutual funds and exchange traded funds. The fees that the client pays to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. The client may incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom the client's account transactions are executed. PWM does not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost the client will incur, the client

should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to Item 12- *Brokerage Practices* of this brochure. Whenever appropriate and available, PWM will recommend no-load mutual funds.

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

PWM does not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the Fees and Compensation section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in the client's advisory account.

## **Item 7 Types of Clients**

PWM offers investment advisory services to individuals, including high net worth individuals, corporations, and other business entities.

In general, PWM does not require a minimum dollar amount to open and maintain an advisory account; however, PWM has the right to terminate the client's account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage.

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

PWM will use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Technical Analysis** - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

- **Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's

product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

- **Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions.

- **Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

- **Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that the client is invested in, or perhaps just the client's particular investment, will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

**Short-Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

- **Risk:** Using a short-term purchase strategy generally assumes that PWM can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of time.

Our investment strategies and advice may vary depending upon each client's specific

financial situation. As such, PWM determines investments and allocations based upon the client's predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. The client's restrictions and guidelines may affect the composition of the client's portfolio.

PWM may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing the client's account(s). Short-term trading is not a fundamental part of our overall investment strategy, but PWM may use this strategy occasionally when PWM determines that it is suitable given the client's stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses. However, there is a risk that frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

**Tax Considerations.** Our strategies and investments may have unique and significant tax implications. However, unless PWM specifically agrees otherwise, and in writing, tax efficiency is not our primary consideration in the management of the client's assets. Regardless of the client's account size or any other factors, PWM strongly recommends that the client consult with a tax professional regarding the investing of the client's assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers began reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. The client's custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of the client's investments. The client is responsible for contacting the client's tax advisor to determine if this accounting method is the right choice for you. If the client's tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately, and PWM will alert the client's account custodian of the client's individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

**Risk of Loss.** Investing in securities involves risk of loss that the client should be prepared to bear. PWM does not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. PWM cannot offer any guarantees or promises that the client's financial goals and objectives will be met. Past performance is in no way an indication of future performance.

**Recommendation of Particular Types of Securities.** As disclosed under the Advisory Business section in this brochure, PWM primarily recommends equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal

securities, mutual funds, and US government securities. However, PWM may recommend other types of investments as appropriate for you, since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it, and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with that investment.

**Certificates of Deposit.** Certificates of deposit are generally the safest type of investment since they are insured by the federal government up to a certain amount. However, because the returns are generally very low, it is possible for inflation to outpace the return. Likewise, US Government securities are backed by the full faith and credit of the United States government, but it is also possible for the rate of inflation to exceed the returns.

**Municipal Securities.** Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

**Bonds.** Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

**Stocks.** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, more well-established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

**Mutual Funds and ETFs.** Mutual funds and exchange traded funds (ETFs) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a

manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely, whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

**Commercial Paper.** Commercial Paper (CP) is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured, the risk to the investor is that the issuer may default. There is less risk in asset based commercial paper (ABCP). The difference between ABCP and CP is that instead of being an unsecured promissory note representing an obligation of the issuing company, ABCP is backed by securities. Therefore, the perceived quality of the ABCP depends on the underlying securities.

## **Item 9 Disciplinary Information**

PWM is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. PWM does not have any required disclosures under this item.

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

Keith McKissock, Chief Compliance Officer, of our firm is also an attorney with the law firm One Trusted Advisor Attorneys at Law. If the client requires legal services, PWM may recommend that the client use One Trusted Advisor Attorneys at Law. Our advisory services are separate and distinct from the compensation paid to One Trusted Advisor Attorneys at Law for their services.

Similarly, if the client requires insurance services, PWM may recommend that the client use Keith Knell Insurance. Our advisory services are separate and distinct from the compensation paid to Keith Knell Insurance for their services.

While PWM believes that compensation charged by an affiliated firm is competitive, such compensation may be higher or lower than fees charged by other firms providing

the same or similar services. The client is under no obligation to use the services of any firm PWM recommends, whether affiliated or otherwise, and may obtain comparable services and/or higher or lower fees through other firms.

**Please Note-Conflict of Interest.** The recommendation that a client engage a representative of PWM (or an entity with which such representative is affiliated) for legal or insurance services presents a *conflict of interest*, as the receipt of legal fees and/or insurance commissions may provide an incentive to recommend such services and/or products based upon fees and/or commissions to be received, rather than on a particular client's need. The fees charged and commissions derived from such legal services and sale of insurance products respectively, are separate from, and in addition to, PWM's investment advisory fee. No portion of any such fees or commissions are shared with PWM. No client is under any obligation to engage any of PWM's representatives for legal or insurance services. Client is free to engage unaffiliated attorneys or insurance agents of their choosing. ANY QUESTIONS: PWM's Chief Compliance Officer, Keith E. McKissock, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.

Neither PWM, nor any employee of PWM, is registered, or has a pending registration with, or is, a broker/dealer, a futures commission merchant, a commodity pool operator, and/or a commodity trading advisor.

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

**Description of Our Code of Ethics.** PWM strives to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect the client's interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm, submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, PWM maintains and enforces written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about the client or the client's account holdings by persons associated with our firm. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

**Participation or Interest in Client Transactions.** Neither our firm nor any persons associated with our firm, has any material financial interest in client transactions

beyond the provision of investment advisory services as disclosed in this brochure.

**Personal Trading Practices.** Our firm or persons associated with our firm may buy or sell the same securities that PWM recommends to the client or securities in which the client is already invested. A conflict of interest exists in such cases because PWM has the ability to trade ahead of the client and potentially receive more favorable prices than the client will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm, shall have priority over the client's account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

**Brokerage Practices.** In the event that the client requests that PWM recommend a broker-dealer/custodian for execution and/or custodial services, PWM generally recommends that investment advisory accounts be maintained at Schwab. Prior to engaging PWM to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with PWM setting forth the terms and conditions under which PWM shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Factors that PWM considers in recommending Schwab (or any other broker-dealer/custodian to clients) include historical relationship with PWM, financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers such as Schwab can charge transaction fees for effecting certain securities transactions (See Item 4 above). To the extent that a transaction fee will be payable by the client to Schwab, the transaction fee shall be in addition to PWM's investment advisory fee referenced in Item 5 above.

To the extent that a transaction fee is payable, PWM shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where PWM determines, 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, transaction rates, and responsiveness. Accordingly, although PWM will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

**Research and Benefits.** Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, PWM can receive from Schwab (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services, funding for technology subscriptions/tools,



and/or products, certain of which assist PWM to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by PWM can 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 (including those provided by unaffiliated vendors and professionals), 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 PWM in furtherance of its investment advisory business operations. Certain of the benefits that could be received can also assist PWM to manage and further develop its business enterprise and/or benefit PWM's representatives.

PWM's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as the result of this arrangement. There is no corresponding commitment made by PWM to Schwab, 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 result of the above arrangement.

ANY QUESTIONS: PWM's Chief Compliance Officer, Keith E. McKissock, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangements.

**Research and Other Soft Dollar Benefits.** PWM does not receive any "soft dollar" benefits from any broker-dealer.

**Brokerage for Client Referrals.** PWM does not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

**Directed Brokerage.** PWM recommends that its clients utilize the brokerage and custodial services provided by Schwab. The Firm generally does not accept directed brokerage arrangements (but could make exceptions). A directed brokerage arrangement arises when a client requires that account transactions be effected through a specific broker-dealer/custodian, other than one generally recommended by PWM (i.e., Schwab). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Firm 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 PWM. 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. **Please Note:** In the event that the

client directs PWM 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 PWM. **Please Also Note:** Higher transaction costs adversely impact account performance. **Please Further Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Block Trades.** Transactions for each client generally will be effected independently, unless PWM decides to purchase or sell the same securities for several clients at approximately the same time. PWM may, but is not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts PWM manages (this practice is commonly referred to as "block trading"). PWM will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when PWM combines orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Accounts owned by our firm or persons associated with our firm, may participate in block trading with the client's accounts; however, they will not be given preferential treatment.

### **Item 13 Review of Accounts**

PWM monitors the client's accounts on a periodic basis and will conduct account reviews at least annually. These reviews are designed to ensure the advisory services provided to the client and the portfolio mix are consistent with the client's stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals;
- year-end tax planning;
- market moving events;
- security specific events; and/or,
- changes in the client's risk/return objectives.

The client will receive trade confirmations and monthly or quarterly statements from the client's account custodian(s).

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

As indicated at Item 12 above, PWM can receive from Schwab (and others) without cost (and/or at a discount), support services and/or products. PWM's clients do not pay more for investment transactions effected and/or assets maintained at Schwab (or any other institution) as result of this arrangement. There is no corresponding commitment made by PWM to Schwab, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as the result of the above arrangement. ANY QUESTIONS: PWM's Chief Compliance Officer, Keith E. McKissock, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflicts of interest presented by such arrangement.

PWM does not maintain solicitor arrangements/pay referral fee compensation to non-employees for new client introductions.

## **Item 15 Custody**

PWM shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab, SEI, etc.) at least quarterly. Please Note: To the extent that PWM provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by PWM with the account statements received from the account custodian. Please Also Note: The account custodian does not verify the accuracy of PWM's advisory fee calculation.

In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from PWM to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017 *Investment Adviser Association* No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination. ANY QUESTIONS: PWM's Chief Compliance Officer, Keith E. McKissock, remains available to address any questions that a client or prospective client may have regarding custody-related issues.

## **Item 16 Investment Discretion**

The client grants PWM discretion over the selection and amount of securities to be purchased or sold for the client's account(s) without obtaining the client's consent or approval prior to each transaction. The client may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for the client's account(s). For example, the client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio

and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the Advisory Business section in this brochure for more information on our discretionary management services.

If the client enters into non-discretionary arrangements with PWM, then PWM will obtain the client's approval prior to the execution of any transactions for the client's account(s). The client has an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

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

PWM will not vote proxies on behalf of the client's advisory accounts. At the client's request, PWM may offer the client advice regarding corporate actions and the exercise of the client's proxy voting rights. If the client owns shares of applicable securities, the client is responsible for exercising the client's right to vote as a shareholder.

In most cases, the client will receive proxy materials directly from the account custodian. However, in the event PWM were to receive any written or electronic proxy materials, PWM would forward them directly to the client by mail, unless the client has authorized our firm to contact the client by electronic mail, in which case, PWM would forward any electronic solicitation to vote proxies.

### **Item 18 Financial Information**

PWM is not required to provide a balance sheet or other financial information to our clients because PWM does not require the prepayment of fees in excess of \$1,200 and six months or more in advance; PWM does not take custody of client funds or securities; and, PWM does not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Moreover, PWM has never been the subject of a bankruptcy petition.

ANY QUESTIONS: PWM's Chief Compliance Officer, Keith E. McKissock, remains available to address any questions regarding this Part 2A.