

# Bright Road Wealth Management, LLC

## Form ADV Part 2A Firm Brochure

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This brochure provides information about the qualifications and business practices of Bright Road Wealth Management, LLC (“BRWM”). If you have any questions about the contents of this brochure, please contact us at (907) 339- 1555 or by email at: [Brian@BrightRoadWealth.com](mailto:Brian@BrightRoadWealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about BRWM is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). BRWM’s CRD number is: 164408

## Item 2 – Material Changes

BRWM updates this document annually, or more frequently as needed to report material changes. This section outlines and summarizes the specific changes made since the last update.

This disclosure document, dated March 21, 2023, includes the material changes below since the last update of this document on August 26, 2022.

- Item 4 has been updated to reflect BRWM's relationship with Guideline.
- We have updated Item 5 to disclose our relationship with Guideline and the fees associated with retirement plan advising.
- We have updated Item 7 to increase our minimum financial planning fee.
- We have updated Item 10 to disclose our relationship with Guideline.

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## Item 4 - Advisory Business

### **Description of the Advisory Firm**

BRWM is a limited liability company organized in the state of Alaska. The firm was formed in June of 2012, and the principal owner is Brian Kent Pinkston.

### **Types of Advisory Services**

BRWM offers the following services to advisory clients:

#### ***Investment Supervisory Services***

BRWM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, risk tolerance, income, tax situation, and other factors of each client. BRWM uses TIFIN profiles for each client to determine the appropriate asset allocation given the desired level of risk and return. The aforementioned additional information is captured via the Bright Road Wealth Management Client Profile Document ("BRWM Client Profile Document"), which, along with any other relevant supporting documentation, is used to construct an investment plan. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

BRWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon, among other things. BRWM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels, desired asset allocation and other information is documented in the TIFIN risk profile document, which is given to each client.

#### ***Financial Planning Services***

BRWM also offers financial planning engagements for clients who do not participate in BRWM's Investment Supervisory Services. This financial planning may include, but is not limited to: investment planning, life insurance, tax concerns, retirement planning, college planning, and debt/credit planning.

#### ***Participant-Directed Retirement Plan Services***

BRWM provides advisory services to participant-directed retirement plans. As part of these services, BRWM will analyze the plan's current investment platform, and assist the plan in creating a Client Name Investment Policy Statement defining the types of investments to be offered and the restrictions that may be imposed within the plan, among other things. Further, BRWM will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles. From time to time BRWM will recommend changes in the plan's investment line-up. BRWM will meet with plan fiduciaries periodically to review plan investment performance, as well as the investment policy statement.

In instances when it is in the best interest of the client, BRWM may refer Plan Sponsors to utilize Guideline as the fiduciary advisor for the plan. In these instances, Guideline will be the principal advisor, with BRWM acting in a non-fiduciary capacity as educator.

### ***Services Limited to Specific Types of Investments***

BRWM generally limits its investment advice and money management to mutual funds, equities, bonds, fixed income, debt securities, exchange-traded funds (“ETFs”), real estate investment trusts (“REITs”), and government securities. BRWM may use other securities as well to help diversify a portfolio when appropriate.

### **Client Tailored Services and Client Imposed Restrictions**

BRWM offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Totum Risk profile and BRWM Client Profile Document which outlines each client’s current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent BRWM from properly servicing the client account, or if the restrictions would require BRWM to deviate from its standard suite of services, BRWM reserves the right to end the relationship.

### **Assets Under Management**

As of December 31, 2022, BRWM manages approximately \$199,379,551 on a discretionary basis, and \$9,789,300 on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

### **Fee Schedule**

#### ***Investment Supervisory Services Fees***

Total Assets Under Management	Annual Fee
First \$1,000,000	1.00%
Next \$2,000,000	0.80%
Next \$2,000,000	0.60%
Above \$5,000,000	Negotiable

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in arrears based on average daily balances, and clients may terminate their contracts with three days’ written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within five business days of signing the advisory contract.

### ***Financial Planning Fees***

The hourly fee for these services is \$400. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in arrears at the end of the financial planning engagement. Because fees are charged in arrears, no refund is necessary.

### ***Retirement Plan Services Fees***

Total Assets Under Management	Annual Fee
On all amounts	0.25 %

Retirement plan service fees are negotiable depending upon the needs of the client and complexity of the situation. Fees are paid quarterly in arrears based on average daily balances, and clients may terminate their contracts with three days' written notice. Because fees are charged in arrears, no refund policy is necessary.

When appropriate, some clients Plan Sponsor Clients may enter into an agreement with Guideline, Inc. to act as advisor to the Plan. In this instance, BRWM may continue providing non-fiduciary educational services to the Plan Sponsor. Guideline shall deduct both Guideline's fee and BRWM's fee, pursuant to the agreement with the client.

### **Payment of Fees**

#### ***Payment of Investment Supervisory Fees***

Advisory fees are generally withdrawn directly from the client's accounts with client written authorization. Advisory fees may also be invoiced and billed directly to the client quarterly in arrears. Clients may select the method in which they are billed. Regardless of the billing method chosen by the client, an itemized billing statement will be sent concurrently with each billing cycle.

#### ***Payment of Financial Planning Fees***

Hourly financial planning fees are paid via check or credit card in arrears upon the end of the financial planning engagement.

Fees can be debited from participant accounts or paid directly by the plan sponsor.

### **Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (which may include, but are not limited to, custodian fees, brokerage fees, mutual fund fees, transaction fees, among others). Those fees are separate and distinct from the fees and expenses charged by BRWM. Please see Item 12 of this brochure regarding broker/custodian.

### **Prepayment of Fees**

BRWM collects its fees in arrears. It does not collect fees in advance.

### **Outside Compensation For the Sale of Securities to Clients**

Neither BRWM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

BRWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

BRWM generally provides investment supervisory services, financial planning services and retirement plan services to the following types of clients, but may provide these services to other types of clients at its discretion:

- Individuals
- High-Net-Worth Individuals
- Pension and Profit Sharing Plans
- Trusts, Estates, or Charitable Organizations
- Corporations or Business Entities

### *Minimum Account Size*

BRWM does not require a minimum account size to receive investment management services. We do have a minimum financial planning fee of \$4000.

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

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

#### *Methods of Analysis*

BRWM's uses fundamental analysis as its method of analysis.

*Fundamental analysis* generally involves the analysis of financial statements, the overall financial health of companies, and/or the analysis of management or competitive advantages.

#### *Investment Strategies*

BRWM uses long-term trading, margin, covered call writing and cash secured puts in its investment strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **Material Risks Involved**

#### *Methods of Analysis*

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

#### *Investment Strategies*

Long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Covered call writing involves selling a call option on a security held in the portfolio. The goal of this strategy is income generation, and clients should be aware that their existing security position would be sold should the call be exercised. The existing security position may be sold as a result of this strategy. Covered call writing may also result in an existing security position in the portfolio. Ordinary income taxes, as well as short or long-term capital gains may be generated.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **Risks of Specific Securities Utilized**

BRWM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize covered call writing.

*Mutual Funds:* Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

*Equity* investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

*Treasury Inflation Protected/Inflation Linked Bonds:* The risk of default on these bonds is dependent upon the U.S. Treasury defaulting (generally thought to be extremely unlikely); however, they carry a potential risk of losing share price value, albeit generally considered relatively minimal.

*Fixed Income* is an investment that guarantees fixed periodic payments in the future that may involve, but is not limited to, economic risks such as inflationary risk, interest rate risk, default risk, and repayment of *principal risk*.

*Debt securities* carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

*Stocks & ETFs:* Investing in stocks & ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

*Real Estate* funds face several kinds of risk that are inherent in this sector of the market. Liquidity risk, market risk and interest rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.

*REITs* have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.



*Precious Metal ETFs* (Gold, Silver, Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss, including the loss of all amounts invested, that you, as a client, should be prepared to bear.**

## Item 9: Disciplinary Information

### Criminal or Civil Actions

There are no criminal or civil actions to report.

### Administrative Proceedings

There are no administrative proceedings to report.

### Self-regulatory Organization Proceedings

There are no self-regulatory organization (“SRO”) proceedings to report.

## Item 10: Other Financial Industry Activities and Affiliations

### Registration as a Broker/Dealer or Broker/Dealer Representative

Neither BRWM nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither BRWM nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither BRWM nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

BRWM does not utilize nor select other advisers or third party managers. All assets are managed by BRWM management.

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

### Code of Ethics

BRWM maintains a written code of ethics (“Code of Ethics”), in accordance with SEC Rule 204A-1. This Code of Ethics covers the following areas: prohibited purchases and sales, insider trading, personal securities transactions, exempted transactions, prohibited activities, conflicts of interest, gifts and entertainment, confidentiality, service on a board of directors, compliance procedures, compliance with laws and regulations, procedures and reporting, certification of compliance, reporting violations,

compliance officer duties, training and education, recordkeeping, annual review, and sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

### **Recommendations Involving Material Financial Interests**

BRWM does not recommend that clients buy or sell any security in which a related person to BRWM or BRWM has a material financial interest.

### **Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of BRWM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of BRWM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. However, this conflict is ameliorated by the fact that BRWM's employees are bound by a fiduciary duty to their clients, as described in the Code of Ethics, which necessitates that BRWM employees place the interests of clients ahead of their own.

### **Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of BRWM may buy or sell securities for their personal accounts at or around the same time those securities are being bought or sold for clients. This may provide an opportunity for representatives of BRWM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. However, this conflict is ameliorated by the fact that BRWM generally invests in highly liquid securities, therefore, there is no opportunity for front running. Further, BRWM uses a rebalancer that places trades at the exact time across portfolios. Finally, BRWM's employees are bound by a fiduciary duty to their clients, as described in the Code of Ethics, which necessitates that BRWM employees place the interests of clients ahead of their own.

## **Item 12: Brokerage Practices**

### **Factors Used to Select Custodians and/or Broker/Dealers**

Charles Schwab Institutional, a division of Charles Schwab, Inc., and Altruist Corp. (the "Custodian(s)") both members FINRA/SIPC/NFA, were chosen as the preferred custodian for BRWM clients based on their relatively low transaction fees and access to mutual funds and ETFs. BRWM will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodians.

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

Soft dollar practices are arrangements whereby an investment adviser directs transactions to a broker-dealer in exchange for certain products and services that are allowable under SEC and Alaska rules. Client commissions may be used to pay for brokerage and research services and products as long as they are eligible under Section 28(c) of the Exchange Act of 1934. Section 28(e) sets forth a "safe harbor," which provides that an investment adviser that has discretion over a client account is not in breach of its fiduciary duty when paying more than the lowest commission rate available if the adviser determines in good faith that the rate paid is commensurate with the value of brokerage and research services provided by the broker-dealer.

BRWM does not currently have any soft dollar benefit arrangements.

### ***Brokerage for Client Referrals***

BRWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***Clients Directing Which Broker/Dealer/Custodian to Use***

BRWM will require clients to use BRWM's recommended Custodians to execute transactions.

BRWM does not permit clients to direct brokerage to any other broker-dealers other than the Custodians.

### ***Aggregating (Block) Trading for Multiple Client Accounts***

BRWM maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing BRWM the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## **Item 13: Reviews of Accounts**

### **Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least quarterly by Brian Kent Pinkston, Managing Member. Brian Kent Pinkston is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at BRWM are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Brian Kent Pinkston, Managing Member. There is only one level of review and that is the total review conducted to create the financial plan.

Institutional accounts are reviewed by BRWM and plan sponsors at least annually. During this review parties involved will review the Investment Policy Statement and ensure that the investments within the plan continue to meet the terms of the Investment Policy Statement. Members of the BRWM team also meet with individual participants at least once a year to help with both plan-related and general financial planning needs.

### **Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by what BRWM considers, at its sole discretion, material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least monthly from the Custodian a written report that details the client's account, including assets held and asset value.

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

### **Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

BRWM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to BRWM clients, other than BRWM's relationship with Guideline as disclosed in Items 4 and 5. At times, BRWM may refer clients to utilize Guideline as principal fiduciary advisor regarding

retirement plans. In these circumstances, BRWM will receive compensation from Guideline for BRWM's non-fiduciary educational and referral services. This creates a conflict of interest and incentive for representatives of BRWM to refer clients to Guideline. Clients are not required to utilize Guideline for fiduciary 401(k) services. The particulars of this compensation arrangement will be disclosed to the client at the time of engagement with Guideline.

#### **Compensation to Non – Advisory Personnel for Client Referrals**

BRWM may receive client referrals from Zoe Financial, Inc (“Zoe Financial”) through its participation in Zoe Advisor Network (“ZAN”). Zoe Financial is independent of and unaffiliated with the BRWM. Zoe Financial established ZAN as a means of referring individuals and other investors seeking fee-only personal investment management services or financial planning services to independent investment advisors. Zoe Financial does not supervise BRWM and has no responsibility for BRWM's management of client portfolios or other advice or services. BRWM pays Zoe Financial an on-going fee for each successful client referral. This fee is usually a percentage of the advisory fee that the client pays to BRWM (“Solicitation Fee”). BRWM will not charge clients referred through ZAN any fees or costs higher than its standard fee schedule offered to its clients. For information regarding additional or other fees paid directly or indirectly to Zoe Financial, please refer to the Zoe Financial Disclosure and Acknowledgement Form, which describes the referral and fee arrangement between BRWM and Zoe Financial. Clients who are referred through Zoe Financial will receive a copy of this form.

### **Item 15: Custody**

BRWM has no custody, limited or otherwise, of client funds at any point. Billing statements will be produced by the Custodians, and will be posted to the clients' portals at BRWM each quarter. Clients should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

For those client accounts where BRWM provides ongoing supervision, the client has given BRWM written discretionary authority over the client's accounts with respect to securities to be bought or sold, the amount of securities to be bought or sold, and the timing of which to sell the securities. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides BRWM discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

### **Item 17: Voting Client Securities (Proxy Voting)**

BRWM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security, or from the custodian. Clients should direct all proxy questions to the issuer of the security.

### **Item 18: Financial Information**

#### **Balance Sheet**

BRWM does not require nor solicit prepayment of more than \$1200 in fees per client six months or more in advance, per SEC regulations.

#### **Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither BRWM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

**Bankruptcy Petitions in Previous Ten Years**

BRWM has not been the subject of a bankruptcy petition in the last ten years.

**How Performance Based Fees are Calculated and Degree of Risk to Clients**

BRWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

**Material Disciplinary Disclosures for Management Persons of this Firm**

No management person at BRWM or BRWM has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

**Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither BRWM, nor its management persons, has any relationship or arrangement with issuers of securities.