

Portland Private Wealth Management, Inc. ("PPWM")



This brochure provides information about qualifications and business practices of Portland Private Wealth Management, Inc. ("PPWM"). Our firm may also conduct business as Eugene Private Wealth Management and Bend Private Wealth Management.

If you have any questions about the contents of this brochure, please contact:

Jacob Becker
President
Chief Operations Officer
Co-Chief Investment Officer
jacob@portlandprivatewm.com
(503) 405-9472

Jason McMillen
Corporate Secretary
Chief Compliance Officer
Co-Chief Investment Officer
jason@portlandprivatewm.com
(503) 405-9472

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about PPWM, is also available at the SEC's website www.adviserinfo.sec.gov. You can search for the firm using its unique CRD number shown below. Results will provide you free access to Parts 1, 2, and 3 (Client Relationship Summary) of our Form ADV.

We are an investment advisor firm registered with the SEC. Our registration does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, are intended for you to evaluate us. Please use this information as a factor in your decision to hire us or to continue our business relationship.

Item 1 – Cover Page ADV Part 2A

March 24, 2023

CRD #: 171321
1834 SW 58th Avenue, Suite 101, Portland, OR 97221
(503) 405-9472
www.portlandprivatewm.com

Item 2 – Material Changes

This brochure replaces the prior version dated March 18, 2022, and contains the following material changes:

- Items 1 and 4 of this brochure have been amended to reflect that Jacob Becker, formerly the Corporate Secretary of our firm, is now its President, and that Jason McMillen, formerly the President of our firm, is now its Corporate Secretary.
- Item 1 of this brochure has been amended to reflect that our firm also conducts business as Bend Private Wealth Management.

We will ensure that all current clients receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. A summary of material changes is also included within our brochure found on the SEC's website at www.adviserinfo.sec.gov. The searchable CRD number for PPWM is set forth on the cover page of this brochure. Current clients will further be provided with disclosure about material changes effecting our firm or a new brochure as may become necessary or appropriate at any time, without charge.

Currently, our brochure may be requested, free of charge, by contacting Jason McMillen or Jacob Becker using the contact information reflected on the cover page of this brochure.

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Item 4 – Advisory Business

4a: Firm Description

Portland Private Wealth Management, Inc., also doing business as Eugene Private Wealth Management and Bend Private Wealth Management. ("PPWM," "we," "us," "our," and "firm"), is an SEC registered investment advisor established in 2014 by Jason McMillen and Jacob Becker. Prior to that, Mr. McMillen was an investment advisor representative of First Allied Advisory Services and registered representative with First Allied Securities, Inc. since 2007, providing investment advisory and brokerage services as an independent financial advisor under the assumed business name Portland Private Wealth Management, Inc. Mr. Becker joined PPWM in 2010. Mr. McMillen has been in the financial services industry since 1996. Mr. Becker has been in the financial services industry since 2000. Our main office is located in Portland, Oregon.

4a1: Principal Members

Jason S. McMillen
Corporate Secretary
Chief Compliance Officer
Co-Chief Investment Officer
jason@portlandprivatewm.com
(503) 405-9472

Jacob I. Becker
President
Chief Operations Officer
Co-Chief Investment Officer
jacob@portlandprivatewm.com
(503) 405-9472

4a2: Locations

<u>City</u>	<u>Street Address</u>	<u>Phone</u>
Portland (Main Office)	1834 SW 58th Ave., Suite 101, Portland, OR 97221	(503) 405-9472
Eugene	321 Mill Street, #6, Eugene, OR 97401	(541) 484-1444
Bend	532 SW 13 th Street, Ste. #100, Bend, OR 97702	(541) 323-3455

4b: Types of Advisory Services

Investment Advice and Counsel to Investors

PPWM provides investment advisory services to individuals, corporations, and non-profit organizations. We are not a custodial firm, nor do we offer any brokerage services for a commission. We provide investment advice, counsel, and consultation to investors for a fee.

Clients deposit assets at a custodial firm, such as TD Ameritrade Institutional, and grant us limited authority to buy and sell securities either on a discretionary or non-discretionary basis. Investors do not invest directly with our firm. Instead, we act as the fiduciary and agent for the client, responsible for the management of the client's investment account(s) at the custodian, where assets are held in the client's name. Advisory fees are generally charged based on a percentage of assets under our management held in account(s) maintained by the client at the qualified custodian. Please see Item 5 of this brochure for a detailed description of our fee arrangements. In a non-discretionary arrangement, you are under no obligation to act upon the recommendations of our firm or any of our associated persons and we will only implement our investment recommendations in your account after obtaining your consent to the proposed transactions. If you elect to act on any of our recommendations, you are under no obligation to affect the required transactions through PPWM or any of our associated persons. In a discretionary arrangement, we will directly implement our investment advice within your account without obtaining your consent prior to each transaction.

Advisory Services Process

PPWM utilizes a disciplined investment advisory process for each client. Portfolio solutions are based on the traditional Client Profile and a custom tailored Investment Policy Statement ("IPS") we will prepare on your behalf (the IPS is described in further detail below in this Item 4). From this information, we attempt to determine the client's willingness and ability to withstand short-term declines in portfolio value in pursuit of longer-term performance and investment objectives. We examine a wide range of asset classes, markets and securities for selection in your portfolio. Each quarter, we review the results in an attempt to improve our process with the goal of producing better outcomes in the future. Based on our process, clients generally receive the following advisory services inclusive of our advisory fee:

Advisory Services	
1)	Client Profile and Financial Planning
2)	Asset Allocation
3)	Risk Number & Stress Testing
4)	Investment Policy Statement
5)	Portfolio Design and Construction
6)	Security Selection
7)	Implementation, Execution, Monitoring and Review
8)	Research
9)	Investor Education

1) Client Profile and Financial Planning

The consultation process at PPWM begins by asking each client to give us their Client Profile. A Client Profile provides us information about a client's investment objectives and goals, risk tolerance, time horizon, investment experience, and their current financial situation. From there, we often create a financial or retirement plan for the client using financial planning software such as eMoney or Morningstar. Some clients may not develop a financial plan but will engage us for advisory services without a financial plan, at the discretion of the client. You will find more information about financial planning in the Financial Planning Advisory Services section below.

2) Asset Allocation

As part of the Client Profile, we ask clients to answer the Morningstar Risk Assessment Questionnaire to help them identify their Target Risk level. Morningstar is an independent research firm with over 8,500 employees located in 29 countries covering more than 621,000 investments around the world. The client's Target Risk level is based on the aggregation of all of their accounts. Clients may have multiple Target Risk levels for each of their respective accounts. We will make note of this in preparing your IPS (see below in this Item 5 for more information regarding the development of the IPS). Investors should consider their financial situation, investment objectives, risk tolerance and time horizon when considering their Target Risk level. It is your responsibility to provide us with timely updates with respect to any changes in your financial situation, investment objectives, risk tolerance, or time horizon for investment throughout our relationship. To this end, we recommend that you consult routinely with your PPWM Investment Advisor Representative ("IAR") and make them aware of any such changes. Through this process, we will provide you with asset allocation recommendations that are based on the Morningstar Target Risk Asset Allocation Framework, created and maintained by Ibbotson Associates. Ibbotson Associates is a leading authority on asset allocation and portfolio construction founded by Roger Ibbotson, a professor of finance at the Yale School of Management. Ibbotson Associates was acquired by Morningstar in 2006.

3) Risk Number and Stress Tests

Riskalyze is a service to which we subscribe that analyzes each of our clients' accounts to determine a Risk Number based on a proprietary scaled index. Riskalyze is a tool to help the client quantify their risk tolerance, as well as stress test their portfolio. As part of the Client Profile, we ask clients to answer the Riskalyze Questionnaire to help them identify their Risk Number. The Risk Number gives an investor an estimate of the potential price variability of their portfolio relative to the S&P 500, adjusted by the covariance of other securities and asset classes based on their proprietary indexing method. Their analysis begins by evaluating each security within a client portfolio based on past security and asset class return data. The larger the Risk Number, the more risk or volatility the portfolio may exhibit. Actual volatility may exceed expected volatility. Riskalyze is an estimation based on past data. Future volatility may be higher than past volatility. We use Riskalyze as an analytical tool and not as a prediction of future volatility or future returns. We may also engage other resources such as mutual fund advisory firms to stress test client accounts and the firm's model portfolios.

4) Investment Policy Statement

Your IPS is a document that outlines key information about you, your primary investment objectives, time horizon and risk tolerance. We use this information to provide investment advice and design portfolios based on your personal circumstances. Your IPS should be updated periodically because your investment objectives,

time horizon and risk tolerance may change over time. The IPS will indicate your investment objectives, risk tolerance, time horizon, Morningstar Target Risk Benchmark, and initial Risk Number.

5) Portfolio Design and Construction

PPWM maintains several model portfolios based on the Morningstar Target Risk Asset Allocation framework. Based on the client's IPS, PPWM will recommend an investment strategy and portfolio of securities. Each client account is assigned to one of these model portfolios. Most portfolio designs are a balance of stocks, bonds, inflation hedges, and cash. We use the Morningstar Target Risk Asset Allocation Framework to help investors understand their general risk exposure to financial markets. We may overweight or underweight various asset classes relative to the client's Target Risk benchmark based on our outlook for the investment environment, economic conditions and forecasts. Some clients may have special circumstances where portfolios may differ from our standard investment solutions. Such portfolios will fall under the Private Advisory Accounts described below.

6) Security Selection

PPWM has a research process and discipline to select investment vehicles, which is described in more detail in Item 8. We pay particular attention to expense ratios, tax efficiency, and the minimization of transaction costs when building and managing client portfolios. We generally use, but are not limited to, open-end mutual funds, exchange-traded funds ("ETFs") and products and closed-end mutual funds for investment vehicles in client portfolios. We may use passive or active investment managers to construct our portfolios. Based on account size, we often use sector, style, or factor index funds (i.e., biotech, energy, growth, value, dividend, technology, municipal bond, high yield, etc.) to achieve specific investment exposures. Sometimes we use active open-end funds or closed-end funds for these tactical investment exposures. For very large accounts, we might invest in individual stocks or bonds. In special cases, we might invest in individual stocks or bonds for smaller accounts where an investor has a moderate to aggressive risk tolerance.

7) Implementation, Execution, Monitoring and Review

Once a client agrees with a recommended portfolio solution, we will make the necessary trades and monitor the portfolio regularly, suggesting changes for non-discretionary accounts or directly implementing such changes for discretionary accounts as we believe to be appropriate, including swapping out positions or rebalancing of your portfolio holdings. Although we typically use our in-house designed model portfolios in managing client accounts, actual account positions may differ from the model portfolios for a variety of reasons, including the existence of legacy positions with low cost basis in the client's account, the closure of a fund to new investors, or the minimization of trading costs. We allow flexibility because many clients have a unique situation or circumstance which should be considered because it is in their best interest. Rebalancing, in general, is tactical in nature, meaning we do not do automatic rebalancing. Additionally, we may tactically enter a recommended portfolio solution for new clients. This means we might scale into a portfolio over time based on our views of financial markets and the general attractiveness of entry and exit points for the securities in question.

8) Research

Our research discipline is based on a quarterly review process. Information is prepared and presented during a quarterly investment meeting where we discuss investment performance, financial markets and the economic environment. We monitor, review, and analyze the potential investment universe relative to our asset allocation framework, portfolio designs and investment selections. We utilize Morningstar reports and research, Riskalyze reports on model portfolios and client accounts, pertinent investment industry white papers and academic research, information provided by issuers as well as general media articles, and research from other investment advisory firms including mutual fund companies and brokerage firms. At the end of the quarterly review process, we will summarize our investment outlook, and determine whether any changes will be made to client portfolios which is part of the implementation and execution of our recommended portfolio solutions. Beyond the quarterly review process, we regularly review client portfolios and performance to determine if they are achieving our intended outcomes relative to the client's Target Risk benchmarks. Our research discipline is covered in more detail in Item 8.

9) Education

In our view, our primary function as your investment advisor is to determine what information is important relative to your portfolio and to pro-actively utilize to this information, as necessary. Additionally, it is part of our responsibility to educate our clients and assist them in processing this information with the end goal of supporting their ability to make investment decisions that are in line with their investment objectives, risk tolerance and time horizon. What is important to one advisor may not be important to the next advisor. We cannot know what the future holds with any high degree of certainty. Therefore, we rely on the Target Risk

Asset Allocation Framework in our attempt to help our clients achieve their investment objectives over the long term. We try to educate our clients on the risks associated with each Target Risk Allocation, so they can focus on their investment objectives and potentially better understand the inevitable volatility over the course of their investment time horizon. Educating clients is inherent to every step of our advisory service. We believe that educated clients are able to make better investment decisions.

Private Advisory Accounts

As described above, some clients may want portfolio solutions unique to them and their situation which may differ from our proprietary model portfolio solutions. We may, at the client's discretion, offer such solutions which are generally reserved for accounts more than \$1,000,000. These accounts are called Private Advisory Accounts ("PAAs"). PAAs may have legacy positions with low cost basis, concentrated positions, the use of individual securities instead of mutual funds we commonly use in our model portfolios, a special investment strategy, the use of options, hedging, shorting, or a portfolio where the client will want involvement in the selection and trading of the instruments in the portfolio. Like model portfolio-based accounts, PAAs may be discretionary or non-discretionary in nature. PAAs are not considered "special accounts" by the firm -- these are simply clients that may have a special need or circumstance that is different than most of our clients. Our aspiration is that each client gets the best of what the firm can offer for them and their situation. What is best for one client may not be best for the next client.

Retirement Plan Investment Consulting and Advisory Services

Many clients of PPWM are small business owners (generally less than 100 employees) who seek consulting services on the design, development, implementation, monitoring and review of retirement plans for their businesses. Retirement plans can be an excellent vehicle to create, grow and preserve wealth for business owners. We generally provide non-discretionary ERISA fiduciary services and other advisory services not deemed ERISA fiduciary services to these clients. Non-discretionary fiduciary services may include advice consistent with ERISA Section 3(21) which includes advice regarding the selection, monitoring and reviewing of investment plan options. Non-fiduciary services include advising responsible plan fiduciaries on the development of an investment policy statement, review and suggested amendments to existing investment policy statements, quarterly investment monitoring, quarterly meetings with plan fiduciaries or administrators, fee and expense analysis for the plan, benchmarking services and analysis of the operation of the plan, and plan participant group education meetings.

Financial Planning Advisory Services

As described above in the Advisory Services Process, we offer financial planning services for our clients that are integrated into our advisory service offerings at no extra fee, other than our advisory fee schedule for assets under management. From time to time, investors will engage us for financial planning advisory services only or will engage us for financial consulting services beyond our normal advisory services. We may charge either a flat fee for such advisory services or charge an hourly advisory consulting fee. We prepare a financial plan for all financial planning clients using software programs such as eMoney or Morningstar. The plan considers all your assets, liabilities, goals and objectives, and includes gathering all the information necessary to provide you with appropriate and agreed upon services, which may include one or more of the following:

- Discuss your risk tolerance and investment objectives
- Goal setting
- Retirement planning
- Evaluate savings in relationship to retirement goals
- Determine appropriate vehicles for savings
- Cash flow and taxes
- Debt management
- Stock option planning
- Tax planning
- Investment review
- Analyze personal and retirement investments for diversification, internal expenses and volatility
- Discuss college savings plans and their benefits
- Risk management, income protection, disability planning and other insurance needs
- Estate document review
- Review of wills, trusts and incapacity documents in relation to current objectives
- Evaluate need for revisions with an estate planning attorney
- Charitable planning
- Evaluate current, long-term and charitable goals and determine appropriate assets for funding

- Plan charitable gifts to maximize tax savings
- Determine priority among competing goals
- Incorporate a couple's common and individual goals
- Family Gifting
- Evaluate the timing, benefits and risks of family gifting
- Specific financial considerations
- Other wealth management consultation or financial related projects

To correctly and adequately provide financial planning advisory services, clients will need to provide detailed information and documentation. The client maintains the sole discretion to accept or reject any of our financial planning recommendations and is responsible for any decisions and actions regarding implementation of the same. Clients are never required to utilize us to implement any of our financial planning recommendations. We encourage you to review your financial plan on a regular basis, especially if there is any change in your financial situation, investment objectives, plans, goals, risk tolerance or time horizon.

4c: Client Tailored Relationships and Restrictions

When you engage us for advisory services we act as your fiduciary. This means that we must act in your best interests. A fiduciary is a professional capacity where we must use care, prudence, diligence, and sound judgment as we render counsel and advice to our clients. Our portfolio solutions and investment selections are based on your investment objectives, risk tolerance, and time horizon. Clients may make requests or suggestions regarding the selection of investments made in their portfolio which may include socially responsible or environmentally friendly mutual funds, as an example. The client may instruct us to exclude certain investments such as companies involved in the manufacture of weapons of mass destruction, the production of coal, or animal testing, as examples. In our capacity as a fiduciary, we cannot follow instructions that we believe may not be in your best interest. This may include purchasing a concentrated position in a single security, restricting our ability to make trades or investments that we believe are in your best interest, or any speculation that we believe to be unnecessary and potentially harmful to your financial situation and/or goals. We may terminate a client relationship if we are put in a position that we believe compromises our fiduciary duties.

4d: Wrap Fee Program

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

4e: Assets under Management (AUM)

As of December 31, 2022, PPWM had approximately \$220,380,153 in discretionary assets under management ("AUM") and an additional \$7,316,429 of non-discretionary assets under management, for total regulatory assets under management of \$227,696,582. Separate and in addition to the foregoing amounts, as of December 31, 2022, we also provide advice to 11 corporate retirement plans containing approximate combined assets of \$49,406,806.

Item 5 – Fees and Compensation

5a, b & d: Fee Schedules, Payments, Termination

Advisory Services

We typically charge annual asset-based fees for our services based upon the following tiered fee schedule:

Assets Under Management	Fee (%)
Less than \$500,000	1.00%
\$500,000 to \$1,000,000	0.85%
\$1,000,001 to \$3,000,000	0.75%
\$3,000,001 to \$5,000,000	0.65%
\$5,000,001 to \$10,000,000	0.50%
\$10,000,001 and above	0.35%

Our fees are paid quarterly in advance, and when not directly deducted from your account, are due 30 days from the date of the invoice. Our fee is determined by taking the percentage rate we charge based on the tiered schedule above, times the market value of the account, divided by the number of days in the year and multiplied by

the number of days in the quarter. The market value is the sum of the values of all assets in the account, not adjusted by any margin debit.

For purposes of illustration only, an client account with a market value of \$499,000 would pay a quarterly fee calculated as follows: $\$499,000 \times .0100 / 365 \times 90 = \$1,230.41$. For any additional assets value between \$500,000 and \$1,000,000, the fee would be .85%, and for next tier, between \$1,000,001 and \$3,000,000, the fee would be .75%, and so forth. The total fee would be a blended rate based on the tiered fee structure. Fees for partial quarters at the commencement or termination of our agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter. We reserve the right to make similar pro rata adjustments to our quarterly fees where the client deposits additional funds or securities or withdraws funds or securities from the client's account during the billing period in an amount we deem in our sole discretion to be material, typically those transactions in excess of 25% of value of the client's account. If the amount of the additional fee or refund is less than \$10, no fee adjustment will be made.

PPWM's fees are paid from your account by the custodian when we submit an invoice to them, but only where you authorize this payment method in writing. Each time a fee is directly deducted from your account, we will send the qualified custodian notice of the amount of the fee to be deducted from your account. We will only accept payment of our fees in this manner where the qualified custodian of your accounts sends you an account statement at least quarterly, reflecting all holdings in your account, their value, and a record of all transaction in your account over the period, including, without limitation, any payments of fees to PPWM. If there is insufficient cash in your account to pay our fees, an equal balance of securities in your portfolio may be sold to pay our fee. In addition to our fees, there may be custodial, mutual fund or similar third party management fees and charges. We will attempt to minimize such fees to the best of our ability.

Our fee includes any time and activities necessary to work with your attorney or accountant. We are not responsible for any fees your attorney or accountant may charge you.

Compensation for our services will be calculated in accordance with what is set forth in a written client agreement. We may modify the terms of any agreement by written changes submitted to the client for signature. While we strive to maintain competitive fees, the same or similar services may be available from other firms at higher or lower fees.

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded. In certain circumstances, fees may be negotiable.

Financial Planning Fees

As described above in the Advisory Services Process, we offer financial planning services for our clients that are integrated into our advisory service offerings at no extra fee, other than our advisory fee schedule for assets under management. From time to time, clients may engage us for financial planning services only or will engage us for financial consulting services beyond those included within our normal advisory services. Fees for these "stand-alone" financial planning services are based on a rate of \$125 per hour. Special arrangements can be made for clients that want to engage in additional or on-going financial planning services. These arrangements will be defined and agreed upon by both parties via a financial planning agreement. Hourly financial planning fees are invoiced monthly as work is performed. There is a late fee after 30 days of 1.50% per month on any unpaid fees. Financial planning clients receive their financial plans and recommendations at the time the service is completed. Depending on the type of financial planning service requested, we may meet on a regular basis with you to discuss any potential changes to your financial plan.

Retirement Plan Consulting Fees

Retirement Plan Consulting services can be charged as, 1) a flat fee, 2) an hourly rate of \$125 per hour, or 3) based on the assets under management. The fee schedule found at the beginning of this Item 5 is applicable for an asset-based fee for such advisory services. In special situations, these fees may be negotiable.

5.d.1: Termination

PPWM or the client can terminate our advisory services at any time by delivering written notice of termination to the other party. Additionally, clients may terminate our advisory services within 5 business days of initially signing an advisory agreement with our firm, without penalty.

When an agreement is terminated, we will refund any pre-paid, unearned fees based on the number of days remaining in the quarter after termination. Refunds will be made within 30 calendar days of the effective date of termination. Where an hourly fee-based engagement is terminated, the client shall pay PPWM for all unpaid time charges through termination. Where a fixed fee-based engagement is terminated, the client shall pay PPWM for all unpaid time based upon our final and binding good faith determination of the portion of work completed at the time of termination.

Upon termination and our receipt of payment of any unpaid fees, copies of any completed or partially completed materials will be delivered to the client either by mail or electronically, as designated by the client, along with a statement of services performed prior to termination. When an agreement is terminated, all assets may need to be transferred from the custodian holding the client's account. You will be responsible for paying all fees, including full quarterly custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. The custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. We will contact you prior to liquidation to discuss a collaborative plan of action. Prior to termination of an agreement, we can provide a good-faith estimate of these fees upon request of the client.

5c: Third Party Fees

The client is responsible for the payment of all third-party fees (i.e., custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the advisory fees payable to PPWM and we do not share in or receive any benefit from any of these fees.

All brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for your account will be paid out of the assets in the account (or charged separately by the provider) and are in addition to the investment advisory fees paid to us. While we take measures to ensure the fees charged are accurate, it is your responsibility to ensure the amount of fee charged is correct. In addition to statements sent by us, you will receive statements directly from the custodian(s). We strongly urge you to compare these statements with those provided by our firm for accuracy.

5e: Other Investment Compensation

PPWM and its investment advisor representatives act in a fiduciary capacity. We are a fee based advisor. We cannot and do not accept or collect brokerage commissions, 12b-1 fees, or loads for the purchase or sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. We also do not pay or receive fees of any kind in exchange for client referrals. We believe our fee based method of doing business mitigates against conflicts of interest and best aligns with our role as your fiduciary. However, from time to time, and as part of our wealth management process, we or persons associated with our firm who are licensed to sell insurance may earn a commission or fee from the sale of certain insurance products, including life insurance, long-term care insurance, disability insurance, or other insurance products to clients. PPWM and its associated persons will only sell insurance products to clients where suitable and appropriate and in line with our fiduciary duty to you. Clients are advised that the fees paid to us or our associated persons for investment advisory services are separate and distinct from any commissions or fees earned by the firm or its insurance licensed associated persons for selling insurance products to clients. If requested by a client, we will disclose the amount of commissions expected to be paid.

The receipt of insurance related commissions by any individual associated with our firm presents a conflict of interest. To that end, PPWM and our insurance licensed associated persons are not captive agents of any insurance company. We act as independent agents and utilize multiple insurance brokers and insurance companies in an effort to achieve the best outcome for the client and competitive rates. As fiduciaries we always act primarily for the benefit of our clients. As such, we will only transact insurance related business with clients when fully disclosed, suitable, and appropriate. Clients are informed that they are under no obligation to use any individual associated with our firm for the purchase of insurance products or services. Clients may use any insurance firm or agent they choose for purchase of these products and services.

Rollover Recommendations

As part of our investment advisory services to you, we may recommend that you roll assets from your 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 manage on your 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. When we provide any of the foregoing

rollover recommendations we are acting as 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.

If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the advisory agreement you executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to you (*i.e.*, receipt of additional fee-based compensation). You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed 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 your best interests and not put our interests ahead of yours.

Under this special rule's provisions, we must:

- meet a professional standard of care when making investment recommendations (give prudent advice);
- never put our financial interests ahead of yours when making recommendations (give loyal advice);
- avoid misleading statements about conflicts of interest, fees, and investments;
- follow policies and procedures designed to ensure that we give advice that is in your best interests;
- charge no more than a reasonable fee for our services; and
- give you 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, you 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 your 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 you with a written explanation of the advantages and disadvantages of both account types and the basis for our belief that the rollover transaction we recommend is in your best interests.

As an alternative to providing you with a rollover recommendation, we may instead take an entirely educational approach in accordance with the U.S. Department of Labor's Interpretive Bulletin 96-1. Under this approach, our role will be limited only to providing you with general educational materials regarding the pros and cons of rollover transactions. We will make no recommendation to you regarding the prospective rollover of your assets and you are advised to speak with your trusted tax and legal advisors with respect to rollover decisions. As part of this educational approach, we may provide you with materials discussing some or all of the following topics: the general pros and cons of rollover transactions; the benefits of retirement plan participation; the impact of pre-retirement withdrawals on retirement income; the investment options available inside your Plan Account; and high level discussion of general investment concepts (*e.g.*, risk versus return, the benefits of diversification and asset allocation, historical returns of certain asset classes, etc.). We may also provide you with questionnaires and/or interactive investment materials that may provide a means for you to independently determine your future retirement income needs and to assess the impact of different asset allocations on your retirement income. You will make the final rollover decision.

Item 6 – Performance-Based Fees and Side-By-Side Management

When appropriate, we may offer certain clients the option of being charged a performance-based fee for our investment advisory services. To be eligible for performance-based fees, the client must meet the definition of a "qualified clients" as such term is defined under Rule 205-3 of the Investment Advisers Act of 1940. Generally, a qualified client is a person who has at least \$1,100,000 of assets under management with us or who has a net

worth over \$2,200,000, either alone or together with a spouse (excluding the value of the person's primary residence). This definition is based on current rules and regulations and is subject to change outside of our control.

We may manage accounts that are subject to performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees ("side-by-side management"). Performance-based fees and side-by-side management create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fee arrangements may create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent such arrangements. In order to address this potential conflict of interest, a senior officer of our firm periodically reviews client accounts to ensure that investments are suitable and that the account is being managed according to the client's investment objectives and risk tolerance.

Performance-based fees may also create an incentive for our firm to overvalue investments which lack a market quotation. Generally, we do not recommend illiquid or non-listed investments that do not have a readily available market quote. However, in the event that such an investment was in the best interest of the client relative the client's time horizon, risk tolerance, and investment objectives, and seemed like a good choice among the universe of similar or competing investment choices, we may purchase such an investment for a client in their account. While we expect that virtually all of the securities we purchase for client accounts to have readily available market quotations, to address this potential conflict of interest we have adopted policies and procedures that require our firm to "fairly value" any investments, which do not have a readily ascertainable value.

We generally do not offer performance-based fee structures to clients. As of the date of this brochure, PPWM has only one performance-based fee arrangement in place, which was entered into at the specific request of the underlying client. This account is generally managed as it was before it became subject to a performance-based fee arrangement, and is not managed significantly differently, if at all, from other accounts of similar size, risk tolerance, investment objectives and time horizon that are not subject to such fee arrangements. PPWM does not consider performance-based fee accounts to be different or special as compared to any other account(s) advised by the firm.

However, side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited and or high growth investment opportunities to clients who are charged performance-based fees over clients who are charged asset-based fees only. We have never done this nor have any process or program in place to lead to such an outcome. To address this potential conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

Item 7 – Types of Clients

PPWM generally provides advisory services to the following types of clients:

- Individuals
- High net worth individuals
- Trusts and estates
- Family offices
- Retirement, profit sharing, and pension plans (ERISA plans)
- Corporations
- Non-profit and charitable organizations (foundations and endowments)

Minimum Account Size

We typically require a minimum account size of \$500,000 to engage our advisory services. Client accounts may be aggregated to achieve the minimum account size and we may waive this requirement in our sole discretion.

Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

8a: Analysis

Approach

To understand our approach, we begin here: there is no Holy Grail of investing. The Holy Grail is a mythical cup that first appeared in medieval literature and legends. Many books and movies have been written or made about the search for this cup, or some variant of this legend. The premise is if you drink from the cup, or possess this item, it provides eternal life, super powers, divinity, or most commonly, you can rule world. A key element of these stories is much time, blood and treasure is spent searching for this mythical cup. The basic theme of this myth is the cup cannot be found, it was a waste of time, or most ironically, you die because you found it and cannot experience its benefits. There are thousands of investment advisors and thousands of investment strategies. Many represent themselves as if they found the Holy Grail of investing. Many investors and advisors bounce from strategy to strategy in search of a Holy Grail, doing no better than if they followed a basic, well-planned, well-diversified, investment strategy. This outcome is routinely confirmed by DALBAR, a research company that studies investor behavior and outcomes. (DALBAR, *Quantitative Analysis of Investor Behavior 1991 - 2021*, 2022)

Focus

We think good investment advice is based on experience, competence, and research. We further believe simpler is generally better in terms of investment strategy and selection. Additionally, we think minimizing fees and tax efficiency is critical to our role as fiduciaries working in the best interests of our clients. We want our investment solutions to be transparent and straightforward. We call it getting back-to-basics. With more than two decades participating in and observing financial markets, we have determined that we can only focus on so many things:

PPWM Focus
Minimizing fees
Tax efficiency
Transparency
Diversification
Risk management
Accountability

Analytical Process

Our general analytical investment process and discipline is outlined below:

Investment Process & Discipline
1. Risk-Adjusted Returns
2. Market Cycle
3. Research Discipline
4. Top-Down; Bottom-up
5. Key Factors
6. Model Portfolios
7. Technical Analysis
8. Sources of Information

1. Risk-Adjusted Returns

PPWM focuses on risk-adjusted returns relative to the client's Target Risk benchmark over an intermediate time frame, generally around five years, which coincides with a market cycle which is defined in more detail on the following pages. A reasonable risk-adjusted return is an average (mean) return with a standard deviation (a measure of volatility) that was expected or within a range of returns based on their Target Risk outlined in the client's Investment Policy Statement. We believe in accountability and a good measuring stick.

2. Market Cycle

We focus on risk-adjusted returns over the course of an intermediate time frame in the context of what we consider a market cycle. A market cycle is generally tied to the business cycle defined by the National Bureau of Economic Research (“NBER”) for the U.S. economy. The Organization for Economic Co-operation and Development (“OECD”) also maintains a data series that measures business cycles for the U.S., as well as Europe, Asia and other economies. The NBER and OECD methodologies are different, with the NBER following what is referred to as the classical model and the OECD utilizes the growth cycle view. The NBER uses a committee approach that will examine various economic indicators and then will make a subjective call on the beginning and end of a business cycle. The OECD’s growth cycle model is purely data driven. Consequently, the OECD’s approach is more sensitive to inflections in economic activity than the NBER’s approach. Both are useful and informative to our investment methodology. A business cycle is defined by economic expansion and contraction, the latter often being called a recession. Since 1854, the peak-to-peak average cycle according to NBER is 4.94 years. Post WWII, the average length of a cycle is 6.25 years. The most recent NBER cycle, which began at the end of the previous cycle in February 2020, was only 2 months ending April 2020, the so-called COVID-19 shutdown, the shortest cycle on record.

Peak-to-Peak

A market cycle has three distinct markers: (1) the first peak, which is the end of a bull market, which is followed by a decline often called a bear market which is almost always accompanied with a recession; (2) the trough, is the end of a bear market which is usually near the end of a recession; and (3) the second peak, which is the end of a bull market that is always accompanied by an economic expansion. This is a full market cycle; peak-to-peak.

Bull and Bear Markets

A bull market is a period of rising asset prices almost always accompanied by economic expansion. A bear market is a period of falling asset prices, usually precipitated by economic contraction, an economic shock, or some other exogenous event that negatively affects financial markets. We do not attempt to beat the client’s Target Risk benchmark on a monthly or quarterly basis; our goal is to produce a reasonable risk-adjusted return relative the client’s Target Risk over the course of a market cycle.

Context

To put it simply, most clients want to make money in the bull market / expansion and minimize the downside in the bear market / contraction. Along the way is the inevitable volatility which we try to manage as best we can. Our methodology and process are built around this intermediate time frame. It does not mean we cannot develop solutions for shorter or longer time horizons, it just means we are constantly considering where we are at in a market cycle because it affects our risk management strategies and portfolio solutions for clients relative to their individual investment objectives, risk tolerance and time horizon. For illustration, the full list of NBER cycles is as follows:

NBER Cycles		Contraction	Expansion	Cycle
<i>Peak month</i>	<i>Trough month</i>	<i># of months (peak to trough)</i>	<i># of months (trough to peak)</i>	<i># of months peak to peak</i>
	December 1854			
June 1857	December 1858	18	30	
October 1860	June 1861	8	22	40
April 1865	December 1867	32	46	54
June 1869	December 1870	18	18	50
October 1873	March 1879	65	34	52
March 1882	May 1885	38	36	101
March 1887	April 1888	13	22	60
July 1890	May 1891	10	27	40
January 1893	June 1894	17	20	30
December 1895	June 1897	18	18	35
June 1899	December 1900	18	24	42
September 1902	August 1904	23	21	39
May 1907	June 1908	13	33	56

January 1910	January 1912	24	19	32
January 1913	December 1914	23	12	36
August 1918	March 1919	7	44	67
January 1920	July 1921	18	10	17
May 1923	July 1924	14	22	40
October 1926	November 1927	13	27	41
August 1929	March 1933	43	21	34
May 1937	June 1938	13	50	93
February 1945	October 1945	8	80	93
November 1948	October 1949	11	37	45
July 1953	May 1954	10	45	56
August 1957	April 1958	8	39	49
April 1960	February 1961	10	24	32
December 1969	November 1970	11	106	116
November 1973	March 1975	16	36	47
January 1980	July 1980	6	58	74
July 1981	November 1982	16	12	18
July 1990	March 1991	8	92	108
March 2001	November 2001	8	120	128
December 2007	June 2009	18	73	81
February 2020	April 2020	2	128	146

<i>Summary</i>		Contraction	Expansion	Cycle
		<i>Duration, peak to trough</i>	<i>Duration, trough to peak</i>	<i>Duration, peak to peak</i>
1854-2020 (35 cycles)	Total	17	41	59
1854-1919 (16 cycles)	Up to WW I	22	27	49
1919-1945 (6 cycles)	Post WW I – WW II	18	35	53
1945-2020 (13 cycles)	Post WW II	10	64	75

WW= World War

Source: National Bureau of Economic Research (www.nber.org/cycles), July, 2021

3. Research Discipline

Our research discipline is based on a quarterly review process. Information is prepared and presented during a quarterly investment meeting where we discuss investment performance, financial markets, and the economic environment. The meeting may take several days or weeks to complete. We monitor, review, and analyze the potential investment universe relative to our asset allocation framework, portfolio design and investment selections. We utilize Morningstar and Riskalyze reports for our model portfolios and client accounts. At the end of the quarterly review process, we will summarize our investment outlook, and determine whether any changes will be made to client portfolios.

4. Top-Down; Bottom-up

We combine both a top-down and bottom-up investment approach. From the top-down, we consider economic growth prospects (GDP), interest rates, inflation expectations, earnings and valuations. While we may consider more information, we have tried to narrow our focus to information we think is most important to our client investment strategies and portfolios. From the bottom-up, we look at the valuations, consensus price targets, and consensus earnings estimates for individual companies. We believe information from both the top-down and bottom-up can help us make better investment decisions and render better advice.

5. Key Factors

The abundance of information in the modern day might suggest that investors could make better decisions with more information. We have yet to confirm that this is true with any persistency. We believe the reason is because so many economic and financial statistics are backward looking. They are great at telling us what happened in the past months, quarters and years, but have very little predictive capabilities, that are accurate, with any persistency. This is the nature of financial markets that frustrates so many investors, but also makes it

interesting and challenging. We can only focus on so many things that may affect client portfolios, we have identified five important factors as the foundation of our analysis:

Key Factors
A. GDP (Economic Growth)
B. Interest Rates (Monetary Conditions)
C. Inflation
D. Earnings
E. Valuations

A. GDP (Economic Growth)

We focus on GDP and forward GDP forecasts to drive asset allocation decisions. The prospect for economic growth is important in terms of the future value of financial assets. GDP growth is a measurement of the growth of the economy that comes out quarterly for most economies. There are many data series that feed into a GDP number that come out more frequently but trying to use more frequent information can lead to information overload and potentially too much trading for many clients based on their investment objectives, and our investment style and discipline. Positive economic growth is an environment that should be supportive of positive earnings for corporations. Earnings, as discussed in more detail on the following pages, is one of the most important factors in determining the value of corporations, and their ability to service debt obligations.

B. Interest Rates (Monetary Conditions)

The cost and availability of credit is arguably the most important factor as a determinant of economic growth in a modern economy. In fact, the most successful economies have the most advanced credit markets. The ability of one person to save and another to borrow his or her savings to consume or invest is a primary reason why advanced economies have grown more rapidly than lesser developed economies.

Pricing of Credit

Interest rates are simply the pricing of credit. The law of supply and demand posits that the more expensive something is, there is less demand. The cheaper something is, there is more demand. The more credit that is available at a reasonable rate, the faster the economy will grow. If the cost of credit is too high, the slower the economy will grow, all else equal. Consequently, focusing on interest rates and the availability of credit is one of the most critical factors determining future GDP in our view.

Yield Curve

Despite so much information having very little predictive capabilities, there is one data set that has statistical significance in predicting a recession – the spread between the 3-month and 10-year US Treasury note, the so-called yield curve. (Estrella and Mishkin, FRB, New York, 1996). A recession is an economic condition which often coincides with a bear market, which is a sustained period where asset prices decline significantly, usually greater than -20% for stocks. When this spread becomes inverted, where the 3-month yield is higher than the 10-year yield, it can tell you a recession is on the horizon, but it might hit in one week or twelve months, maybe eighteen months. Sometimes it might not hit at all. While not a perfect predictor, the yield curve is better than nothing.

C. Inflation and Deflation

Inflation, in general, is simply the term attributed to the annualized or annual measure of price increases for an economy. Deflation is the term for price decreases. Disinflation is generally considered the condition of decreasing inflation rates. Hyperinflation is generally the condition of inflation rates greater than 5% to 10%. Inflation plays a key role in determining the value of asset prices, which is important to our analytical methods. In our view, the key to understanding inflation is that a little inflation is healthy, but deflation, or persistent bouts of inflation of more than 4% to 5%, are not good for asset prices. The bottom line is that we pay close attention to inflation rates and expected future inflation rates.

Time Value of Money

In theory, all financial assets price on the present value of future cash flows, or what is called discounted cash flows ("DCF"). If you buy a bond, you receive a stream of cash flows for some period into the future. If you buy a stock, you are entitled to benefit from the profits and receive any

dividend that company may pay to its shareholders each year. This stream of future cash flows must be discounted. This concept is called the time value of money which is at the core of the valuation of financial assets. Expected rates of inflation play a key role in determining the discount rate in DCF models which is widely used by most analysts.

High Inflation

If inflation is high, it means that the future cash flows from your investments in the future are worth less. In other words, if prices are inflating at higher rates, then dollars received in the future will buy less. Therefore, the value of financial assets in the present will be lower than they would be if future expected inflation rates were lower.

Low Inflation

If future expected rates of inflation are expected to be low and stable, then the present value of financial assets will be higher than they would be if expectations for future rates of inflation are higher. The reason is because dollars received in the future will maintain more purchasing power than they would if expected rates of inflation are higher.

Deflation

At first glance, it would seem that deflation would be positive for asset valuations. This is not the case because if corporations are cutting prices, this means that profitability is under pressure, which means that future cash flows will be lower than they would be if they could maintain some degree of price/profit margin stability.

D. Earnings

This is a basic concept of investing: if companies are profitable and grow their earnings, it is highly likely the value or price of that asset tied to that company will rise, all other things equal. We know that earnings are highly correlated to stock prices, so we watch earnings and earnings forecasts very closely. Given highly efficient markets, we believe that focusing on company earnings is the best indicator of the future direction of asset prices.

Earnings Estimates

Through experience, we have learned that we can leave the primary research to someone else and use their estimates of future earnings to make investment decisions. Our firm has access to earnings estimates from research firms who are consistently rated by Institutional Investor among the best research firms in world. Additionally, we have access to S&P Global/Capital IQ consensus estimates for most equity securities. Standard and Poor's Financial Services, LLC, provides estimates for the S&P 500 and other major equity indexes. Our general investment process is to monitor these estimates to determine the outlook for earnings on a 12-month and 24-month basis.

Bottom-up

Because we consider earnings forecasts for individual companies, this is the bottom-up methodology of our research process. Economic growth, monetary conditions, and inflation expectations are macroeconomic factors. Microeconomic factors are integrated into our research when we look at individual stocks. We believe the synthesis of top-down and bottom-up information helps us make better investment decisions and render better investment advice.

E. Valuation

Valuation is possibly the most important factor of our strategy when it comes to asset allocation decision-making. GDP growth expectations can be strong, interest rates can be supportive of strong credit growth, inflation is contained and stable, earnings growth looks good, but all of this can be already priced into any asset class. In fact, the market can be overvalued. All this good news is already in asset prices. The possibility of conditions getting any better, earnings forecasts being revised upwards, can have a low probability. Often, market participants will say "the market is priced for perfection." In this kind of situation, the probability for disappointment and a decline in asset prices is elevated. Therefore, paying attention to valuations is a key component to our investment discipline in our attempt to deliver reasonable risk-adjusted returns over the course of a market cycle.

Price Earnings (PE) Ratio

The price of any stock divided by its earnings per share is the price earnings ("PE") ratio. The PE ratio is a commonly used valuation tool. The long run average PE ratio for the S&P 500 is around

16. From observation of financial participants, many investment advisors will simply say the market is overvalued if the PE ratio is more than the long-run average. That might be true in the long-run. We think it may be a mistake to avoid stocks if the PE ratio is above the long run average because they may not return to average or below average levels over the course of an investor's time horizon. We believe investors need to think about PE ratios and valuations in general relative to the economic environment, monetary conditions, inflation rates and expectations of inflation. In addition, the average PE ratio is different for various industries, sectors, as well as for different investment categories like value or growth. While PE ratios are useful as a relative valuation tool, it is not an excellent predictor of future expected returns on its own. The PE ratio is one valuation measure that is considered when making investment decisions.

Inflation Expectations

Valuations can be largely influenced by inflation rates and expectations for inflation rates. Inflation rates during various economic periods like the 1930s or the 1970s have been below or above their long run averages for extended periods of time. Too often, investment advisors consider long-term valuations without any consideration of inflation rates. As mentioned in the previous section on inflation rates, when expected inflation rates are low, asset values should be higher than when expected inflation rates are higher, given the time value of money, all else being equal. In our view, it is just as important to consider asset valuations in the context of future expectations for inflation rates, as well as future earnings expectations.

6. Model Portfolios

PPWM maintains model portfolios built around the Morningstar Target Risk Asset Allocation framework. Based on our outlook for economic growth, monetary conditions, expected rates of inflation, expectations for earnings and valuations, and where we are at in a market cycle, we will assign client accounts to these model portfolios. While these model portfolios are built around the Morningstar Target Risk Asset Allocation framework, these model portfolios will likely differ from the framework based on investment strategies and tactical asset allocation decisions we might employ based on our research process and discipline. Our methodology is explained in more detail on the following pages in the section on Investment Strategies. Clients are not obligated to use any of our tactical investment strategies and may adhere strictly to the Morningstar Target Risk Asset Allocation framework using passive index funds.

7. Technical Analysis

Technical analysis is simply using price data to potentially enhance investment decision making. Much has been made of technical analysis as just another Holy Grail of investing, a kind of financial alchemy, often brushed aside by rigid proponents of Modern Portfolio Theory (MPT). For us, technical analysis is a tool in the tool box of investment analysis. Anyone can use technical analysis, but not everyone can use it to improve risk-adjusted returns with repeatable and proven consistency. We do not claim that technical analysis will provide superior returns, but we do believe it enhances our investment decision making process.

Quantitative Analysis

Over the last three decades, we have witnessed the tremendous growth in quantitative analysis as a primary strategy for a number of professional investment advisory firms. Many of these quantitative managers use methods of technical analysis in their algorithms. If technical analysis offered no value, then these quantitative managers, many with PhDs in mathematics and other hard science disciplines, would use fundamental factors only.

Limitations

Modern Portfolio Theory and the Efficient Market Hypothesis are theories that came from academics from the 1950s to the 1970s. Many of these academics won Nobel Prizes for their work. In recent decades, these theories have been put to the test and neither have been widely discredited or absolutely proven in all market conditions at all times. They are useful tools in our toolbox of investment management with their own shortcomings. We do not abandon these tools because they do not work as expected in all conditions at all times. We share this view towards technical analysis.

Efficient Market Hypothesis

From our perspective, technical analysis that relies on price data exclusively is the ultimate homage to the Efficient Market Hypothesis ("EMH"), a concept widely used to support the efficacy of Modern Portfolio Theory. The EMH suggests that because financial markets are so efficient at price discovery, no single person or strategy can repeatedly create extraordinary returns in excess of a standard benchmark without

taking more risk. Technical analysis, the study of prices, provides information, confirmation, or rejection of ideas that we may have about the markets and asset classes. Our general concept in regard to technical analysis is -- price is the ultimate authority -- which is an idea consistent with EMH. Price and fund flows are tangible, with real information about what investors are doing with their money.

Indicators and Tools

We utilize technical analysis because we believe it can help us with tactical asset allocation, security selection and timing. Below are common technical indicators that we use:

Technical Indicators and Tools	
Relative Strength Indicator (RSI)	Relative Strength Analysis
Japanese Candlesticks	Relative Rotation Graphs (RRGs)
Support and Resistance	Sector Rotation Analysis
Trend Lines	Intermarket Analysis
Moving Averages	Point and Figure
Chart Patterns	

8. Sources of Information

PPWM uses many sources of information to develop portfolio solutions for advisory clients. Such sources include Morningstar reports and research, Riskalyze, pertinent investment industry white papers and academic research, information provided by issuers as well as general media articles, and research from other investment advisory firms including mutual fund companies and brokerage firms.

8b: Investment Strategies

We maintain several model portfolios based on the Morningstar Target Risk Asset Allocation framework. Based on the client's IPS, we will recommend an investment strategy and portfolio of securities. Each client account is assigned to one of these model portfolios. Most portfolio designs are a balance of stocks, bonds, inflation hedges, and cash. We use the Morningstar Target Risk Asset Allocation Framework to help investors understand their general risk exposure to financial markets. We may overweight or underweight a client Target Risk benchmark based on our outlook for the investment environment, economic conditions and forecasts. Some clients may have special circumstances where portfolios may differ from our standard investment solutions. Such portfolios will fall under the PAAs. Below is a description of our process, portfolio solutions, and the investment strategies we employ for our clients:

Process, Portfolio Solutions & Investment Strategies
1. Target Risk Benchmarks
2. Model Portfolios
3. Risk Number
4. Investment Strategies
5. Tactical Asset Allocation
6. Active versus Passive
7. Diversification and Risk Adjusted Returns
8. Minimizing Fees
9. Tax Efficiency
10. Types of Securities
11. Risk Management
12. Income Oriented Portfolio Solutions

1. Target Risk Benchmarks

The Target Risk benchmarks are our compass. Each year, a respected investment professional, usually more than one, predicts that this will be the year of a bear market or a recession, and we know that both are bad for investor returns. With these predictions comes the recommendation to hold mostly cash. Since we believe that no one can predict the exact year of the next bear market or recession with a reasonably

high degree of accuracy, we choose to focus on our Target Risk benchmarks to guide us and our clients through these conditions of uncertainty.

Ibbotson Target Risk Asset Allocation Framework

As described in Item 4 above the Morningstar Target Risk Asset Allocation Framework was created and is maintained by Ibbotson Associates, a wholly owned subsidiary of Morningstar. While we could create our own asset allocation framework, we choose to use the Ibbotson framework as an objective and unbiased benchmark for our advisory clients. Since the asset allocation framework is not our creation, it gives clients a reference point in which to consider our added value, which is called alpha.

Morningstar Target Risk Indexes

The Morningstar Target Risk Index series consists of five asset allocation indexes that span the risk spectrum from conservative to aggressive. The family of asset allocation indexes can serve as benchmarks to provide investors an objective measuring tool for performance comparison. The indexes are based on a well-established asset allocation methodology from Ibbotson Associates. The indexes selected for each asset class are driven by rules-based indexing methodologies created by Morningstar. Morningstar indexes are specifically designed to be investable building blocks with pure asset-class exposure covering a global set of stocks, bonds, and commodities. The Morningstar Target Risk Benchmarks provide a general framework to design portfolios around a client's specific Target Risk. Actual portfolios will vary from the benchmarks.

We do not represent that the information in the table below are actual client allocations, performance, or volatilities. These are benchmarks to which we compare client allocations, performance, and volatilities.

Morningstar Target Risk Benchmarks (%) June 2022	Conservative	Moderate Conservative	Moderate	Moderate Aggressive	Aggressive
Stocks	20	40	60	80	95
U.S.	12	24.5	35	47	56.5
Non-U.S.	8	15.5	25	33	38.5
US Large Cap Growth Stocks	2	5	6	8	10.5
US Large Cap Core Stocks	2	5	7	9	11
US Large Cap Value Stocks	4	5.5	8	10	11
US Mid Cap Growth Stocks	0	1.5	3	4	4.5
US Mid Cap Core Stocks	1	2	3	4	5
US Mid Cap Value Stocks	1	2.5	4.5	6	7
US Small Cap Growth Stocks	0	0	0	0.5	1
US Small Cap Core Stocks	0	1	1	2	2
US Small Cap Value Stocks	1	1	1.5	2	3
US REIT	1	1	1	1.5	1.5
Non-US REIT	0	0	1	1	1.5
Non-US Stocks	6	11.5	17	22	26
Emerging Market Stocks	2	4	7	10	11
Bonds	73	56	36	19	5
U.S.	63	50.5	32	17	4
Non-U.S.	10	5.5	4	2	1
US Long-Term Bond	4	3	2	1	0
US Intermediate-Term Bond	42	34.5	27	14	4
US Short-Term Bond	17	13	3	2	0
Developed Non-US Bond	4	.5	0	0	0
Emerging Markets	6	5	4	2	1
Inflation Hedge	5	3	3	1	0
Commodities	0	0	0	0	0
Long-Term TIPS	2	1	1	0	0
Short-Term TIPS	3	2	2	1	0

Cash	2	1	1	0	0
Total	100	100	100	100	100

Morningstar Target Risk Indexes	1 Year Total Return	3 Year Total Return	5 Year Total Return	10 Year Total Return	15 Year Total Return
Conservative	-13	-.85	1.4	2.4	3.2
Moderate Conservative	-13.9	.83	2.8	4.3	4.3
Moderate	-14.8	1.9	3.7	5.8	5.1
Moderate Aggressive	-15.6	3.0	4.6	7.3	5.7
Aggressive	-15.9	3.7	5.2	8.4	6.1

Source: Morningstar; Performance as of December 31, 2022

Morningstar Target Risk Indexes	1 Year Standard Deviation (Risk)	3 Year Standard Deviation (Risk)	5 Year Standard Deviation (Risk)	10 Year Standard Deviation (Risk)	15 Year Standard Deviation (Risk)
Conservative	10.3	7.8	6.4	4.92	5
Moderate Conservative	12.7	10.5	8.9	6.9	7.5
Moderate	15.6	13.8	11.8	9.3	10.5
Moderate Aggressive	18.2	17.1	14.9	11.8	13.6
Aggressive	20.5	19.9	17.4	13.9	16.1

Source: Morningstar; Performance as of December 31, 2022

2. Model Portfolios

We synthesize Morningstar's Target Risk Asset Allocation framework, Morningstar's Risk Profile, and Riskalyze's Risk Number to segment and design model portfolios based on five major categories. Morningstar's Risk Profile and Riskalyze's Risk Number is described in more detail on the following pages. Every client account is assigned to a model portfolio for implementation and benchmarking. While every account is assigned to a model portfolio for implementation, execution, monitoring and review, actual client portfolios may differ from the model portfolios for a number of reason's as we have discussed in earlier sections of this document. The table below summarizes how each major category for the Target Risk Asset Allocation framework, the Risk Profile, and Riskalyze's Risk Number is segmented relative to our model portfolios.

Morningstar Target Risk	Morningstar Risk Profile	Riskalyze
1. Conservative	1. Very Conservative	1. Capital Preservation
2. Moderate Conservative	2. Conservative	2. Conservative
3. Moderate	3. Moderate	3. Growth & Income
4. Moderate Aggressive	4. Moderate Aggressive	4. Growth
5. Aggressive	5. Aggressive	5. Aggressive

[CONTINUED ON THE FOLLOWING PAGE]

Account Size

Model portfolios are further segmented by account size. A larger portfolio can hold more positions because the performance drag associated with trading costs is minimal compared to smaller accounts. Commissions set by a custodian are a fixed fee, currently \$0 for exchange-traded funds and \$17.95 (\$17.00 after 9/1/2023) for open-end funds. We believe it is not in the client's best interest to have too many transactions in smaller accounts where the commission can have a significant drag on investment performance. Many custodians offer no-transaction-fee funds, and we do use them when appropriate, but we often find that these offerings do not meet our standards because the expense ratios are too high, or the past performance has been average or less than average relative to their peer group.

Morningstar Risk Profile

Every client is asked to complete the Morningstar Risk Assessment Questionnaire which consists of seven questions to help determine a client's Risk Profile. The questionnaire scores three factors that impact investment decisions:

- 1) Time Horizon
- 2) Long-Term Goals and Expectations
- 3) Short-Term Risk Attitudes

The answers the client provide on the Morningstar Risk Assessment Questionnaire determine their Risk Profile. We use Morningstar's definition of an investor's risk profile to segment and define our model portfolios and portfolio solutions. Below are our five broad categories for our model portfolios that we assign to each portfolio:

1) Very Conservative: The very conservative risk profile is the cautious investor, one with a low risk tolerance and/or a short time horizon. It identifies the investor seeking investment stability and liquidity from their investable assets.

2) Conservative: The conservative risk profile is the investor who seeks modest capital appreciation and/or income from their portfolios. This investor will have either an intermediate time horizon or higher risk tolerance than the very conservative investor.

3) Moderate: The moderate risk profile is the investor who seeks some growth from their investable assets and income is not the primary objective. A moderate investor will have a higher tolerance for risk and/or a longer time horizon.

4) Moderately Aggressive: The moderately aggressive risk profile is the investor with a relatively high tolerance for risk and a longer time horizon. This investor has little need for current income. The main objective of this investor is capital appreciation and will tolerate higher volatility.

5) Aggressive: The aggressive risk profile is the investor who has a high tolerance for risk and a long investment time horizon. The main objective of the aggressive investor is capital appreciation. Portfolios in this risk profile will have substantial volatility in value, making this category unsuitable for those who do not have a long-term investment horizon.

3. Risk Number

Riskalyze is an analytical tool that we use to objectively measure the amount of risk our model portfolios, portfolio solutions, and client accounts may have. It is a double check against our Target Risk benchmarks. Riskalyze analyzes each of our client accounts to determine a Risk Number based on a proprietary scaled index. As part of the Client Profile, we ask clients to answer the Riskalyze Questionnaire to help them identify their Risk Number. The Risk Number gives the investor an estimate of the potential price variability of their portfolio relative to the S&P 500, adjusted for the covariance of other securities and asset classes based on their proprietary indexing method.

Target Ranges

The higher the Risk Number, the higher the probability of price variations, and lower the Risk Number, the lower the probability of price variations. Price variations can be either positive or negative, so variability can be either good or bad. A high number is not inherently bad, unless the

price variability is on the downside. The basic maxim of investing is more risk means more return. Risk is volatility. You must accept more risk for potentially higher returns. Below are five ranges and definitions created by Riskalyze based on their Risk Number methodology. We use these ranges and definitions to segment and define client portfolios, and portfolio solutions, in conjunction with the five broad categories from Morningstar's Target Risk Allocations and Morningstar's Risk Profile:

Riskalyze Risk Target Ranges		
1.	Capital Preservation	1 - 35
2.	Conservative	20 - 45
3.	Growth & Income	35 - 70
4.	Growth	50 - 90
5.	Aggressive	75 - 100

Capital Preservation: I cannot tolerate much volatility and only want a small return on my money.

Conservative: I need current income and understand I will have some volatility

Growth & Income: I need current income and I would like to grow this money. I can tolerate some volatility.

Growth: I want to grow this money and do not seek current income. I understand a growth strategy will have higher volatility than a growth & income strategy.

Aggressive: I want to grow this money significantly and I am willing to accept higher volatility.

Risk Management

We use the Risk Number from Riskalyze as a tool to help manage risk, but the Risk Number, or estimated range of volatility, should never be construed as a precise estimate. From time-to-time, markets go through panics, and actual volatility and price variations are much higher than normal. Timing can also have a significant impact on returns. If you invest right before a significant downturn, your returns may be skewed to the downside significantly more than what may be normally predicted by Riskalyze.

Limitations

Riskalyze is a tool to estimate price variations, not a prediction for future returns. Actual price variations may be different than what is predicted by Riskalyze. Riskalyze Reports estimate the potential upside and downside of a client portfolio based on Riskalyze's proprietary models. We caution investors to not rely on this estimate as an exact prediction.

4. Investment Strategies

Our approach, methodology and research process generally remain the same over time. Based on this process, we may utilize multiple investment strategies to meet your investment objectives over the course of the market cycle. Portfolio solutions may vary based on where we believe we are in a market cycle, our economic outlook, monetary conditions, earnings forecasts and valuations. What we are calling strategies are really tactics we may employ relative to the Target Risk asset allocation framework.

Tactics

It is the results from our analysis and research process that will drive tactical asset allocation decisions which we believe may potentially improve risk-adjusted returns, manage risk or simply preserve capital. More than one of these investment strategies, or tactics, as they may be called, can be utilized at one time. Investment tactics utilized in client portfolios may include:

- Increasing or decreasing allocations relative to stocks, bonds and cash
- Avoiding certain asset classes and sectors
- Increasing exposure to certain asset class and exposures
- Increasing or reducing beta to a portfolio relative to the Target Risk benchmark
- Increasing or decreasing standard deviation (volatility)
- Increasing or decreasing duration or relative exposure to interest rate risk
- Increasing or decreasing the portfolio yield to manage interest rate sensitivity
- Increasing or decreasing overall credit quality
- Increasing or decreasing exposure to geographic regions and countries

The list above is to help clients understand things we may do or are already doing in the management of their portfolios. This list is not meant to be exhaustive. Other tactics may be employed that are not listed.

5. Tactical Asset Allocation

We use the Morningstar Target Risk Asset Allocation Framework to help investors understand their general risk exposure to financial markets. Most client portfolios will be built around the Morningstar Target Risk Asset Allocation Framework. We may tactically overweight or underweight a client Target Risk benchmark based on our outlook for the investment environment, economic conditions and forecasts. We believe we can add value to client portfolios by making tactical asset allocation decisions that may differ from the Target Risk asset allocation framework.

Tactical Strategies

We may overweight or underweight certain asset classes, hold more cash, or be more aggressive at certain times in terms of the allocation of stocks to bonds relative to the Target Risk benchmark. This may require that we make investments in funds, asset classes and sectors that have underperformed. In such cases, we provide our rationale for such investments. Understanding a client's investment objectives, risk tolerance and time horizon a primary factor in determining both the appropriateness of tactical commitments, selection of an individual security for a specific client's portfolio, and the size of the capital commitment to an individual security if deemed appropriate.

6. Active Versus Passive

Clients are under no obligation to follow our tactical recommendations or use active investment managers. Clients can follow the Morningstar Target Risk Asset Allocation framework utilizing 100% passive index funds. Because we benchmark all client accounts against these Target Risk benchmarks created by Morningstar, it is clear each quarter, every year, whether we are adding any additional alpha, a measure of our value-add, relative to the Target Risk benchmark. We believe that a purely passive strategy is a good investment strategy especially in terms of minimizing fees and tax efficiency.

Alpha

In the most recent decade, the majority of professional investment managers fail to outperform their benchmarks in most asset classes.¹ We know that this is not true for every asset class and we consider this fact when selecting a passive or active investment vehicle. If we feel that we cannot add any value, or have not added any value historically, over the course of a market cycle, then we would have abandoned any tactical element to our investment methodology. The only purpose of active management is to improve risk-adjusted returns and generate alpha. If we cannot do this over the course of a market cycle, then there is no point. ^

Information Asymmetry

As mentioned earlier, we believe that financial markets are mostly efficient, most of the time. We think this has been confirmed by the fact that most money managers do not outperform standard benchmarks year-after-year based on the SPIVA Scorecards. Without inside information, evidence is abundantly clear that extraordinary returns are highly unlikely even from the most talented

¹ Source: S&P/SPIVA, June 30, 2020

money managers with any persistency. For those managers that happen to generate extraordinary returns, it is our opinion that this is usually the result of chance or some special, one-time event, or set of circumstances that is non-repeatable. Information asymmetry is the most likely explanation for extraordinary returns that active management could deliver many decades ago.

7. Diversification and Risk Adjusted Returns

PPWM employs diversification as a principal strategy in client portfolios. Studies by Ibbotson and others show that investors can enhance return and reduce risk as measured by standard deviation using diversification. We believe diversification is very important to delivering reasonable risk-adjusted returns. Based on our research methods, we use tactical asset allocation in an attempt to overweight or underweight certain asset classes to improve client risk-adjusted returns.

Asset Classes

Asset classes are groups of securities that have similar characteristics and have historically shown to behave similarly under various market conditions over longer periods time. In shorter time frames, like one year, it is very difficult to predict what will be the best asset class. Picking one asset class can be like playing only one number on a roulette wheel where the odds of success for each spin of the wheel is very low. Picking more numbers, or a color like red or black, increases your probability for success. The downside is with less risk you generally accept a lower potential payout.

Morningstar Target Risk Indexes

Morningstar/Ibbotson Associates update their Target Risk asset allocation models annually which may include adding or dropping asset classes or changing the weighting for each asset class. We are not limited to using only these asset classes for client portfolios and solutions. The major asset classes in the Morningstar Target Risk Allocations include:

US Large Cap Growth	Non-US Stocks
US Large Cap Core	Emerging Market Stocks
US Large Cap Value	US Long-Term Bonds
US Mid Cap Growth	US Intermediate-Term Bonds
US Mid Cap Core	US Short-Term Bonds
US Mid Cap Value	Non-US Bonds
US Small Cap Growth	Emerging Markets Bonds
US Small Cap Core	Commodities
US Small Cap Value	Long-Term TIPs
US REITS	Short-Term TIPs
Non-US REITs	Cash

Sources of Return

Each asset class can be considered a source of returns and a source of volatility or risk as measured by standard deviation. Volatility can be good or bad. Upside volatility is good and downside volatility is bad. Asset classes with low returns and low volatility can be good based on the client's investment objectives, risk tolerance, and time horizon. Asset classes with low returns and high volatility are generally considered bad. Asset classes with high returns and high volatility can be good. Asset classes with high returns and low volatility can be very good. Our primary objective is to design portfolio solutions with multiple sources of potential returns relative to the amount of risk each investment contributes to a portfolio as a whole.

The data below is for informational purposes only. These research firms, among others, provide such estimates for the purpose of constructing diversified portfolios and investment planning. These are simply guesses which may be horribly wrong. These are 10-year annualized probabilistic return assumptions derived from recent current market conditions and, as such, will change over time. We discuss the limitations of our methods in more detail on the following pages.

Asset Class	Morningstar Expected Return (%)	Standard Deviation (Risk) (%)	Vanguard Expected Returns (%)	Standard Deviation (Risk) (%)
Stocks				
Large Cap Growth Stocks	6.8	17.3	3.1 – 5.1	18.6
Large Cap			4.7 – 6.7	17.4
Large Cap Value Stocks	7.4	15.3	4.7 – 6.7	19.8
Mid Cap Growth Stocks	7.8	21.8		
Mid Cap				
Mid Cap Value Stocks	8.1	17.8		
Small Cap Growth Stocks	9.5	25.5		
Small Cap			5 - 7	22.9
Small Cap Value Stocks	9.9	20.3		
US REIT	5.4	18.5	4.9 – 6.9	20.1
Non-US Stocks	8.2	18.3	7.4 – 9.4	18.8
Emerging Market Stocks	9.8	21.4	7 - 9	26.4
Bonds				
Long-Term Bond Taxable	1.7	10.1		
Intermediate-Term Bond Taxable	2.3	4.2	4.1 – 5.1	5.6
Short-Term Bond Taxable	2.1	3.2		
Developed Non-US Bond	3	9	4 - 5	4.4
U.S. Municipal Bond (1-15 year)	2.1	5.8		
Emerging Markets Bond	5.3	13.8	6.4 – 7.4	11
Inflation Hedge				
Commodities	5.4	21		
TIPS	2	6.7	3.2 – 4.2	5
Cash				
	1.2	1.7	3.4 – 4.4	1.4

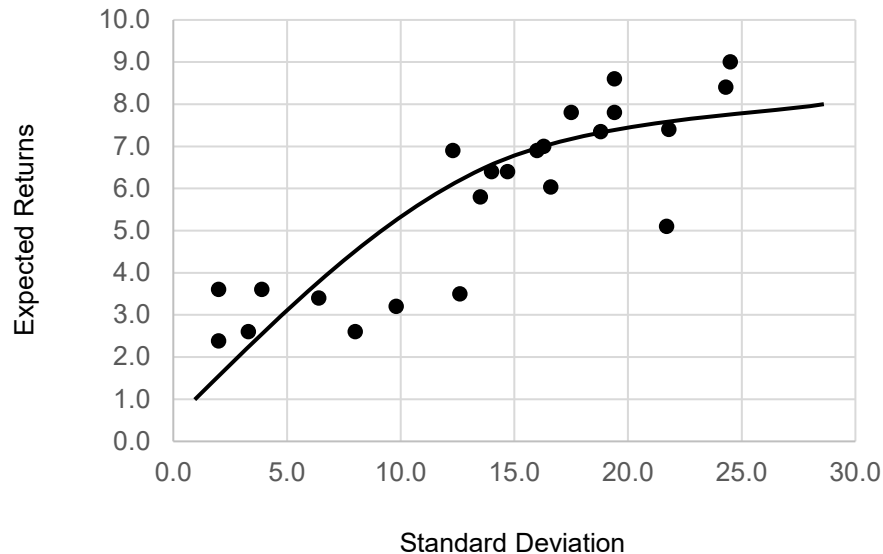
Source: Morningstar Market Assumptions January 26, 2023; Vanguard Market Perspectives December 2022

Efficient Frontier

We rely on Modern Portfolio Theory (“MPT”) in our pursuit of reasonable risk-adjusted returns. MPT suggests that investors can build portfolios to minimize risk and maximize return. The efficient frontier is a set of optimal portfolios that accounts for the expected return and expected volatility for every asset class under consideration in a portfolio. Studies have shown that holding all the asset classes in an optimal combination can enhance returns and reduce volatility.

[CONTINUED ON THE FOLLOWING PAGE]

The Efficient Frontier
Optimized Portfolios Based on Risk and Expected Returns
Illustration Only



Note: The efficient frontier is represented by the slightly curving black line and is for illustration only. Scatter plot data represents asset classes, expected returns and standard deviations listed on the previous page. They are forecasts and may prove highly inaccurate due to circumstances that may or may not be conceivable or timely.

Optimization

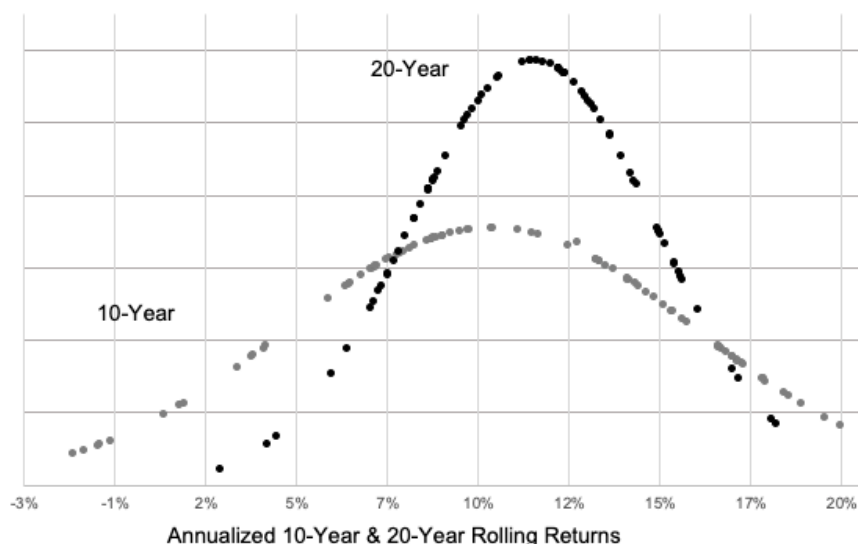
By holding the optimal amount of each asset class based on its expected return and expected volatility, the right combination can produce the best risk-adjusted return over longer periods of time, while potentially minimizing risk in the shorter-term. This is the concept behind the Morningstar Target Risk Asset Allocation framework and the foundation of our investment strategies. Our goal is to build portfolios that will be on or near the efficient frontier based on the Morningstar Target Risk Asset Allocation framework with an acceptable expected return and standard deviation specific to the client based on their investment objectives, risk tolerance, and time horizon.

Limitations of the Efficient Frontier

A major limitation of MPT is no one can accurately predict expected return and volatility with a high degree of accuracy, especially in the short-run. In fact, on an annual basis, asset class returns can vary greatly in respect to their expected return. But asset classes, over longer periods of time, 10-year and 20-year rolling returns, have been shown to exhibit fairly predictable returns and volatilities. On the next page are the normalized 10-year and 20-year annualized rolling returns for the S&P 500 going back to 1928. On an annual basis, the standard deviation for the S&P 500 is 19.6%, but the standard deviation of rolling returns over 10-year and 20-years are 5.6% and 3.4% respectively. What this suggests is that the expected volatility in returns may drop with longer holding periods.

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Normal Distribution of S&P 500
10-Year & 20-Year Annualized Rolling Returns
1928 - 2022 Total Returning Including Dividends



Annualized 10-year & 20-year Rolling Returns		
	10-year (gray)	20-year (black)
Median	10.2%	11%
Std Dev	5.6%	3.3%
Source: Standard & Poor's		

Zombie Apocalypse

We do not suggest any guarantee that fairly stable 10-year and 20-years rolling returns and volatilities will continue into the future. No one knows what the future may actually hold, but if the past has any relevance, maybe the future could be like the past. This is an assumption of the MPT. To a large degree, we do expect returns and volatilities to be similar to what they have been in the past. This assumption, while in no way can be guaranteed, has made MPT, diversification and the efficient frontier useful as an investment tool for many investment professionals. It is at the root of everything that we do for our clients. We do warn clients if there is a zombie apocalypse, or similar event, where property rights and contract law are no longer relevant or enforced, a force majeure, all bets are off.

Limits of Diversification

While each security must stand on its own merits, we evaluate its selection within the context of a portfolio solution and not as an isolated investment. Diversification is a primary tool of risk management and integral part of the investment strategy employed by our firm. Investors should understand that every investment has a risk of loss and diversification in and of itself cannot mitigate this risk.

Correlation

Diversification is a tool for risk management, but under certain circumstances, like a financial panic where assets become highly correlated, diversification has its limitations, and clients may experience unexpected losses. Under certain market conditions, generally referred to as a flight to safety or financial panic, for a period of time, the correlation coefficients of many asset classes approach one.

Correlation Coefficients

A correlation coefficient is a measure of the relationship between two asset classes. The range of the correlation coefficient is negative one (-1) to positive one (+1). Negative one (-1) means they are inversely related, which means if one goes up, the other will go down by some amount, and vice versa. Positive one (+1) means that they are perfectly correlated which means if one goes down, the other will go down. Zero (0) correlation means that the movement in one asset class has no relationship with the other. The correlation coefficient is the basis for diversification and the creation of the efficient frontier that we mentioned above.

Normal Ranges

Rarely do any asset classes have -1, 0 or +1 correlation coefficients with any other asset classes. The correlation coefficient is some fraction between -1 and +1. For example, in the table below derived from Morningstar, US Large Cap Growth stocks have a .2 correlation coefficient with Investment Grade Bonds which means that movements in one asset class have about a 20% or .2 correlation with the other. This is good in terms of diversification, risk management, and producing reasonable risk-adjusted returns because it is relatively low. Asset classes generally have normal ranges of correlation over longer periods of time which enables Modern Portfolio Theory, diversification, and the efficient frontier to work and be useful.

Sample Correlation Matrix

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1 - U.S. Lg Cap Growth	1.00	0.81	0.85	0.79	0.75	0.69	0.67	0.64	0.16	0.50	0.17	-0.00	0.14	0.53
2 - U.S. Lg Cap Val	0.81	1.00	0.75	0.92	0.73	0.81	0.67	0.64	0.14	0.50	0.16	0.05	0.18	0.61
3 - U.S. Mid Cap Growth	0.85	0.75	1.00	0.81	0.91	0.80	0.68	0.67	0.10	0.50	0.15	-0.03	0.20	0.58
4 - U.S. Mid Cap Val	0.79	0.81	0.81	1.00	0.82	0.91	0.67	0.66	0.20	0.59	0.18	0.03	0.18	0.71
5 - U.S. Sm Cap Growth	0.75	0.73	0.91	0.82	1.00	0.87	0.64	0.64	0.08	0.47	0.13	-0.02	0.20	0.59
6 - U.S. Sm Cap Val	0.69	0.81	0.80	0.91	0.87	1.00	0.67	0.66	0.11	0.55	0.11	0.01	0.19	0.72
7 - Foreign Dev Mkts Stocks	0.67	0.67	0.68	0.67	0.64	0.67	1.00	0.69	0.12	0.50	0.39	-0.02	0.21	0.51
8 - Emerging Mkts Stks	0.64	0.64	0.67	0.66	0.64	0.66	0.69	1.00	-0.08	0.45	0.12	-0.04	0.17	0.48
9 - U.S. Investment Grade Bonds	0.16	0.14	0.10	0.20	0.08	0.11	0.12	-0.01	1.00	0.37	0.57	0.14	0.00	0.19
10 - U.S. High Yield Bonds	0.50	0.50	0.50	0.59	0.47	0.55	0.50	0.45	0.37	1.00	0.20	0.05	0.11	0.51
11 - Non-U.S. Bonds	0.17	0.15	0.15	0.18	0.13	0.11	0.09	0.12	0.57	0.20	1.00	0.05	0.11	0.17
12 - Cash	-0.0	0.05	-0.03	0.02	0.01	-0.02	-0.02	-0.04	0.14	0.05	0.05	1.00	0.04	0.02
13 - Commodities	0.14	0.18	0.20	0.18	0.20	0.19	0.21	0.17	0.00	0.11	0.11	0.04	1.00	0.14
14 - Real Estate	0.53	0.61	0.74	0.71	0.59	0.72	0.51	0.48	0.19	0.51	0.17	0.02	0.14	1.00

Source: Morningstar, January 26, 2022. This correlation matrix is for illustration and educational purposes only. PPWM does not represent that is the current correlation among assets classes, the present correlation, or correlations in the future.

Panic Attacks

If correlations coefficients approach +1 for most asset classes, the benefits from diversification disappear. We see correlation coefficients rise during periods of market turmoil or panic, but over longer periods of time, remain within what may be considered normal ranges. The benefits from diversification are generally revealed over a longer period of time which is why time horizon is a critical factor in creating portfolio solutions for clients.

8. Minimizing Fees

PPWM takes careful consideration to minimize fees like trading costs, administrative fees, or unnecessary investment product fees. We generally use institutional share classes for mutual funds which have some of the lowest expense ratios available to investors. Often times, these share classes are not available to individual investors through retail accounts but are available to our clients. Additionally, we often utilize exchange trade mutual funds (ETFs) in client portfolios that have some of the lowest expense ratios available to investors for similar investment products.

9. Tax Efficiency

Whenever possible, PPWM will employ methods to create tax efficiencies. We are not tax advisors. We always recommend that a client consult their tax advisor regarding any strategies or methods that we may suggest to create tax efficiencies.

Tax Deferral

Tax efficiency starts by assessing the potential opportunities for a client to open and maximize the contributions to accounts that have the potential for tax-deferral. Such accounts include Individual Retirement Accounts (IRAs), ROTH IRAs, SIMPLE IRAs, SEP IRAs, Individual 401(k), 401(k), profit-sharing plans and cash balance pension plans.

Tax Loss Harvesting

For accounts that are not tax-deferred, we may use tax-loss harvesting strategies by selling one security at a loss and buying another similar security in terms of expected risk and return. These losses can be used against capital gains or can be carry-forward to offset capital gains incurred in future tax years.

Qualified Dividends

We may suggest certain investments for client portfolios that generate qualified dividends that are taxed at lower tax rate than ordinary dividends.

Tax Exempt Interest

We may purchase investments for client portfolios that pay income that may be exempt from state or federal income tax such as municipal bonds.

Long Term Capital Gains

In terms of holding periods, we may hold securities for longer periods of time potentially foregoing short-term trading gains which have historically been taxed at a higher rate than long term gains.

Tax Credits

We will often suggest that clients consider tax credits when they are available.

10. Types of Securities

PPWM researches, selects and invests on behalf of clients from among a wide variety of tradable investment securities. In most cases, we select mutual funds, stocks, and bonds for client portfolios. Generally, these securities trade or are offered through exchanges and institutions located in the U.S. We may also purchase exchange-traded preferred stock, hybrid securities, warrants, options, investment-grade and high-yield individual bonds, and other types of securities. We also offer certificates of deposit (CDs) to clients when appropriate. We tend to avoid illiquid instruments such as non-listed REITs, partnerships, hedge funds, private equity investments or other similar investments. We discuss our selection process in more detail on the following pages:

[CONTINUED ON THE FOLLOWING PAGE]

Types of Securities
A. Pooled Investment Vehicles
B. Blended Mutual Funds
C. Closed-end Funds
D. Individual Stocks
E. Individual Bonds

A) Pooled Investment Vehicles

Pooled investment vehicles are generally investments that provide instant diversification through a single purchase of a security. The most common are mutual funds which can either be open-end funds (OEFs), closed-end funds (CEFs), or exchange-traded funds (ETFs). Other kinds of pooled investment vehicles are often referred to as exchange traded products (ETPs) or exchange trade notes (ETNs). These products have a different structure than basic mutual funds and often employ unique strategies that require significant use of derivatives. While ETPs may be considered for client portfolios at certain times, we generally avoid these kinds of ETPs for client accounts.

Screening

We generate investment candidates through a variety of methods, but primarily rely on our quantitative screening methods, financial periodicals and news, and research provided by investment companies such as mutual funds, as well as brokerage firms that produce investment research. Our screening processes are outlined in more detail below.

Mutual Funds

Since mutual funds can represent different asset classes and a variety of investment strategies, we consider many different criteria to select mutual funds for client portfolios. While we consider information provided by the mutual fund company, we will also consider, but are not limited to, the following objective criteria:

Selection Criteria for Mutual Funds		
Morningstar Category	Total Ret MTD, QTD, YTD	Std Dev 1 Yr, 3 Yr, 5, Yr, 10 Yr, 15 Yr
Morningstar Rating	Total Ret 2 Mo, 3 Mo, 6 Mo, 1 Yr	Sharpe Ratio 1 Yr, 3 Yr, 5 Yr, 10 Yr, 15 Yr
Global Broad Category	Total Ret Annlzd 2 Yr , 3, Yr, 5 Yr	Best Fit Index 3 Yr, 5 Yr
Institutional Category	R-Squared 1 Yr , 3 Yr, 5 Yr, 10 Yr, 15 Yr	Best Fit Alpha 3 Yr, 5 Yr
SEC Yield	Upside Capture Ratio 1 Yr, 3 Yr, 5 Yr, 10 Yr, 15 Yr	Best Fit Beta 3 Yr, 5 Yr
12 Mo Yield / SEC Yield	Downside Capture Ratio 1 Yr, 3 Yr, 5 Yr, 10 Yr, 15 Yr	Best Fit R-Squared 3 Yr, 5 Yr
Credit Quality	Alpha 1 Yr, 3 Yr, 5 Yr, 10 Yr, 15 Yr	Beta 1 Yr, 3 Yr, 5 Yr, 10 Yr
Annual Report Net Expense Ratio	Average Eff Duration / Modified Duration	Premium / Discount (ETFs & CEFs)

B) Blended Mutual Funds

Portfolios are often built with core holdings that are generally open-end blended mutual funds with a wide latitude to execute their strategies to generate returns under various economic and market conditions. Generally, these funds have demonstrated a superior long-term track record and are typically a flagship fund from that mutual fund company. Often, these funds represent the best ideas of that firm. Sometimes, a fund company with a very good reputation and track record will launch a new fund that falls into the blended category that we may add to client portfolios even though the fund does not have a very long track record or has not been rated by Morningstar.

Diversification

We generally select more than one core blended fund because each fund company has a unique investment process and discipline. Deploying multiple strategies in client portfolios may add diversification. More importantly, these funds may find unique opportunities that

another fund's process, parameters, and discipline may not uncover. Additionally, we try to avoid "groupthink" by using multiple mutual fund companies deploying unique strategies, but also diversifying away from our own ideas to create an additional source of return for client portfolios.

C) Closed-end Funds

For closed-end funds, a primary consideration is the net asset value (NAV) premium or discount. Different than open-end funds which price one time per day at the end of the day, closed-end funds trade in the open market. Closed-end funds routinely trade at discounts to their net asset value in the open market. When such conditions arise, we will consider investing in closed-end funds because we believe the fund is significantly undervalued relative to its historical discount range. Closed-end funds can have liquidity issues because of a lack of daily volume, and they often use leverage as part of their investment strategy. Because many of these funds employ leverage, there is additional risk to consider. There is no guarantee that a closed-end fund will trade closer to its net asset value if we purchase it for a client at a deep discount to its normal valuation range.

D) Individual Stocks

Most of our investment solutions utilize pooled investment products like mutual funds. However, in some cases, a client will have a preference to have individual securities as part of their strategy. As fiduciaries, we believe that the use of individual stocks is most suitable for clients with a significant net worth and the willingness and ability to take the additional risk associated with owning individual stocks. The use of individual stocks as a primary element of the portfolio is generally reserved for PAAs which we described in Item 4. Valuations and earnings growth prospects are key factors to our investment analysis as we have described in the section 8a. Analysis.

Diversification

When constructing portfolios using individual stocks we will diversify the portfolios based on Morningstar's classification of Super Sectors and Sectors. Often times, we may not have exposure to all sectors, but in terms of risk management, we try to avoid too much concentration in any one sector.

Super Sectors / Sectors		
Cyclical	Defensive	Sensitive
Basic Materials	Consumer Defensive	Communication Services
Consumer Cyclical	Healthcare	Energy
Financial Services	Utilities	Industrials
Real Estate		Technology

Earnings Growth

Prices of stocks generally correlate to the direction of earnings over the intermediate and longer-term. As part of our quarterly review process, we look at consensus analyst earning growth estimates for individual stocks on a 12-month and 24-month basis. At the core of our analysis of stocks and our investment style, we believe there may be potential upside in the value of a stock either based on earnings growth or PE ratio multiple expansion.

PE to Growth Ratio ("PEG")

To initially screen stocks, we use the PEG ratio which is the PE ratio divided by the estimated earnings growth rate (G) for any period in question. We like companies that have low PEG ratios because, generally speaking, they represent investment opportunities with reasonable valuations and potential earnings growth. Companies with high PEG ratios are companies that potentially have high valuations and low growth rates. It is a matter of style and preference that we have this style of equity money management. Our style is sometimes called Growth at a Reasonable Price (GARP). We do not suggest that our style is superior to other investment disciplines or will deliver superior returns. It is simply a methodology that suits our needs, and a style that makes sense and appeals to our clients.

PE Ratio: Value vs. Growth

The PE ratio is the price of any stock divided by its earnings per share. A value stock is commonly referred to as a company that has more tangible net worth than a growth stock. A growth stock commonly refers to a company with high rates of revenue and earnings growth. Historically, stocks categorized as value stocks have had low PE ratios. Stocks categorized as growth stocks tend to have higher PE ratios. A company with a low PE ratio does not necessarily mean it will deliver higher risk adjusted returns versus a company with a high PE ratio, and vice versa. Our style, Growth at a Reasonable Price (GARP), often generates investment candidates that are value and growth stocks.

Price Targets

As part of our quarterly review process, we look at consensus analyst price targets for individual stocks on a 12-month and 24-month basis. If the consensus price target is above the current value of the stock, and the PEG ratio is attractive relative to other similar companies in its industry or sector, these stocks will be considered as candidates for client portfolios. Many analyst price targets are based on DCF valuation methodologies. If the consensus price target is above market price, we think this increases the probability that the stock will be a positive source of returns for our client portfolios, but there is no guarantee of this.

Additional Factors

Based on our screening method described on the previous pages, we create a list of stock candidates that we look at in more detail before adding it to any portfolio. Additional factors we commonly consider, but are not limited to, include:

Additional Factors for Equity Selection	
Free Cash Flow	Income Statement
Dividend Payout Ratio	Balance Sheet
Debt to Equity Ratio	Statement of Cash Flows.
Earnings Yield	Historical Valuation Ranges:
Dividend Yield	PE Ratio
Current Ratio	Book Value Ratio
Financial Leverage Ratio	Price to Sales Ratio
Operating Margins	Price to Cash Flow Ratio

Additional Considerations

We generally gather information from the company's website, filings with the Securities and Exchange Commission, information about the management team, the industry in which it operates and competes, and the industry subsector and its competitors. We also look at research reports created by research firms when available. We will evaluate their products and services, where the company is at in its life cycle, looking for any competitive edge and opportunity that might make it a good investment for client accounts. It is very difficult to find a perfect candidate at any point in time, but through this research process, we try to get comfortable with the idea of holding this company as an investment for client portfolios, all the time considering whether the client will like this investment in their portfolio based on their Client Profile.

E) Individual Bonds

For some clients, we may purchase individual bonds in lieu of a pooled investment vehicle like a bond mutual fund. Generally speaking, if we are willing to own the stock of a company based on our research process described above, we will consider holding the debt instruments issued by the company. In the case of an individual bond candidate, we focus on the ability of the issuing entity to service the debt and return the capital at maturity. When a bond comes due, we consider the company's ability to either refinance or extinguish the debt with cash. We also consider the security

available to the bondholder which may be assets that can be liquidated to service debts, and the bond's position in the issuer's capital structure, considering any subordination to other debt holders, preferred stock and equity holders. In addition to many of the factors described above for individual stocks, we will consider the credit rating of the company usually issued by Standard and Poor's or Moody's.

11. Risk Management

Risk management can take many forms within our investment process. Below are some methods that we may utilize as part of an investment strategy for a client based specifically on their investment objectives, risk tolerance and time horizon:

Risk Management
A. Target Risk
B. Diversification
C. Tactical Asset Allocation
D. Client Education
E. Scaling
F. Stop Orders
G. Options
H. Hedging

A) Target Risk

Following our asset allocation framework and maintaining discipline in our investment process is the first line of defense regarding risk management.

B) Diversification

Diversification as a risk management tool is at the center of our investment strategies.

C) Tactical Asset Allocation

Tactical asset allocation can be another form of risk management. Based on our research process, we might make portfolio changes increasing our weightings to cash and bonds which may decrease the potential volatility in the portfolio. From our analysis on valuations, we might underweight or avoid certain asset classes. Tactical asset allocation may or may not increase return and reduce risk, but holding more cash or bonds relative to a client's Target Risk benchmark can help a client feel better as we move through periods of heightened uncertainty and market turmoil.

D) Client Education

PPWM does not judge our client decisions or talk them out of holding more cash or bonds when they feel uneasy about financial markets. Our job is to provide good information to help them make investment decisions, and make sure that they understand holding more cash or bonds may adversely impact their investment goals based on their time horizon especially if they end up buying assets at higher prices and missing any price appreciation in those assets. Most importantly, it is our job to execute their instructions to the best of our abilities.

E) Scaling

Scaling into a position means we might make purchases over time based on our views of financial markets and the general attractiveness of entry and exit points for the securities in question based on technical analysis and our buy and sell discipline. This is often considered a form of market timing that may or may not enhance return or reduce risk. Some clients are more comfortable scaling into the market in the hope that we might be able to, on their behalf, buy assets at lower prices. Scaling investment positions can also be considered a form of dollar-cost averaging, a method of scaling into a position based on periodic purchases on a set schedule such as monthly or quarterly.

F) Stop Orders

We might use stop orders for exchange traded securities to potentially minimize the risk of loss in a portfolio. Stop loss orders have limitations because the market may open below the stop price and as a result the client may not get stopped out if it is a stop limit order, and if it is a stop market order, it will execute at the open which may be far below where the stop was placed. A trailing stop strategy is where we place a stop order below the market price of a security and if the price moves up, we move the stop up. This strategy may enable us to participate in the upside of any investment and while limiting the downside. The trailing stop strategy is for risk averse investors that prefer a more active form of investment management.

G) Options

The use of call options and put options is another risk management technique. A call option enables investor to purchase a security at a set price. A put option enables the investor to sell a security at a set price called the strike price. Generally, an investor can purchase a call option at a fraction of what it would cost to take the same position as a natural long. The risk to the investor is strike price is higher than the market price therefore the option expires worthless. A put option enables an investor to hold a security but have a hedge that allows them to sell it at specific price. A put option can expire worthless if the market price does not fall below the strike price. The use of options is a form of speculation and is not suitable for all investors.

H) Hedging

A hedge is a type of investment that can reduce the risk stemming from price movements that adversely affect the value of a portfolio or investment. A put option is one method of hedging. Other types of hedging activities include short selling or the selection of mutual funds that employ hedging strategies. Such mutual funds may use derivatives to hedge risk. Short selling is borrowing a security from a lender and selling it. If you can buy it back at a lower price, you can profit from the difference between the sale and the covering purchase price. Short selling can involve significant risk since a security can rise in value forcing a purchase at a higher price that would result in a loss.

12. Income Oriented Portfolio Solutions

Some clients have a need for current income. Income producing investments like stocks or bonds will have additional risks. Some of these risks include enhanced default risk for higher yielding investments, the potential for a dividend cut especially during an economic downturn such as a recession, and adverse sensitivity to changes in interest rate levels, especially during a period of rising rates. The performance of an individual client portfolio with a need for current income may vary significantly from the client's Target Risk benchmark, model portfolios and other client portfolios due in part to portfolio construction and considerations for current income. We attempt to balance a client's need for consistent income with those of portfolio growth and capital preservation, and our efforts may not always be sufficient to prevent a loss of portfolio value and income.

8c: Risk of Loss

PPWM will use our best judgment and good faith efforts in rendering services to you. We cannot warrant or guarantee any level of account performance, or that the account will be profitable over time. You assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understand that investment decisions made for this account are subject to various market, currency, economic, political and business risks.

No Liability

Except as may otherwise be provided by law, we will not be liable to you for:

- a) any loss that you may suffer because of any investment decision made or other action taken or omitted in good faith by PPWM with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- b) any loss arising from our adherence to your instructions; or
- c) any unauthorized act or failure to act by a custodian of your account.

Nothing in this document shall relieve us from any responsibility or liability we may have under state or federal statutes.

All investments include a risk of loss. Investing entails many risks, including the possible risk of principal. An investment in any equity, bond, fund or other financial instrument may be speculative and involve significant risks. Investors should understand these risks and have the financial ability and willingness to accept these risks before considering any investment strategy.

We cannot guarantee any level of performance or that you will not experience financial loss. You must understand that there is a risk of loss of the assets we manage due to circumstances out of our control. We use our best efforts and expertise to manage your assets.

Not every investment decision or recommendation made by us will be profitable.

Time Horizon / Risk Tolerance

We ask clients to carefully consider their time horizon and risk tolerance when approving what investment strategy or strategies we will employ in their accounts. **Following a significant decline in stock prices may not be the best time to switch your risk tolerance from aggressive to conservative, for example, 2020 may be one of the best examples, as panic beset markets in March of 2020, with the S&P 500 falling -36% over the course of four weeks, and subsequently rising +72% from the March low through the end of the year. Once again, those who sold their stocks into the panic failed to benefit from the recovery in stock prices that followed.** Additionally, after a long and significant rise in stock prices may not be a good time to switch your risk tolerance from conservative to aggressive. We have seen this kind of behavior repeatedly. From our general experience, such behavior has been detrimental to our pursuit of reasonable risk-adjusted returns over the intermediate to longer-term.

Financial Panics

The financial panic of 2008/2009 demonstrates that financial markets can be extremely volatile. Investors that did not have the risk tolerance to accept the volatility that ensued or a long enough time horizon to wait for the recovery, suffered significant loss when they sold during the financial panic and did not participate in the recovery of asset prices when the panic and recession ended.

Bear Markets

Near the beginning of Item 8, we describe how our investment methodology is considered within the context of a market cycle. Our analytical approach, research process, investment strategies, portfolio construction, risk management and pursuit of reasonable risk-adjusted returns are all designed to manage risk and derive returns from the natural ebb and flow of economic activity and asset prices. This ebb and flow is identified as expansions and contractions, bull and bear markets. Contractions, also called recessions, are always accompanied with a bear market, commonly defined as a -20% or more decline in prices since the most recent peak for stocks. It is very difficult to precisely time and avoid a bear market. **If you choose to invest in financial markets, bear markets come with the territory.**

The Big Assumption

Our investment process is predicated on the assumption that market cycles will continue, and general progress will continue. **In our view, the single largest risk to the investment strategies we use in managing client accounts is that there may be a decline and no recovery.**

General Progress

In the 20th and 21st century, history records expansions and contractions, bull and bear markets, deflations, hyperinflations, wars, pandemics, famine, the threat of nuclear war, civil unrest, terrorist attacks, political gridlock, political uncertainty, corruption, scandal, over-regulation, de-regulation, financial panics, banking crises, waves of globalization, waves of immigration, demographic transitions, high unemployment, technological unemployment, trade wars, currency depreciations, massive public debts and deficits, market crashes, manias, bubbles and busts. Somehow, we believe the consensus is that both centuries have been a period of general progress and wealth creation. However, there is a probability that progress may end. We discuss this in more detail below.

End of General Progress

It has been our experience that markets go through cycles of expansion and contraction, bubbles and busts, bailouts, and recoveries. There is evidence that these economic cycles have been prevalent since the beginning of Industrial Revolution that unfolded during 18th century. We believe that these cycles will continue into the future. These cycles are not inevitable, and we do not guarantee that future recessions, bear markets and financial panics will end with a recovery in asset prices. **It is possible that asset prices**

never recover. Up to this point in history, Japanese stocks and residential real estate, which experienced a massive bubble in the late 1980s and subsequent bust in the early 1990s have never fully recovered. This risk applies to the economy, any asset class or investment that we make on behalf of the client.

New Dark Ages

There is a possibility that general progress and all economic expansion could come to an end, a modern version of the Dark Ages. The Dark Ages, also called the Middle Ages, is a period of history that is considered to have started with the fall of the Roman Empire during 5th century and lasted until the 14th century. The 14th century marks the beginning of a period called the Renaissance, which is a time of resurgence in Europe. The Renaissance falls between the Middle Ages and the Modern Era. The Modern Era began in the 15th century when Europeans expanded their mercantilist activities into Africa, then the western hemisphere and Asia in the 16th century. This era of world exploration and proto-globalization is called the Age of Discovery.

What is the Point?

The Dark Ages are often considered a period when general progress stalled. We accept that general progress may stall, and our investment methodology may not work, and with this comes the risk of loss. As we warned earlier, if there is a zombie apocalypse, or similar event, all bets are off. The end of progress may seem like a ridiculous discussion, but we had these kinds of discussions with clients during the Financial Panic of 2008 / 2009. Some rejected our views and did not participate in any recovery. Once again, in March 2020 a panic was created by the COVID-19 pandemic, leading some investors to express apocalyptic outlooks and sell their investments when asset prices were depressed. These investors were unwilling to wait for the subsequent recovery in asset prices, and consequently locked in losses that could have been avoided. It is our assumption that we will have these same discussions again, and this process will repeat itself, until the very nature of progress, economic cycles and human behavior is significantly different than it has been, at least as it has been for the last couple of centuries.

If you do not have the risk tolerance to accept the inevitable volatility that comes with investing in financial markets, or you do not have the time horizon to wait for any potential recovery in asset prices, or you believe that we are the brink of a new Dark Ages, where general progress comes to a halt, our investment counsel, advice and investment strategies are not for you.

Selection Risk

You increase the risk that you may have no recovery in asset prices when you invest in individual stocks and bonds, as well as sector or country specific funds. Think of companies like WorldCom, Enron, Lehman Brothers, AIG, or Washington Mutual; countries like Argentina, Russia or Venezuela. Diversification in broad assets classes and pooled investment vehicles may help mitigate this risk.

Our Experience

Our experience covers a relative short time period. We offer the following list as experience we have advising clients and managing investments. The things we have learned from these events, we believe, inform our views, have affected our process and methodologies, and have allowed us to witness in real-time how investors behave and the decisions they make during periods of market turmoil. **We caution investors that our experience may add no value and that our methodology and process may result in only losses going forward.**

Bear Markets		OECD Recessions		OECD Expansions / Recoveries	
Asia	1997 – 1999	Europe	1995 - 1996	U.S.	1996 – 2000
Global	1998	Asia	1997 – 1998	Europe	1997 – 1998
Global	2000 – 2003	Europe	1998	Asia	1998 – 2000
Global	2007 – 2009	Asia	2000 - 2002	Europe	1999 - 2000
Europe	2010 – 2011	U.S.	2001 - 2003	U.S.	2003 – 2007
Asia	2010 - 2013	Europe	2001 - 2003	Asia	2002 - 2008
U.S.	2011	Global	2007 – 2009	Europe	2003 – 2008
Europe	2015 – 2016	Asia	2011 - 2012	Europe	2009 - 2011

Emerging Markets	2015 - 2016	Europe	2011 – 2013	Asia	2009 – 2011
Asia	2015 - 2016	U.S.	2012 - 2014	Asia	2012 - 2014
China	2015 – 2016	Asia	2014 – 2016	U.S.	2009 – 2012
China / Asia	2018 - 2019	U.S.	2015 - 2017	U.S.	2013 - 2015
Europe	2018	Asia	2018 - 2020	Europe	2013 – 2017
Global	2020	Europe	2017 to 2020	Asia	2016 – 2018
Europe	2022	U.S.	2020	U.S.	2017 – 2020
Global	2022 - present	Asia	2021 - present	Asia	2020 to 2021
				Europe	2020 to present
				U.S.	2020 to present

Banking Crisis / Financial Panics		Bailouts		Bubbles and Busts	
Asia	1997 – 1999	Asia	1997 – 1998	Asia	1997 – 1999
Russia / LTCM	1998	Russia / LTCM	1998	Dot Com	2000 – 2002
U.S.	2008 - 2009	U.S.	2008 - 2009	U.S.	2008 – 2009
Europe	2010 – 2012	Europe	2011 - present	Real Estate	2007 – 2010
China	2015	U.S. / Global	2020	China	2014 - 2016
Global	2020				

Source: Bear markets are considered a -20% decline from the most recent peak. U.S.: S&P 500; Europe: Stoxx 600; Asia: Shanghai Stock Exchange Composite Index, Tokyo Nikkei Average, Seoul Composite Index, India Nifty 500 Index, Dow Jones Indonesia Stock Index. Recessions / Expansions: OECD / Federal Reserve; LTCM: Long Term Capital Management was a hedge fund that required a bailout organized the Federal Reserve in 1998 to end a financial panic.

Experience: Going Through a Market Cycle

Our founding principal, Jason McMillen, started in the financial services industry in 1996. At that time, Asia was on the brink of a bear market. His experience is the foundation of our investment methodology, counsel and advice to our clients. We offer the following recollection of his experience with the *Asian Financial Crisis* to give clients a picture of how market cycles evolve, and the risks involved with investing.

Asian Bubble

The so-called *Asian Tigers* (Hong Kong, Singapore, South Korea and Taiwan) had been through an unprecedented period of economic growth that essentially started with the end of the Korean War in the 1950s and lasted until 1997. It was called the *Asian Miracle*. Japan had experienced a similar economic miracle that started after World War II and ended in spectacular fashion with a massive stock market / real estate bubble and subsequent bust that begun in 1989 and lasted until 1992 from which Japan has never fully recovered. A bubble is a dramatic rise in asset prices based on irrational exuberance rather than economic fundamentals. A bust is the crash in prices that follows a bubble. Bubbles and busts are related to expansions and contractions, and bull and bear markets.

Asian Financial Crisis

In the last month of 1996, Mr. McMillen would start building research files on Asia with the purpose of creating a strategy to invest in Asia. In the spring of 1997, his boss would visit several countries in southeast Asia and when he came back he said they would focus on Thailand. In the summer of 1997, Thailand's currency would come under significant pressure as investment speculators attacked the currency draining the Thai government of its reserves. No longer able to defend the Thai baht that was fixed at 25 baht to the U.S. dollar, the currency would collapse. This event marked the beginning of what would be called the *Asian Financial Crisis*. At that time, Mr. McMillen was actively involved in making investments in Thai financial institutions under the assumption that they would receive assistance from the Thai government. This idea was based on his boss's experience with the *Savings and Loan Crisis* in the U.S. in the late 1980s, and the *Mexican Peso Crisis* in 1994.

Busts and Panics

Fast-forward to the U.S. during 2007, when large numbers of subprime loans started defaulting and stretched real estate prices were falling. This real estate bust would morph into a banking crisis and financial panic. Fast forward to 2010, when Greece announced that it would not be able to service its debts which precipitated a financial crisis that spread throughout various countries and financial institutions in Europe. The Asian crisis of the late 1990s is very similar to both of these crises, as well as the *Savings and Loan Crisis* of the late 1980s and *Mexico Peso Crisis* of the early 1990s. A common thread of all these periods of financial distress was real estate was significantly overvalued, driven by excessive leverage. Credit, which was abundant leading up to the crisis, quickly dried up. Without functioning credit markets, growth in a modern economy comes to a halt. No country in Asia could escape the carnage in financial markets and the recession that ensued. For Asia, it was comparable to the *Great Depression* of the 1930s. Meanwhile, in the U.S., we were in the middle of our own mania called the *Dot Com Bubble* which would go on for three more years while Asia was going through a depression.

Bailouts

In the end, the International Monetary Fund ("IMF") would step in and provide assistance to South Korea, Thailand and Indonesia. Their governments would take extraordinary action to support their banking systems, assist in the workouts of a large number of bad loans, and take steps to reform their financial systems. Asia would start growing again in late 1998, until a recession started in the U.S. in 2001. Asia would experience very robust economic growth from 2003 until 2008, when the financial crisis was in full swing in the U.S. The U.S. government and Federal Reserve would bail out the U.S. financial system in 2008 / 2009. European governments, the European Central Bank and the International Monetary Fund would provide bailouts to several European countries starting in 2010 through 2012, and extraordinary support continues to the present as Europe recovers from their financial crisis. Japan's government is still taking extraordinary measures to reboot its economy that has never fully recovered from their bubble/bust nearly three decades ago.

Recoveries

In the middle of the financial crisis in Asia, many people predicted that Asia would experience a "lost decade", a term used to describe the economic malaise that afflicted Japan in the 1990s after its massive bubble and bust. This term has also been applied to Latin America after their debt crisis that started in 1982. Similar predictions came during the *Dot Com Bust*, and the *Financial Crisis of 2008 / 2009*. Some people have suggested the 2000s were a lost decade for the U.S. with two major bear markets and the *Great Recession*. During the *European Debt Crisis* in the first part of this decade, many suggested the demise of the European Union and a lost decade for Europe. Europe started growing again in 2013 until the end of 2017 based on OECD measures but is still expanding by traditional GDP standards. It is true that Japan's stock market and real estate prices, especially residential, have never returned to their pre-1990s highs. While not a global phenomenon, it does show that a very large and advanced economy can fail to make new highs in assets values for an extended period of time. A permanent or lengthy decline in *General Progress* that would affect multiple economies and asset classes simultaneously for an extended period of time (multiple decades or centuries) is the single largest risk, in our view, to our methodology and investment strategies, which are based on the assumption of the continuation of market cycles.

Item 9 – Disciplinary Information

9a: Civil or Criminal Actions

PPWM and its managers have never been found guilty, convicted or plead no contest to a criminal or civil action in a domestic, foreign or military court.

9b: Administrative Enforcement Proceedings

PPWM and its managers have never been found by the SEC, any other state or federal agency or any foreign regulatory agency to have caused loss of the ability of an investment-related business to do business or been sanctioned, barred, or limited in investment-related activities.

9c: Self-Regulatory Organization Enforcement Proceedings

PPWM and its managers have never been found by a self-regulatory agency to have caused loss of the ability of an investment-related business to do business. Additionally, PPWM and its managers have never been found in

violation of self-regulatory agencies rules such that they were barred, suspended, limited in advisory functions or fined.

Item 10 – Other Financial Industry Activities and Affiliations

10a: Broker Dealers and Registered Representatives

Neither PPWM nor any of its employees are registered or intend to register as a broker-dealer or a registered representative of any broker-dealer.

10b: Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither PPWM nor any of its employees are registered or intend to register as a futures commission merchant, commodity pool operator or commodity trading advisor.

10c: Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

The principal business of PPWM is that of a registered investment advisor. As described in Item 5e of this brochure, some of our associated persons may also provide insurance services to PPWM's advisory clients. Employees and investment advisor representatives who are insurance agents may receive commissions or fees in connection with the provision of these insurance related services. In cases where they receive additional payment, there may be a conflict of interest. At all times, you are free to choose an outside insurance agency or agent to avoid the possibility of there being a conflict of interest. The activities, amount of time spent, and services provided are detailed in each of our investment advisor representatives' Part 2B Brochure Supplements.

We will disclose any material conflict of interest relating to the firm, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

10d: Selection of Other Advisors and How this Advisor is Compensated for those Selections

PPWM is not paid for the selection of other advisors, asset managers or portfolio managers.

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

11a: Code of Ethics Description

PPWM has adopted a Code of Ethics that governs many potential conflicts of interest we have when providing advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you and to stresses the importance of a culture of compliance within our firm.

An additional benefit of our Code of Ethics is to detect and prevent violations of securities laws, including obligations we owe to you. Our Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code of Ethics with annual training and on-going monitoring of employee activity. A complete copy of our Code of Ethics will be supplied to you, free of charge, if you request it.

The Code of Ethics includes the following:

- Requirements related to the confidentiality of your personal, business and financial information
- Prohibitions on insider trading (if we are in possession of material, non-public information)
- Reporting of gifts and business entertainment
- Internal tracking and reporting of employee and firm transactions
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call "reportable securities" as mandated by law)

On an annual basis, we require all employees to re-certify their acceptance and understanding of our Code of Ethics; identify members of their household and any account to which they have a beneficial ownership (including accounts they own or over which they exercise authority); and disclose all of their securities holdings, including securities held in certificate form.

11b, c & d: Participation or Interest in Client Transactions

PPWM or its employees, may buy and sell some of the same securities for our own accounts that we buy and sell for our clients. We will always buy or sell from our clients' accounts before we buy or sell from our accounts. In some cases, PPWM or its employees, may buy or sell securities for our own accounts and not for clients' accounts, as such securities may not meet the objectives or plans for the client.

PPWM will fully disclose its participation or interest in any client transactions so that you can make informed decisions. We will always evaluate our activity from the view of our clients to ensure that any and all required disclosures are made. For example, we will disclose anything that would cause you to be unfairly influenced to make any decision regarding actions or inactions in your account.

Item 12 – Brokerage Practices**12a: Selecting Brokerage Firms**

As part of our services, we will recommend a broker-dealer to the client to serve as the custodian of your assets. Our primary custodian currently is TD Ameritrade Institutional. We are in no way representatives or agents of our custodians. They are simply a service we use to facilitate our advisory services. We may recommend moving custodians at any time. We have selected our custodian(s) because of their competitive pricing in terms of their common custodial fees and commission rates to affect transactions. Other considerations include the reliability, speed of processing, interface and tools, and ability to deliver "best execution" in terms of the price of securities purchased in open markets. Clients are not required to effect transactions through any broker-dealer recommended by us. Clients may ask us to use other custodians and broker-dealers to affect transactions.

If the client selects a broker-dealer other than those recommended by our firm (i.e., directed brokerage), you are advised that we may be unable to seek best execution of transactions for your account and your commission costs may be higher than those experienced by clients who have engaged our recommended custodian(s). For example, in a directed brokerage account, you may pay higher brokerage commissions and/or receive less favorable prices on the underlying securities purchased or sold for your account. In addition, where you direct brokerage, we may place orders for your transactions after we place transactions for clients using our recommended custodian. We reserve the right to reject your request to use a particular broker-dealer if such selection would frustrate our management of your account, or for any other reason.

PPWM may purchase software, tools, training programs or seminar services from the custodian. Additionally, the custodian may provide services, tools, or other non-financial benefits for using the custodian's services. However, we endeavor always to put the interests of our clients first. You should be aware, however, that our receipt of the types of benefits discussed above can create a potential conflict of interest by influencing our choice of the broker-dealer to recommend to clients (i.e., TD Ameritrade Institutional).

To avoid creating a possible conflict of interest in recommending any custodian and broker-dealer, we have established the following restrictions in order to ensure its fiduciary responsibilities:

- PPWM adheres to our Code of Ethics as outlined in Item 11 above.
- PPWM emphasizes the unrestricted right of you to select and choose your own broker or custodian.
- PPWM will always act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- PPWM does not receive client referrals or compensation (other than the benefits described above) in exchange for recommending any broker-dealers or custodians.

12b: Sales Aggregation

PPWM is authorized to aggregate purchases and sales and other transactions made for your account with purchases and sales and other transactions in the same or similar securities or instruments for other clients of ours. When we aggregate transactions, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price obtained. Stock exchange regulations may in certain instances prevent the executing broker-dealer from delivering to the account a confirmation slip with respect to its participation in the aggregated transaction and, in such event, we will advise you in writing of any purchase or disposition of instruments for the

account with respect to any such aggregated transaction. We will direct that confirmations of any transactions effected for the account will be sent, in conformity with applicable law, to you.

Item 13 – Review of Accounts

13a: Periodic Reviews

Accounts are reviewed and supervised by Jason S. McMillen, President, and Jacob I. Becker, Co-Chief Investment Officer. Accounts are typically reviewed on a quarterly basis, but in no event less than annually.

13b: Review Triggers

More frequent reviews are triggered by a change in your investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; or, changes in the investment environment or economic outlook specifically related to our key factors described in our investment methodology:

- GDP (Economic Growth)
- Interest Rates (Monetary Conditions)
- Inflation
- Earnings
- Valuations

13c: Regular Reports

All investment advisory clients will receive quarterly written reports from PPWM for assets under management with the firm. The custodian will separately provide trade confirmations, monthly and/or quarterly statements. We strongly recommend that clients review these statements carefully for any errors and stay current with their investment strategy and portfolio solutions.

Item 14 – Client Referrals and Other Compensation

14a: Economic Benefits Provided by Third Parties for Advice Rendered to Clients

Except as described in section 12a with respect to our receipt of certain benefits from the recommended custodian(s) (e.g., TD Ameritrade Institutional), PPWM does not receive economic benefits from third parties for the advice we render to our clients.

14b: Compensation to Non-Advisory Personnel for Client Referrals

PPWM does not directly or indirectly compensate any person for client referrals.

Item 15 – Custody

All client funds and securities are held in the client's name in the custody of an independent qualified custodian. PPWM shall have no liability to the client for any loss or other harm to any property in the client's account as the result of non-directed activities. This includes harm to any property in the account resulting from the insolvency of the custodian or any unauthorized acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer.

PPWM has the ability to withdraw its advisory fees from client accounts only where explicitly authorized to do so in writing by the client. In these circumstances, the custodian of the client's account will independently send the client a written account statement at least quarterly, identifying the amount of funds and each security in your account at the end of the period and setting forth all transactions in your account during the period, including the amount of any fees paid to us. Your custodian is not responsible to verify the accuracy of our fee calculations. Therefore, we encourage you to review the custodian's account statements carefully upon receipt. If you believe our fees have been miscalculated or if there is any other issue with your account, you should contact us immediately at the phone number listed on the cover page of this brochure.

In addition to this, clients may elect to execute standing letters of authorization (“SLOAs”) granting PPWM the ability to disburse or transfer funds from their accounts held at the qualified custodian to third party payees. Where a client has executed a SLOA, PPWM follows the guidance set forth in the SEC’s no-action letter to the Investment Advisor Association dated February 21, 2017.

As a fiduciary, we will always act in the client’s best interests and in doing so, the above does not limit or modify that duty to our clients. We strongly urge you to review and compare the investment advisory fees contained in the custodial statement with any statements or reports we provide to you for accuracy.

Item 16 – Investment Discretion

PPWM asks our clients to give us discretionary authority to execute transactions without the client’s prior approval. These transactions may include the purchase and sale of securities, arrangement for payments or generally acting on behalf of our clients in most matters necessary to the handling of the account and fiduciary duties.

In certain circumstances, we will request non-discretionary authority over our clients’ accounts. Non-discretionary authority requires us to obtain your prior approval of each specific transaction prior to executing investment recommendations. Clients are under no obligation to give us discretionary authority.

Item 17 – Voting Client Securities

Unless otherwise agreed, we do not vote proxies on behalf of our clients. Clients of PPWM retain the authority to proxy vote and will continue to do so unless we otherwise may agree in writing. You should ensure that proxy ballots are mailed directly to you by selecting this option on your custodial application forms. You are welcome to delegate said proxy voting authority to a third-party representative (non-advisory personnel) by filing the appropriate custodial form.

Item 18 – Financial Information

18a: Balance Sheet

PPWM does not solicit prepayment of more than \$1,200 in fees per client six (6) months or more in advance.

18b: Financial Conditions

PPWM has no financial issues that could impair our ability to carry out our fiduciary duty to our clients.

18c: Bankruptcy Petition

PPWM has never been the subject of a bankruptcy petition.