

**FORM ADV PART 2A  
DISCLOSURE BROCHURE**



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**March 28, 2023**

This Form ADV Part 2A ("Disclosure Brochure") provides information about the qualifications and business practices of PARCO Wealth Management ("Advisor"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (833) 467-2726 or by email at [info@goparco.com](mailto:info@goparco.com). The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Advisor to assist you in determining whether to retain Advisor. Additional information about Advisor is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching our CRD number 306826

## **Item 2 – Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

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

Since the last filing on April 22, 2022, no material changes have occurred.

At any time, the current Disclosure Brochure is available on the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching Advisor name or CRD number 306826. A copy of this Disclosure Brochure may be requested at any time, by contacting at (833) 467-2726 or by email at [info@goparco.com](mailto:info@goparco.com).

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## Item 4 – Advisory Services

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### **Firm Information**

PARCO Wealth Management (“PWM”, “the Firm”) was founded to provide retirement services for the three million people employed by the United States government. It was incorporated in Washington, DC in 2020 and became registered as an investment advisor with the Securities & Exchange Commission (“SEC”) in 2022. Daniel Hampel serves as Chief Compliance officer and Financial Advisor. Daniel previously held leadership positions at a financial firm in St. Louis and before that served as an auditor in the gaming industry.

### **Asset Management**

Assets are managed on a discretionary basis, as authorized by a written asset management agreement. Discretionary authority grants Advisor ongoing and continuous authority to execute its investment recommendations without the client's prior approval of each specific transaction. Under this authority, client shall allow Advisor to purchase and sell securities and instruments in this Account(s), arrange for delivery and payment on behalf of the client in all matters necessary or incidental.

At no time will Advisor accept or maintain custody of a client's funds or securities. All client assets will be managed within their designated brokerage account or pension account, pursuant to the Client investment advisory agreement.

- Investment advice is not limited to certain investment types
- There is no minimum investment required to open or maintain an account
- Advisory services are tailored to the individual needs of each Client

**Wrap Fee Program** - we do not currently sponsor or recommend any wrap fee programs to our clients. We may change this policy in the future

### **Client Assets under Management**

As of December 31, 2022, PARCO Wealth Management has approximately \$4,975,975 in discretionary client assets under management.

## Item 5 – Fees and Compensation

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### **Investment Management**

Investment Management Fees are paid quarterly in arrears according to the below schedule. The account custodian calculates the advisory fee based on the prior quarter average daily account value.

<b>Assets Under Management (\$)</b>	<b>Annual Rate (%)</b>
Up to \$1,000,000	up to 1%
Above \$1,000,000	Negotiable

- Clients will receive quarterly statements from the Custodian that provide details of the advisory fees
- The investment advisory fee in the first period of service is prorated from the inception date of the account[s] to the end of the first quarter
- Asset management fees are exclusive of and in addition to, brokerage fees, transaction fees, and other related costs and expenses

#### Compensation for Sales of Securities

The Firm is not associated or affiliated with any broker-dealer firm or issuer of securities. Accordingly, our firm does not receive any commissions or other compensation as a result of our recommendation or sale of securities to a client. We act as your fiduciary and will only recommend investments to you which we believe to be in your best interest.

Clients are advised that certain PWM Investment Advisors are licensed to sell insurance in one or more states and may be affiliated with a licensed general insurance agency or act as a direct agent representative of a specific insurance company or companies. Insurance related business is transacted with advisory clients and PWM's insurance licensed individuals may receive commissions resulting from their sale of insurance products to advisory clients. Clients are advised that the fees paid to us for investment advisory services are separate and distinct from the commissions earned by any individual or insurance agency. If requested by the client, we will disclose the amount of commission expected to be paid.

The receipt of insurance related commissions by any individual associated with the firm presents a conflict of interest. As fiduciaries, we must act primarily for the benefit of our investment advisory clients. As such, we will only transact insurance related business with clients when suitable and appropriate. Clients are informed that they are under no obligation to use any individual associated with our firm or affiliated general insurance agency.

Educational Approach to Rollovers. As a firm policy, we do not provide recommendations to clients with respect to the rollover of assets between employer sponsored retirements accounts (e.g., 401(k), 457 plans, and 403(b) accounts) and individual retirement accounts (e.g., Roth IRAs, Traditional IRAs, SIMPLE IRAs, and SEP IRAs). Instead, the firm takes an educational approach in accordance with the U.S. Department of Labor's Interpretive Bulletin 96-1. Under this approach, our role will be strictly limited to providing you with general educational materials regarding the nature and potential consequences of rollover transactions. We will make no

recommendation to you regarding the prospective rollover of your assets and we advise clients to speak with their trusted tax and legal advisors with respect to all rollover decisions. You will make the final rollover decision.

Termination- contract between Advisor and a client may be canceled at any time.

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

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We do not accept performance-based fees, fees based on a share of capital gains on or capital appreciation of the assets of a Client (such as a Client that is a hedge fund or other pooled investment vehicle). Advisor also does not participate in side-by-side management, where an advisor manages accounts that are both charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee.

## **Item 7-Types of Clients**

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Advisory services are primarily designed for individuals with pensions and their families.

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

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We take a deliberate, yet simple approach to managing client assets and portfolios. Our chief investment approach for client assets uses primarily low fee, highly liquid exchange traded funds.

Asset Allocation - Rather than just focusing on selecting the particular securities or other assets to invest for your account, we attempt to identify an appropriate ratio of various types of investments (for example, stocks, fixed income, and cash) suitable to investment goals, time horizon, and risk tolerance. A risk of asset allocation is that you may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate to meet with your investment goals.

ETF Selection and Analysis - We evaluate and select ETFs for your account based on several factors which may include, without limitation, (1) the cost (2) the performance of the ETF over time and through various market conditions; (3) expected market conditions that might impact the underlying holdings of ETF or applicable market sector. We also monitor the ETF in an attempt to determine if the fund is continuing to follow its stated investment strategy.

A risk of ETF analysis is that, as in all securities investments, past performance does not guarantee future results. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that a

manager may deviate from the stated investment mandate or strategy of the ETF, which could make the holding(s) less suitable for the client's portfolio.

We act as your fiduciary in rendering investment advice. We cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment recommendation we make will be profitable. Investing in securities involves risk of loss that clients should be prepared to bear. You assume all market risk involved in the investment of your account assets. Investments are subject to various market, currency, economic, political, and business risks.

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

- any loss that you may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; or
- any independent act or failure to act by a custodian of your account(s).

Summary of Investment Risks. While all investing involves risks and losses can and will occur, our advisory services generally recommend a broad and diversified allocation of securities and other investments intended to reduce the specific risks associated with a concentrated or undiversified portfolio. Nonetheless, you should consider the following high-level summary of investment risks. This list is not intended to be an exhaustive description of all risks you may encounter in engaging our firm for advisory services. We encourage you to inquire with us frequently about the risks related to any investments in your account.

Risk of Loss- Securities investments are not guaranteed, and you may lose money on your investments

Economic Risk- The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses.

Financial Risk- Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the "dot com" companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

Market Risk- The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not a guarantee of future returns

Interest Rate Risk- Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down.

Risks Related to Analysis Methods- Our analysis of securities relies in part on the assumption that the issuers whose securities we recommend for purchase and sale, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Securities Transactions at the Direction of Clients- All assets are held at the Custodian in your name and you will always maintain the concurrent ability to direct transactions within your account. We are not responsible for the consequences of your self-directed investment decisions or the costs and fees they generate within your account.

Interim Changes in Client Risk Tolerance and Financial Outlook- The particular investments recommended by our firm are based solely upon the investment objectives and financial circumstances disclosed to us by the client. While we strive to meet with clients at regular intervals (at least annually, unless otherwise agreed, either in person, telephonically, or by electronic means) to discuss any changes in the client's financial circumstances, the lack of constant and continuous communication presents a risk insofar as your liquidity, net worth, risk tolerance and/or investment goals could change abruptly, with no advance notice to our firm, resulting in a mis-aligned investment portfolio and the potential for losses or other negative financial consequences.

It is your continuing and exclusive responsibility to give us complete information and to notify us of any changes in your financial circumstances, income level, investment goals or employment status. We encourage you to contact us regularly and promptly to discuss your investment and any changes to your financial circumstances.

## **Item 9 – Disciplinary Information**

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There are no legal, regulatory, or disciplinary events involving Advisor or any of its Supervised Persons.

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

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### Broker Dealer Affiliations

Advisor does not have a broker/dealer affiliation

### Insurance Agency Affiliations

Certain Investment Advisor Representatives are also a licensed insurance professional (agent) in their individual capacity. Insurance Agents earn commission compensation for selling insurance products. Commissions generated by insurance sales do not offset regular advisory fees. This represents a conflict of interest. Clients are under no obligation to implement any recommendations made.

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

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### Code of Ethics

Advisor and its Supervised Persons owe a duty of loyalty, fairness, and good faith towards each Client. Advisor has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact us at (833) 467-2726 or by email at [info@goparco.com](mailto:info@goparco.com).

### Personal Trading with Material Interest

Advisor does not act as principal in any transactions. In addition, Advisor does not act as the general partner of a fund or advise an investment company. Advisor does not have a material interest in any securities traded in Client accounts.

### Personal Trading in Same Securities as Clients

Advisor allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted a Code of Ethics to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting.

## **Item 12 – Brokerage Practices**

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Recommendation of Broker-Dealers- Unless otherwise agreed upon, as a condition of engaging us for asset management services you will be required to separately engage the custodial and trade execution services of the below firm(s). These firms do not monitor or control the activities of our firm. Your assets will be held in accounts maintained by the broker dealer. Trades and any associated commission charges will be determined by the broker dealer.

Charles Schwab & Co. Inc 211 MAIN STREET SAN FRANCISCO, CA 94105

CRD#: 5393/SEC#: 801-29938,8-16514

Altruist Financial LLC 3030 S LA CIENEGA BLVD CULVER CITY, CA 90232

CRD#: 299274/SEC#: 8-70244

### Best Execution

In recommending broker-dealers, we have an obligation to seek the “best execution” of transactions in your account. This duty requires that we seek to execute securities transactions for clients such that the total costs or proceeds in each transaction are the most favorable under the circumstances. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the recommended broker-dealer’s services. The factors we consider when evaluating a broker-dealer for best execution include, without limitation, the broker-dealer’s: Execution capability; Commission rates; Financial responsibility; Responsiveness and customer service; Custodian capabilities; Research services/ancillary brokerage services provided; and Any other factors that we consider relevant. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for specific account transactions. With this in consideration, our firm will continue to recommend that clients use Fidelity until their services do not result, in our opinion, in best execution of client transactions.

### Electronic Trading and Order Routing System

Electronic trading and order routing systems differ from traditional open outcry pit trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchanges offering the system and/or listing the contract. Advisor is responsible for directing trading in accordance with relevant policies, procedures and trading rules of the exchanges or systems to which orders are routed.

### Soft Dollars

Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. Advisor does not receive soft dollars; however, Advisor receives support services and/or products from our custodians to better monitor and service program accounts maintained on behalf of Advisor’s clients. These support services and/or products are received without cost, at a discount, and/or at a negotiated rate, and can include the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products and services used by Advisor in furtherance of its investment advisory business operations
- custody of securities
- trade execution
- clearance and settlement of transactions

The research products and services provided by a Custodian can include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making. These support services provided by a Custodian to Advisor are based on the overall relationship between Advisor and the Custodian. It is not the result of soft dollar arrangements or any other express arrangements with the Custodian that involves the execution of client transactions as a condition to the receipt of services.

- Advisor will continue to receive the services regardless of the volume of client transactions executed with the Custodian.
- Clients do not pay more for services as a result of this arrangement.
- There is no corresponding commitment made by the Advisor to the Custodian or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement.

#### Transaction Fees

The Custodian charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). The Custodian enables the Advisor to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The Custodian's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by the Custodians may be higher or lower than those charged by other custodians and broker/dealers.

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

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Account reviews are conducted on an ongoing basis by the Investment Advisor Representative. All Clients (in person or via telephone or other electronic means) are encouraged to review financial planning issues, investment objectives and account performance with their Investment Advisor Representative. In addition, each client relationship shall be reviewed at least annually. Reviews can be conducted more or less frequently at the client's request. Accounts may also be reviewed as a result of major changes in economic conditions, known changes in the client's financial situation, and/or large deposits or withdrawals in the client's account. The client is encouraged to notify the Advisor if changes occur in the client's personal financial situation that might adversely affect the client's investment plan. Additional reviews may be triggered by material market, economic or political events. The client can establish electronic access to the custodian's website so they can view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s].

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

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Advisor is a fee-based advisory firm, that is compensated by its Clients to provide investment advice and not from any investment product or someone other than the Client. Advisor does not receive commissions or other economic benefit or compensation from product sponsors, broker/dealers or any un-related third party.

## **Item 15 - Custody**

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Advisor does not accept or maintain actual custody of funds or securities. A qualified custodian is responsible to provide Clients with trade confirmations, tax forms and quarterly statements that include account balance(s). Clients are advised to carefully review the information provided by the custodian and notify their Investment Advisor Representative with any questions or if such information is not received. Clients authorize the custodian by separate agreement to deduct advisory fees on behalf of Advisor .

## **Item 16 - Investment Discretion**

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Clients can determine to engage Advisor to provide investment advisory services on a discretionary basis. Prior to Advisor assuming discretionary authority over a Client's account, the Client shall be required to execute an Investment Advisory Agreement, naming Advisor as the Client's attorney and agent in fact, granting Advisor full authority to buy, sell, or otherwise effect investment transactions involving the assets in the Client's name found in the discretionary account

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

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Advisor accepts proxy-voting responsibility and regularly votes, by default, to support the management recommendations of the subject company.

## **Item 18 - Financial Information**

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Neither Advisor, nor its management, have any adverse financial situations to disclose and have not been subject to a bankruptcy or financial compromise.

Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.



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

Effective date: Jan 1, 2023

## **Privacy Policy**

### **Our Commitment to You**

PARCO Wealth Management is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy"). Our relationship with you is our most important asset. We understand that you have entrusted us with your private information and we do everything that we can to maintain that trust. PARCO Wealth Management (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you. We do not sell your nonpublic personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes as discussed below. Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### **Why you need to know?**

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

What information do we collect from you?

Employment Information and or Government ID	Date of birth
Social Security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service your account

### **How do we protect your information?**

To safeguard your personal information from unauthorized access and use we maintain physical, procedural, and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates

are trained on their responsibilities to protect clients' personal information. We require third parties that assist in providing our services to you to protect the personal information they receive from us.

#### **How do we share your information?**

PARCO Wealth Management shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

<b>Basis For Sharing</b>	<b>Do we share?</b>	<b>Can you limit?</b>
<b>Servicing our Clients.</b> We may share nonpublic personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, consultants or other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes.</b> Advisor does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where the Advisor or the Client has a formal agreement with the financial institution. We will only share information for purposes of servicing your accounts, not for marketing purposes.	No	Not Shared
<b>Authorized Users.</b> Your nonpublic personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients.</b> Advisor does not disclose and does not intend to disclose, nonpublic personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

<b>Other Important Information</b>
Information for California, North Dakota, and Vermont Customers. In response to applicable state law, if the mailing address provided for your account is in California, North Dakota, or Vermont, we will automatically treat your account as if you do not want us to disclose your personal information to non-affiliated third parties for purposes of them marketing to you, except as permitted by the applicable state law.

#### **Changes to our Privacy Policy**

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise this Policy and will provide you with a revised Policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

#### **Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (833) 467-2726 or by email at [info@goparco.com](mailto:info@goparco.com).