

***Item 1 - Cover Page***

**NORTHWEST WEALTH MANAGEMENT, LLC**  
FORM ADV – PART 2A Appendix 1 Information

1607 W. 18th Street Spencer, IA 51301

Phone: (877) 207-0994

[www.invest-northwest.com](http://www.invest-northwest.com)

August 21, 2023

This Brochure provides information about the qualifications and business practices of Northwest Wealth Management, LLC (“NWM”). If you have any questions about the contents of this Brochure, please contact us at (877) 207-0994. 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.

NWM is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about NWM is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for NWM is 152816.

## ***Item 2 - Material Changes***

This Item of the Brochure will discuss only specific material changes that are made to the Brochure since our last annual update and provide clients with a summary of such changes.

We made the following changes to this Brochure:

- Item 4 was amended to disclose that NWM provides its Asset Management Services Program through TD Ameritrade, Inc. (“TDA”) and Charles Schwab & Co., (“Schwab”), both securities broker/dealers, and members of FINRA/SIPC.
- Item 6 was amended to address any potential conflicts of interest.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Eric Van Der Heide, Chief Compliance Officer at (877) 207-0994.

(Brochure Date: 08/21/2023)

(Date of Most Recent Annual Updating Amendment: 03/01/2023)

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

| Item |   | Page |
|------|---|------|
| 1    | Cover Page.....   | 1    |
| 2    | Material Changes Since Last Annual Update .....         | 2    |
| 3    | Table of Contents .....                                 | 3    |
| 4    | Services, Fees and Compensation .....                   | 4    |
| 5    | Account Requirements and Types of Clients .....         | 7    |
| 6    | Portfolio Manager Selection and Evaluation .....        | 7    |
|      | <i>A. Third-Party Managers</i> .....                    | 8    |
|      | <i>B. Related Managers</i> .....                        | 8    |
|      | <i>C. Other Information</i> .....                       | 8    |
| 7    | Client Information Provided to Portfolio Managers ..... | 9    |
| 8    | Client Contact with Portfolio Managers.....             | 9    |
| 9    | Additional Information.....                             | 9    |
|      | <i>A. Disciplinary Information</i> .....                | 9    |
|      | <i>B. Other Information</i> .....                       | 9    |

#### ***Item 4 – Services, Fees and Compensation***

NWM is registered with the U.S. Securities & Exchange Commission (“SEC”) and noticed filed in various states. NWM has been registered as an investment adviser since April 2010. NWM is wholly-owned by Northwest Financial Corp. Northwest Financial Corp is owned by Dwight Conover and Cornelius B. Conover IV. NWM does not control any other firm.

As of December 31, 2022, NWM had \$605,383,311 in assets under discretionary management and \$0 under non-discretionary management. For assets in the wrap fee program, NWM has \$12,669,169 in assets.

NWM provides counseling, including financial planning, asset management and retirement plan advisory services to a wide variety of clients. This brochure discusses NWM's asset management services offered on a "wrap" fee basis. For information regarding NWM's other services, please see the firm's Form ADV Part 2A, which this brochure is a supplement to.

A wrap fee program is an investment advisory program in which a specified fee or fees not based directly upon transactions in a clients' account is charged for investment advisory services and the execution of client transactions. NWM refers to this wrap fee program as its Asset Management Services Program.

Through the program, clients receive investment analysis, allocation recommendations, monthly or quarterly statements reflecting holdings and transactions, quarterly statements, and ongoing account monitoring services for a portfolio which may include stocks, bonds, mutual funds, exchange-traded funds. NWM will exercise discretionary trading authority over clients' portfolios. This means that NWM Representatives will have authority to purchase and sell securities of their choice in the amounts and at the times they believe is suitable for a client's account.

The initial asset allocation recommendations are based on the financial information gathered from each client including net worth, risk tolerance, financial goals and objectives, investment restrictions and overall financial conditions. Based on this information, the client is provided with investment recommendations designed to provide an appropriate asset mix consistent with the client's objectives. The client's portfolio and its performance are monitored with respect to the client's stated goals and objectives. NWM Representatives meet with the client on an as-needed basis to discuss the portfolio and other aspects of the service. Clients should be aware that Representatives may make different recommendations and effect different trades with respect to the same securities and insurance to different advisory clients. Commissions and execution of securities transactions not covered by the wrap service fee implemented through the custodian/broker dealer recommended by

NWM may not be better than the commissions or execution available if the client used another brokerage firm. However, NWM believes that the overall level of services and support provided to the client by custodians and broker-dealers for any trade not covered by the wrap fee outweighs the potentially lower costs that may be available from other brokerage service providers.

As a general rule, NWM believes that investing is best suited to those who believe in a long-term, buy-and-hold policy. Therefore, clients should not expect frequent investment changes in the portfolio. However, as a result of monitoring the account, portfolio modifications may be advisable and rebalancing will occur.

Investments are not custodied by NWM, rather all investments managed by NWM are custodied at the brokerage firm through which transactions are placed.

In limited circumstances, NWM may combine orders for more than one client's account to form a "block" order for the purpose of seeking a better price and or execution. When a block order is executed, the broker/dealer executing the order typically allocates an average execution price to all shares in the block order, which NWM then allocates to each customer's account position on a pro-rata basis. Should a block order only be partially filled, NWM will ensure a fair and equitable distribution of available shares.

NWM does not guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including conservative investments and strategies recommended or applied by NWM.

NWM may recommend exchange-traded funds ("ETF"). ETF shares are bought and sold at market price unlike mutual funds. ETFs are subject to risks similar to those of stocks.

NWM provides its Asset Management Services Program through TD Ameritrade, Inc. ("TDA") and Charles Schwab & Co., ("Schwab"), both securities broker/dealers, and members of FINRA/SIPC.

Clients should be aware that not all advisers require clients to use a particular brokerage firm. Because clients having accounts managed by NWM are required to open accounts with, and use the transaction services of TDA and Schwab, NWM may not be able to achieve the most favorable execution of client transactions. Thus, use of only TDA and Schwab may cost clients more money.

NWM does not process transactions through TDA or Schwab in return for TDA or Schwab referring new clients to NWM.

#### Asset Management Services Wrap Fees

Fees payable for Asset Management Services are calculated as percentage of the total value of investments under management as set forth below. In addition to this advisory fee, there may be administrative and servicing fees

| <u>Market Value of Account</u> | <u>Annual Rate</u> |
|--------------------------------|--------------------|
| All Values                     | 1.00%              |

In some cases, these fees and whether fees are paid monthly or quarterly may be negotiated. All fees are specified in each client's Service Agreement. In addition to the annual fee, there is a quarterly fee of \$12.00 charged for all accounts less than \$15,000.

The asset-based fee above includes all fees and charges for services, as applicable, of NWM and certain brokerage commissions. The fee does not include the following: (a) charges for services provided by NWM, its affiliates or third parties outside the scope of the Service Agreement (e.g. retirement plan administration fees, trustee fees, wire transfer fees, account fees and charges incidental to brokerage and custodial services, etc.); (b) any taxes for fees imposed by exchanges or regulatory bodies; (c) mark-ups and mark downs charged on principal trades or spreads by market-makers; (d) sales loads and internal operating expenses on mutual funds, exchange traded funds and variable insurance contracts; (e) commissions on transactions occurring after notice of Service Agreement termination is given; and (f) commissions on transactions ordered by a client. Each of these additional charges may be separately charged to the Client's Account or reflected in the price paid or received for a given security.

Advisory fees are payable quarterly or monthly in advance and are calculated on the basis of the market value of the investments in the account including any balances held in money market funds.

For monthly fee calculations, the fee for the initial partial month is waived entirely. Subsequent fees are charged based on the market value of the account as of the last business day of the previous month.

For quarterly fee calculations, the fee for the initial quarter is pro-rated after the remainder of the first month, based on the number of months services will be provided. Subsequent fees are based upon the market value of the account as of the last business day of the previous quarter.

Upon termination of the account, any prepaid advisory fees will be refunded.

With prior client permission, fees payable to NWM are deducted from the client's account when due. NWM will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the automatic deduction of fees from the account is contained in the Service Agreement. The client's periodic portfolio statements from the custodian disclose all amounts disbursed from the account, including advisory and service fees paid. The client may terminate the authorization for automatic deduction of advisory fees payable to NWM at any time by notifying NWM in writing. NWM has the right to amend its fee after providing the client with a 30-day advance written notice.

Any Service Agreement may be terminated by a client without penalty upon delivery of written notice to NWM within five business days after the date of the client's execution of the Service Agreement.

NWM's fees shown above (fees which include both NWM's advisory fee and certain brokerage commissions) may be more or less than those charged by NWM to another client for similar services, and by other advisers for similar services.

Also, NWM's fees may be more or less than the fees and commissions charged by other advisory firms, third-party managers, and brokerage firms if the services were acquired separately. The factors that bear upon the cost of services are the size of the account, type of transactions, and whether trades are placed through a brokerage firm other than the custodian resulting in per trade commissions being charged to the account.

In the event that exchange-traded funds or mutual funds are part of a client's portfolio, the fund companies charge additional and separate internal fees as described in the fund's prospectus. Thus, when

these funds are in a client's account, two advisory fees are therefore imposed: a management fee to the Fund's investment manager and the advisory fee described above by NWM.

Not all transaction-related expenses are covered by the "wrap" fee schedule shown above. Mark-ups and mark-downs and spreads of market-makers, certain account charges by the custodian, commissions and costs for transactions not placed through NWM's recommended custodians, commissions on transactions occurring after termination of NWM's Service Agreement, and client-ordered transaction commissions are not covered. See the "Fees" section above.

NWM does not guarantee the results of 1) investment management or consulting advice it gives, including the performance of its investment models, or 2) the advice given and actions taken by third-party managers. Thus, significant losses can occur by using NWM's services.

#### **Other Compensation**

NWM Representatives are also licensed to offer insurance products and will receive customary commissions for the sale of such products should a client decide to make purchases or sales through the Representative which are not covered by the wrap fee. Clients are not obligated to purchase insurance products from NWM Representations. However, when selling these products, a conflict of interest exists.

#### ***Item 5 - Account Requirements and Types of Clients***

Although NWM does not generally have any conditions for providing its services, NWM does charge an additional \$12 fee for accounts under \$15,000.

NWM makes its advisory services available to a wide variety of clients including, but not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

#### ***Item 6 - Portfolio Manager Selection***

In an effort to mitigate any potential conflicts of interest, we have the ability to effect a large amount of trades within the wrap program with institutional pricing. This mitigates the incentive to recommend fewer trades in your account. The cost of trading is not material to our investment recommendations. It is our policy to always act in the best interests of our clients.

##### **A. Third-Party Managers**

When securing the services of third-party portfolio managers, NWM will generally recommend and use the services of managers it has performed due diligence on and is familiar with. Therefore, managers having better or worse performance may not be considered. Third-party managers are only recommended when the manager's strategy fits within a particular client's investment risk tolerance and objectives.

Third-party portfolio manager performance, like that of investment performance, is reviewed periodically by NWM and discussed with the client. In most cases, recommendations to replace a third-party portfolio manager are not made based upon short-term performance. When a third-party portfolio manager is replaced, NWM will attempt to notify the client orally or in writing to obtain the client's consent for the

change. However, NWM is granted authority to change managers even if a client's consent is not obtained. When a third-party portfolio manager is selected, clients will receive that firm's Form ADV Part 2 brochure for review. Clients are encouraged to carefully review the information in the brochure upon receipt. The performance of third-party managers will not be reviewed by an outside source.

*B. Related Managers*

NWM acts as the wrap sponsor and portfolio manager for this program. In addition to the services provided in the Asset Management Services Program, NWM is an investment advisor providing wealth management, consulting, and other services as described in NWM's Form ADV Part 2A. Prior to engaging NWM to provide any of the foregoing investment advisory services, clients are required to enter into one or more written Service Agreements setting forth the terms and conditions under which NWM renders its services.

Investment managers selected for the Program are subject to the same review process and approval as managers recommended outside of the Program.

*C. Business Information*

*Advisory Business:* See Item 4.A.

*Performance Based Fees and Side-By-Side Management:* NWM does not charge any performance-based fees. All fees are disclosed above.

*Methods of Analysis, Investment Strategies and Risk of Loss:* NWM's security analysis methods include, but are not limited to, fundamental analysis (evaluating securities based upon its historical and projected financial performance); and cyclical analysis (determining the desirability of an issue based upon the status of an issue within the price cycle the security or similar securities have followed historically).

NWM's main sources of information include, but are not limited to, financial publications, research materials prepared by others, and corporate ratings services.

Neither NWM, nor the third-party managers it may secure, guarantee the results of the advice given. Thus, significant losses can occur by investing in any security, or by following any strategy, including those recommended or applied by NWM.

NWM may recommend exchange-traded funds ("ETF"). ETF shares are bought and sold at market price unlike mutual funds. ETFs are subject to risks similar to those of stocks.

*Voting Proxies on Client Securities:* NWM and its Representatives do not vote proxies on behalf of clients who will receive such notices from their account's custodian.

NWM also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's managed account. However, it is available to answer questions regarding such notices.



## ***Item 7 - Client Information Provided to Portfolio Managers***

NWM will provide third-party managers objective and background information about the client at account inception, and thereafter as changes to such information is provided to NWM by a client.

## ***Item 8 – Client Contact with Portfolio Managers***

Clients are free to contact their NWM portfolio manager at any time.

## ***Item 9 – Additional Information***

### ***A. Disciplinary Information***

NWM does not have any disciplinary information to report regarding itself or any of its Representatives or other related persons.

*Other Financial Industry Activities and Affiliations:* NWM is affiliated with Northwest Bank, thus a conflict of interest exists when a NWM Representative recommends deposit accounts, trust services, certificates of deposits, or other Bank products.

### ***B. Other Information***

*Code of Ethics, Participation or Interest in Client Transactions and Personal Trading:* When NWM Representatives make recommendations for the purchase of insurance; they also receive customary commissions as insurance salespersons. The receipt of commissions in return for insurance product purchases creates a conflict of interest for Representatives when they recommend the purchase of such products to clients.

Representatives of NWM may buy or sell securities for themselves that they also recommend to clients. Where a transaction for a Representative, or an account related to a Representative, is contemplated, a client's transaction is given priority. NWM has developed a Code of Ethics (the "Code") applicable to all persons who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the Code requires, among other procedures, such "access persons to obtain preapproval of certain securities transactions, to report transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually." These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for clients' accounts. The Code is required to be reviewed annually and updated as necessary. A complete copy of the firm's Code is available upon request.

*Review of Accounts and Reports:* Clients receiving Asset Management Services receive reports at least quarterly from their account's custodian. The client may receive a written performance report as often as is agreed upon between the client and the advisor, but not more often than quarterly. The client's portfolio is regularly reviewed by the NWM Representative as frequently as agreed upon by the client and the

Representative, or more frequently if the Representative determines, to ensure the investments in the account are in line with the client's stated investment policy guidelines.

*Client Referrals and Other Compensation:* NWM does not currently have any client referral relationships to any un-affiliated third parties. Individual employees of our affiliate Northwest Bank may receive modest referral bonus for successful client referrals.

Also, as indicated above, the firm does not direct brokerage transactions to any third party, including Service Providers, in return for client referrals.

Clients should be aware that there is no direct link between NWM and Service Providers in connection with the advice NWM gives to clients. NWM receives economic benefits through the custody and operating relationships it has with service providers that are not typically available to the Service Providers' retail investors. These benefits include the following products and services, provided to NWM without cost or at a discount: duplicate client statements and confirmations, research related products and tools, consulting services, access to a trading desk serving Representatives, access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares directly to or from client accounts), the ability to have advisory fees deducted directly from client accounts, access to an electronic communications network for client order entry and account information, access to mutual funds with no transaction fees, and discounts or no fees on compliance, marketing, research, technology, and practice management products and services provided by third-party vendors. The Service Providers may also pay for business consulting, professional services, and research received by NWM affiliated persons and may also pay or reimburse expenses (travel, lodging, meals, and entertainment expenses) for NWM personnel to attend conferences or meetings relating to their service platforms or to their advisor custody and brokerage services generally. Some of these products and services made available by the service providers may benefit NWM, but may not benefit its clients. Such other services made available by Service Providers are intended to help NWM manage and further develop its business enterprise, and such services may or may not depend on the amount of brokerage transactions directed to them.

Clients should be aware the receipt of economic benefits by NWM described above, in and of itself, creates a conflict of interest and may influence NWM recommendation of those service providers for custody and brokerage service.

Thus, the receipt of these services creates an incentive and conflict of interest for NWM when it recommends Service Provider services.

Other than the services described above, NWM and its Representatives do not direct transactions and the commissions they generate (soft dollars) to brokerage firms or other parties to receive research or other benefits.

NWM does not process transactions through Service Providers in return for Service Providers referring new clients to NWM. NWM may combine similar client orders into one aggregate order for the purpose of

obtaining an average price for all customers participating in the order.

*Custody:* Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. NWM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

To the extent a client receives any account or other investment ownership statement from NWM, NWM recommends the client carefully compare the report to the custodian's statements.

*Financial Information:* NWM does not receive fees of more than \$1,200 six months or more in advance from any client, thus no financial statement for NWM is attached. NWM does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client.