



## Mosley Wealth Management, Inc.

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## Form ADV Part 2A Brochure

February 15, 2026

This brochure provides information about the qualifications and business practices of Mosley Wealth Management Inc. ("MWM"). If you have any questions about the contents of this brochure, please contact us at 714-421-4288. 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. MWM is a Registered Investment Advisor. Registration as an Investment Advisor with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about MWM 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 an IARD number. The IARD number for MWM is CRD # 318592.

## ITEM 2 – MATERIAL CHANGES

Pursuant to State and Federal regulatory rules and requirements, each person or entity registered as an investment adviser shall update the Form ADV Part 2 or disclosure document as part of any amendment or annual updating amendment and as material changes occur. For purposes of this subsection, "annual updating amendment" means an amendment to an investment adviser's Form ADV filed within 90 days after an investment adviser's fiscal year end that is used to update the responses to any other item for which the information is no longer accurate.

Mosley Wealth Management, Inc. ("MWM") is also required to send clients a summary of any material changes to this Firm's Disclosure Brochure when they occur.

The material changes to report since the most recent update filing dated March 10, 2025 are as follows:

- Removed language for the termination of the sub-advisory relationship, Foundations Investment Advisory.
- Named a new president, CEO and chief compliance officer, Christopher B. Radford.
- Provides an additional service for accounts not directly held in our custody, but where we do have discretion, and may leverage an Order Management System to implement tax-efficient asset location and opportunistic rebalancing strategies on custody.
- Item 8 has been amended to reflect the use of Signal Call Providers as follows:

The Firm does engage the services of unaffiliated and independent registered investment advisor(s) ("Signal Providers") to receive buy and sell signals, research, or other information that the Firm uses to manage a particular strategy/portfolio. Such Signal Providers will not act as fiduciaries with respect to any client as they are engaged to provide market-related services to the Firm. In providing individualized investment advice, the Firm will invest a client's assets in accordance with the recommendations of one or more Signal Providers or may invest the account in any manner it deems appropriate based on the client's personal objectives. All fees incurred by the subscription to various Signal Providers are paid by MWM (as a percentage of the fees generated within a particular strategy). *Thus, a portion of the advisory fee paid by a client to our Firm may be used to compensate such third-party providers or consultants.*

Currently, a free copy of our Brochure may be requested by contacting Chris Radford, Chief Compliance Officer of MWM at 714-421-4288. We encourage you to read this document in its entirety.

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## ITEM 4 - ADVISORY BUSINESS

This Disclosure document is being offered to you by MWM (“Firm” or “MWM”) about the wealth advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

We are a wealth management firm located in Anaheim, California. MWM was registered with the SEC in November 2023. The Firm is owned by Felton Thomas (Tom) Mosley. Christopher B. Radford is Chief Compliance Officer of the firm.

We are dedicated to assisting clients to build, grow, manage, and safeguard their wealth. Our aim is to offer guidance that enables clients to realize their financial objectives effectively. We tailor our services to meet your specific needs. We offer an initial complimentary meeting upon our discretion; however, our investment advisory services commence only after you and MWM execute a discretionary Investment Management Agreement, ensuring a clear and mutual understanding of our wealth advisory partnership.

### INVESTMENT MANAGEMENT SERVICES

In personal discussions with clients, we determine their objectives, time horizons, risk tolerance and liquidity and income needs. As appropriate, we also review their prior investment history, as well as family composition and background. Based on client needs, we develop the client’s personal investment portfolio. It is the client’s obligation to notify us immediately in writing if their circumstances have changed with respect to their risk tolerance, liquidity needs, investment preferences, and goals. As determined through our Firm’s initial due diligence with the client, we will determine if clients are seeking an actively managed investment strategy for their account(s). Our Firm will provide ongoing investment review and management services. This approach requires us to periodically review client portfolios.

We manage advisory accounts on a discretionary basis and non-discretionary basis. For discretionary accounts, once we determine a client’s profile, income need, and investment plan, we execute the day-to-day transactions without prior consent. Account supervision is guided by the client’s objectives, time horizons, risk tolerance, liquidity and income needs. We may accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among various mutual funds, exchange-traded funds (“ETFs”), cash, and in some cases individual debt (bonds) and equity (stock) securities in accordance with their stated investment objectives.

With our discretionary relationship, we will make changes to the portfolio, as we deem appropriate to meet your financial objectives. We trade these portfolios based on the combination of our market views and your objectives, using our investment philosophy and strategies as described in Item 8 of this Brochure. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us in writing to refrain from investing in particular industries or invest in limited amounts of securities.

If a non-discretionary relationship is in place, calls will be placed to the client presenting the recommendations made including a rebalancing recommendation and only upon your authorization will any action be taken on your behalf. Our clients should note that being in a discretionary or non-discretionary account does not affect the management of the accounts. It is the decision of the client on what type of account they elect to open with our Firm – a discretionary account without prior notification of investment trades or a non- discretionary account as described above.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that can adversely affect an account's performance. This could result in capital losses in your account.

## **FINANCIAL PLANNING SERVICES**

Financial planning services are included as part of our investment advisory services. Through the financial planning process, MWM strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, MWM can offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax (MWM is not a tax services Firm and you should always consult a tax professional), charitable gifting, cash flow, wealth transfer, and family legacy objectives. MWM can partner with our client's other advisors (CPAs, Enrolled Agents, Estate Attorneys, Insurance Brokers, etc.) to pursue a coordinated effort of all parties toward the client's stated goals. Such services include various discussions on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets, and periodic updates.

Our specific services in preparing your plan may include:

**PERSONAL:** We can review family records, budgeting, personal liability, estate information and financial goals.

**TAX & CASH FLOW:** We can analyze the client's income tax and spending and planning for past, current and future years. Keep in mind, MWM is not a tax services Firm and clients should consult a tax professional for specific tax questions and advice.

**INVESTMENTS:** We can analyze investment alternatives and their effect on the client's portfolio.

**INSURANCE:** We can introduce insurance agents to review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

**RETIREMENT:** We can analyze current strategies and investment plans to help the client achieve his or her retirement goals.

**DEATH & DISABILITY:** We can introduce insurance agents and estate planning attorneys to review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.

**ESTATE:** We can review and discuss some long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law. Keep in mind, MWM is not an estate planning services Law Firm, and clients should consult a legal professional for specific legal questions and advice.

## **DISCLOSURE REGARDING ROLLOVER RECOMMENDATIONS**

When a client or prospect leaves an employer, they typically have five options regarding their existing retirement plan: (i) leave the money in the former employer's plan, if permitted; (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted; (iii) rollover to a brokerage (self-directed) Individual Retirement Account ("IRA"); (iv) roll over the assets to an advisory IRA; or (v) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Clients contemplating rolling over retirement funds to an IRA for MWM to manage are encouraged to first speak with their CPA or tax attorney.

There is an inherent financial incentive for Investment Advisor Representatives (IAR) to recommend that you roll over your assets into one or more accounts, because the enrollment will generate compensation based on the increase in your IAR's total assets under management. We address these financial compensation conflicts by including the disclosure of the conflicts in this brochure and by requiring your IAR to recommend investment advisory programs, investment securities, and services that are in the best interest of each client based upon the client's investment objectives, risk tolerance, financial situation, and cost. As fiduciaries of the Investment Advisers Act of 1940, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way MWM makes money creates some conflicts with your interests. Clients are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if the client does complete the rollover, the client is under no obligation to have the assets in an account managed by us.

### **CONSULTING SERVICES**

We can provide clients with advice on a more-limited basis on one-or-more isolated areas of concern such as estate planning, real estate, retirement planning, or other specific topics. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice or any other business advisory / consulting services for equity or debt investments in privately held businesses. For business owners, our Firm can offer consulting in generational transitions, sale preparation, and exit planning.

### **PARTICIPANT ACCOUNT MANAGEMENT (DISCRETIONARY) - PONTERA**

We can use a third-party platform to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. The Order Management System allows MWM to manage client accounts on a discretionary basis without having to obtain and maintain a client's login credentials. Clients using the Order Management System will receive a link allowing them to connect their account(s) to the platform. Once a client account is connected to the Order Management System, MWM will monitor and rebalance or reallocate investments in that account in the same way as it/we does for other (non-held away) accounts, though using different tools. When clients engage MWM in this capacity, they are responsible for keeping the Pontera platform link active, so that MWM will be able to access and manage the respective account without delay. If MWM determines that an Order Management System link has become inactive, MWM will use its best efforts to notify the client to resolve the issue. A portion of the advisory fee paid by a client to MWM may be used to compensate this third-party provider.

### **WRAP FEE PROGRAM**

MWM does not offer a Wrap Program.

### **ASSETS**

As of December 31, 2025, MWM manages approximately \$277,574,351 in discretionary assets and \$1,876,418 in non-discretionary assets under management, with a total of \$279,450,769 of regulatory assets under management.

## ITEM 5 - FEES AND COMPENSATION

### INVESTMENT MANAGEMENT & FINANCIAL PLANNING SERVICES

MWM charges a fee as compensation for providing Investment Management services. These services include advisory and consulting services, trade entry, investment supervision, and other account-maintenance activities. Your custodian may charge transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

The advisory fee for a client is included with the Client's Investment Management Agreement, and is based upon the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, the total amount of assets under management for the client, and the portfolio(s) chosen.

Fees will be defined in the client agreement and will not exceed 1.85%. The fee is calculated and collected monthly in arrears, meaning the Firm collects the management fee at the end of each calendar month. The fee calculation is based on the average daily balance method, each day's balance for the month is summed then divided by the number of days in the month, to compute the average daily balance. The average daily balance is then multiplied by the monthly portion of the annual fee to determine the monthly fee due.

Unless instructed by the client, we will aggregate asset amounts in accounts from the same household together to determine the advisory fee for all accounts. We would do this, for example, where we also service accounts on behalf of minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow the client to benefit from an increased asset total, which could potentially cause the account(s) to be assessed a lower advisory fee. Either MWM or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination for the month in which the cancellation notice was given and then refunded. The timing of the initial monthly billable asset values in the Client Account is generally determined by when the asset values are initially reconciled into our portfolio reporting software, which will differ from the date the client signs our Investment Advisory Agreement. MWM will not attempt to determine an alternative valuation of client assets.

Note that values reported by MWM may differ from time to time with prices reported on Client custodial statements. Clients receive statements from the custodian that hold and maintain the client's investment assets. MWM urges clients to review such statements and compare such official custodial records to other account reports that are provided. MWM reports occasionally vary from custodial statements due to differences in accounting procedures, reporting dates, or valuation methodologies for certain securities.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. The client will provide written authorization permitting the fees to be paid directly from the account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least monthly directly to the client indicating all the amounts deducted from the account including our advisory fees. Refer to Item 15 for details. Clients are encouraged to review your account statements for accuracy.

Either MWM or the client may terminate the management agreement immediately upon written notice to the other party. As stated above, the management fee will be pro-rated to the date of termination, and any unearned portion of the fee will be billed to you. Upon termination, the client is responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

As indicated in Item 8 below, the Firm does engage the services of unaffiliated and independent registered investment advisor(s) (“Signal Providers”) to receive buy and sell signals, research, or other information that the Firm uses to manage a particular strategy/portfolio. All fees incurred by the subscription to various Signal Providers are paid by MWM (as a percentage of the fees generated within a particular strategy). *Thus, a portion of the advisory fee paid by a client to our Firm may be used to compensate such third-party providers or consultants.*

In no case are our fees based on, or related to, the performance of your funds or investments.

### **FINANCIAL PLANNING SERVICES**

Financial planning services are included as part of investment advisory services for no additional fee.

### **CONSULTING**

MWM can provide consulting services for clients who need advice on a limited scope of work. MWM will negotiate consulting fees with you. Fees may vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. All details of a consulting arrangement will be outlined in a separate consulting agreement. Either party may terminate the agreement immediately upon written notice. Upon termination, fees will be prorated to the date of termination, and any unearned portion of the fee will be refunded to you as described above.

We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services. In no case are our fees based on, or related to, the performance of your funds or investments.

### **ADMINISTRATIVE SERVICES**

We have contracted with non-affiliated third-party entities to utilize their technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, monthly performance evaluations, payable reports, web site administration, investment strategies, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, the third-party entity will have access to information on the client accounts, but the third-party entity will not serve as an investment advisor to our clients. MWM and the third-party entities are non-affiliated companies. The third-party entities charge our Firm a fee for their services, and in some cases for each account administered by each third-party entity. Please note that our fee charged to the client will not increase due to the fee MWM pays to the third-party entity. The fee is paid from the portion of the management fee retained by MWM.

### **OTHER ADDITIONAL FEES**

*Advisory Fees in General:* Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.



***Mutual Fund Fees:*** Mutual funds often offer multiple share classes with differing internal fees and expense structures. MWM endeavors to identify and utilize the share class with the lowest internal fee and expense structure for each mutual fund. However, instances occur in which the lowest cost share class is not used. These instances include but are not limited to: Instances in which a certain custodian has a share class available that has a lower internal fee and expense structure than is available for the same mutual fund at other custodians. In such instances, MWM will select the lowest cost share class available at the custodian that holds your account even though a lower cost share class is available. Instances in which the custodian that holds your account offers others a share class with a lower internal fee and expense structure than what is available to MWM at the same custodian. In such instances, MWM will select the lowest cost share class that the custodian makes available. This situation sometimes occurs because the custodian places conditions on the availability of the lower cost share class that MWM has determined are not appropriate to accept due to additional costs imposed by said conditions. Instances in which a share class with a lower internal fee and expense structure becomes available after the share class you hold was purchased. MWM periodically monitors this circumstance. However, a share class with a lower internal fee may become available between the time of your purchase and MWM's next review. Instances in which a share class with a lower internal fee and expense structure than the share class you currently hold is available at your custodian, but where MWM is prevented by either the custodian or the fund sponsor from converting to the lower cost share class. Additionally, MWM does not convert to a share class with a lower internal fee and expense structure if the conversion will cause a taxable event or other expense/cost to you that negates the advantage of the lower cost share class.

***Non-Transaction Fee (NTF) Mutual Funds:*** When selecting investments for our clients' portfolios we might choose mutual funds on your account custodian's Non-Transaction Fee (NTF) list. This means that your account custodian will not charge a transaction fee or commission associated with the purchase or sale of the mutual fund. The mutual fund companies that choose to participate in your custodian's NTF fund program pay a fee to be included in the NTF program. The fee that a mutual fund company pays to participate in the program is ultimately borne by the owners of the mutual fund including clients of our Firm. When we decide whether to choose a fund from your custodian's NTF list or not, we consider our expected holding period of the fund, the position size and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in your best interest.

***Unmanaged Assets:*** From time to time, a Client may decide to hold certain securities or other property for which our Firm does not provide investment advisory services ("Unmanaged Assets") in the account(s) held at the Custodian or outside the Custodian. Unmanaged assets will be shown on MWM reports as unmanaged assets. It is the client's sole responsibility to verify the accuracy of the Unmanaged status of any and all investments in their accounts and to notify MWM in writing of any corrections or adjustments that need to be made. Our Firm will have no duty, responsibility or liability whatsoever with respect to these unmanaged assets, and therefore, our Firm will not charge an investment advisory fee. However, if you have an account that solely contains Unmanaged Assets, the Custodian may charge an account maintenance fee as disclosed in the Custodian account paperwork executed by the Client. In all cases, it is the client's sole responsibility to monitor, manage, and transact all Unmanaged Assets (securities and/or accounts).

***Regulatory Fees:*** To facilitate the execution of trades, regulatory Trading Activity Fees (TAF) are added to applicable sales transactions. The Securities and Exchange Commission (SEC) regulatory fee is assessed on client accounts for sell transactions, and a FINRA fee is assessed on client accounts for sell transactions, for

certain covered securities. This fee is not charged by our Firm but is accessed and collected by the custodian. The Custodian that our Firm uses is a FINRA member firm. These fees recover the costs incurred by the SEC and FINRA, for supervising and regulating the securities markets and securities professionals. The fee rates vary depending on the type of transaction and the size of that transaction. For more information on the SEC and FINRA fees, please visit their websites: [www.sec.gov/fast-answers/answerssec31htm.html](http://www.sec.gov/fast-answers/answerssec31htm.html) or [www.finra.org/industry/trading-activity-fee](http://www.finra.org/industry/trading-activity-fee).

## **ITEM 6 - PERFORMANCE - BASED FEES AND SIDE - BY - SIDE MANAGEMENT**

MWM does not engage in performance-based fees. Performance-based fees may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk. No supervised person is compensated by performance-based fees.

## **ITEM 7 - TYPES OF CLIENTS**

MWM will generally work with the following types of clients: individuals, high net-worth individuals, and charitable organizations.

There is no account minimum to engage in any of MWM's services.

## **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

MWM takes a macro-economic approach to determine asset allocation. This top-down method allows MWM to assess the investing landscape and provide recommendations as to when and where it may be advantageous to modify exposures within the asset classes, market segments, and investments.

**GROWTH STRATEGIES:** MWM's growth strategies consist of investments spanning a broad range of asset classes that are selected for their long-term risk/return characteristics as well as their correlation to the overall markets, other assets classes in the client portfolio, and appropriateness for each client's portfolio. The resulting blended allocation is used as the foundation for the client's portfolio. Portfolio rebalancing is discretionary and will be based on individual portfolio considerations. There is no guarantee as to the number of times a portfolio is rebalanced each year. Other asset classes and opportunistic investments can be added to the portfolio to create a customized allocation that is appropriate for client's investment objectives, time horizon, and risk tolerance. A non-exhaustive list of examples of investments which may be included as part of MWM's growth strategies can include mutual funds, exchange traded funds (ETFs) interval funds, private placement/private fund/limited partnerships, structured Investments, individual equities (stocks), and exchange traded funds (ETFs), separately managed accounts, and more.

**FIXED INCOME STRATEGIES:** Fixed income investments such as bonds, notes, and certificates of deposit are intended to provide diversification, generate income, and to help diversify portfolios. Generally, the stabilizing influence of fixed income comes at the cost of lower returns relative to growth investments. MWM's fixed income portfolios generally consist of high quality domestically issued bonds, bond mutual funds and bond ETFs, both taxable and tax-free. Some examples of investments which may be included as part of MWM's fixed income strategies include individual government, municipal, and corporate bonds, certificates of deposits, exchange traded funds (ETFs), mutual funds, and money markets, separately managed accounts, and more.

## METHODS OF ANALYSIS

While there may be some similarities in the portfolios created by our Firm, we understand that every client has their own unique planning needs. We have the ability and flexibility to create portfolios to help our clients achieve their goals. We may utilize the following forms of analysis:

*Asset Allocation:* We believe that each client's portfolio design should start with an asset allocation decision. We attempt to identify an appropriate mix of asset class weightings suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in every security, industry, market sector or asset class. Another risk is that the mix of asset class weightings will change over time due to market movements and, if not corrected, could no longer be appropriate for the client's goals. For this reason, from time-to-time MWM will rebalance client portfolios to better align with client risk tolerance and goals.

*Fundamental Analysis:* We attempt to measure the attractiveness of an investment by looking at economic and financial factors (including the overall economy, industry conditions, and the financial conditions, past performance, manager tenure, and parent company stability) to determine if the investment is appropriate for a client's portfolio. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of an investment can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the investment.

*Quantitative Analysis:* We use mathematical ratios such as alpha, beta, standard deviation, sharp ratio and other performance appraisal methods to obtain more comprehensive measurements of a manager's investment acumen, idea generation, consistency of purpose and overall ability to deliver attractive risk adjusted returns throughout a full market cycle. Additionally, we perform periodic measurements to assess the investment results. A risk in using quantitative analysis is that the information used may be based on assumptions that prove to be incorrect.

*Technical Analysis:* We use this method of evaluating investments or assets classes by analyzing statistics generated by market activity, such as investment trends. Technical analysis does not attempt to measure a security's intrinsic value. Technical analysis is done through observation of various market sentiment readings, many of which are quantitative.

## SIGNAL PROVIDER

The Firm does engage the services of unaffiliated and independent registered investment advisor(s) ("Signal Providers") to receive buy and sell signals, research, or other information that the Firm uses to manage a particular strategy/portfolio. Such Signal Providers will not act as fiduciaries with respect to any client as they are engaged to provide market-related services to the Firm. In providing individualized investment advice, the Firm will invest a client's assets in accordance with the recommendations of one or more Signal Providers or may invest the account in any manner it deems appropriate based on the client's personal objectives. All fees incurred by the subscription to various Signal Providers are paid by MWM (as a percentage of the fees generated within a particular strategy). ***Thus, a portion of the advisory fee paid by a client to our Firm may be used to compensate such third-party providers or consultants.***

## RISK OF LOSS

A client's investment portfolio is affected by general economic cycles and market conditions, such as interest rates, availability of credit, inflation rates, economic conditions, changes in laws and national and international political circumstances.

Investing involves certain risks. Investments may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. MWM will assist Clients in determining an appropriate strategy based on their tolerance for risk.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account(s). MWM shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform MWM of any changes in financial condition, goals or other factors that may affect this analysis.

Our methods rely on the assumption that the underlying companies within our security allocations are accurately reviewed by the rating agencies 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.

Investors should be aware that accounts are subject to the following risks:

**Market Risk** - Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money, and your investment may be worth more or less upon liquidation.

**Foreign Securities and Currency Risk** - Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets, reduced regulation, and the potential for higher political instability.

**Capitalization Risk** - Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services. These stocks have historically been more volatile than the stocks of larger, more established companies.

**Interest Rate Risk** - In a rising rate environment, the value of fixed-income securities generally declines, and the value of other investments may be adversely affected.

**Credit Risk** - Credit risk is the risk that the issuer of an investment may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and thus, impact the fund's performance.

**Liquidity Risk** - Liquidity risk is the risk that there may be limited buyers for a security when an investor wants to sell. Typically, this results in a discounted sale price in order to attract a buyer. Certain non-liquid alternative investment funds may also have the ability, at the fund sponsors sole discretion, to limit or stop its investor's ability to withdrawal investments in the fund.

**Default Risk** - A default occurs when an issuer fails to make payment on a principal or interest payment.

**Event Risk** - Event risk is difficult to predict because it may involve natural disasters such as earthquakes or hurricanes, as well as changes in circumstance from regulators or political bodies.

**Political Risk** - Political risk is the risk associated with the laws of the country, or to events that may occur there. Particular political events such as a government's change in policy could restrict the flow of capital.

**Duration Risk** - Duration is a way to estimate a bond's price sensitivity to changes in interest rates. The duration of a bond is determined by its maturity date, coupon rate, and call feature. Duration is a method to compare how different bonds will react to interest rate changes. For example, If a bond has a duration of five (5) years it means that the value of that security is estimated to decline by approximately five percent (5%) for every one percent (1%) increase in interest rates, all else equal.

**Reinvestment Risk:** Reinvestment risk is the risk that future interest and principal payments may be reinvested at lower yields due to declining interest rates.

**Tax Risk** - For municipal bonds, depending on the client's state of residence, the interest earned on certain bonds may not be tax-exempt at the state level. Also, changes in federal tax policy may impact the tax treatment of interest and capital gains of an investment.

**Regulatory Risk** - Market participants are subject to rules and regulations imposed by one or more regulators. Changes to these rules and regulations could have an adverse effect on the value of an investment.

**Concentration Risk** - The risk of amplified losses that may occur from having a large portion of your holdings in a particular investment, asset class or market segment relative to your overall portfolio.

**Securities Lending Risk** - Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

**Exchange-Traded Fund ("ETF") and Mutual Fund Risk** - Investments in ETFs and mutual funds have unique characteristics, including, but not limited to, the ETF or mutual fund's expense structure. Investors of ETFs and mutual funds held within MWM client accounts bear both their MWM portfolio's advisory expenses and the ETF's or mutual fund's expenses. Because the expenses and costs of an underlying ETF or mutual fund are shared by its investors, redemptions by other investors in the ETF or mutual fund could result in decreased economies of scale and increased operating expenses for such ETF or mutual fund. Additionally, the ETF or mutual fund may not achieve its investment objective. Actively managed ETFs or mutual funds may experience significant drift from their stated benchmark.

**Cybersecurity Risk** - In addition to the Material Investment Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at our Firm or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information and generally compromise our firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management

systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

**Commodities Risk** - Exposure to commodities in Adviser Clients accounts is in non-physical form, such as ETFs or mutual funds, there are risks associated with the movement in commodity prices and the ability of the fund or trust manager to respond or deal with those price movements. There also may be initial charges as well as annual management fees associated with the fund or trust.

**Option Risk**- Variable degree of risk. Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e., put or call) which they contemplate trading and the associated risks. Traders of options should calculate the extent to which the value of the options must increase for the position to become profitable, taking into account the premium and all transaction costs.

- The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures below). If the purchased options expire worthless, the purchaser will suffer a total loss of the investment. In purchasing deep out-of-the-money options, the purchaser should be aware that the chance of such options becoming profitable ordinarily is remote.
- Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller being obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the section on Futures below). If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.
- Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.

**Non-Transferability** - Certain investments used by MWM may not be transferable to other custodians. Additionally, if they are transferable, other advisors may be restricted to only sell the positions and not allowed to buy more. This could include certain institutional share-class mutual funds, mutual funds closed to new investors, investment available only to approved firms like MWM, and more.

## ITEM 9 - DISCIPLINARY INFORMATION

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our Firm and our management personnel have no reportable disciplinary events to disclose. You may visit <http://www.advisorinfo.sec.gov> to review each investment advisor's individual disclosures or MWM's disclosures.

## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

MWM does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

### **Licensed Insurance Agents**

Some of MWM's financial professionals are licensed insurance agents and recommend the purchase of certain insurance-related products on a commission basis. The recommendation by a MWM financial professional that a client purchase or sell an insurance commission product presents a conflict of interest, as the receipt of a commission may provide an incentive to recommend investment products based on commission received, rather than on a particular Client's need. Clients are not under any obligation to purchase or sell any commission products from a MWM financial professional.

### **Other Affiliations**

Mr. Mosley is the Owner of Mosley Insurance and Financial Services, Inc. ("MIFS") where he is the owner and a licensed insurance agent. MIFS is an insurance agency, offering insurance products. MIFS will receive commissions for insurance policies sold from the respective insurance companies. This presents a conflict of interest since MIFS affiliates have an incentive to offer insurance products to receive commissions. MWM is aware of this conflict and addresses it by fully disclosing the relationship and conflict, and making sure that any recommendation is made exclusively in the best interests of their clients. Clients always have the option of purchasing their insurance policies from other insurance agencies, whether or not they are acting on the recommendation of someone acting through MIFS.

### **DISCLOSURE OF CONFLICTS OF INTEREST**

Our management personnel and investment advisor representatives may engage in outside business activities. As such, these individuals will not receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of investment advisory Clients. Clients are not under any obligation to engage these individuals when considering the implementation of these outside recommendations. The implementation of any or all recommendations is solely at the discretion of the Client. Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates inherent conflicts of interest in the objectivity of the Firm and these individuals when making advisory recommendations. Our Firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others, to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm, investment advisors, and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees.
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees.
- we collect client background information, including the client's financial goals, objectives, and liquidity needs.
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances.

- we require that our investment advisors and employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interest in such activities are properly addressed.
- we periodically review these outside employment activities of the investment advisor to verify that any conflicts of interest continue to be properly disclosed by the investment advisor; and
- we educate our investment advisors regarding the responsibilities of a fiduciary, including the need to have a reasonable and independent basis for the investment advice provided to clients.

## **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

MWM has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our investment advisors and employees, including compliance with applicable federal securities laws. MWM and its investment advisors owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. Our Code of Ethics includes policies and procedures for the reporting and review of personal securities transactions reports by our Firm's investment advisors and employees. In addition, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and recordkeeping provisions.

MWM's Code of Ethics further includes the Firm's policy prohibiting the use of material non-public information. While we do not believe that we have any access to non-public information, all investment advisors are reminded that such information may not be used in a personal or professional capacity. MWM and its investment advisors are prohibited from engaging in principal transactions and agency cross transactions.

Our Code of Ethics is designed to ensure that the personal securities transactions, activities, and interests of our investment advisors will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing investment advisors to invest for their own accounts. Our Firm and/or investment advisors or employees may buy or sell for their personal accounts securities that are identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. It is the expressed policy of our Firm that investment advisors may purchase or sell securities only in the last 15 minutes of the trading day, thereby preventing such investment advisor(s) from benefiting from transactions placed on behalf of advisory accounts.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. Clients may request a copy by calling us on 714-421-4288.

## **ITEM 12 - BROKERAGE PRACTICES**

### **THE CUSTODIAN AND BROKERS WE USE**

Clients must maintain assets in an account at a "Qualified Custodian," generally a broker-dealer or bank. Our clients typically choose to work with Charles Schwab & Co., Inc. ("Schwab"), Member FINRA/SIPC, registered broker-dealer, and Qualified Custodian ("Qualified Custodian"). We are independently owned and operated, and unaffiliated with your Custodian. Your Custodian will hold client assets in a brokerage account and buy and sell securities when we instruct them to.



Clients must decide whether to use any Custodian by entering into account agreements directly with that Custodian. The accounts will always be held in the name of the client and never in our firm's name. Even though clients maintain accounts at their Custodian, we can still use other brokers to execute trades for client accounts (see Client Brokerage and Custody Costs, below).

### **HOW CLIENTS SELECT BROKERS/CUSTODIAN**

It is generally advisable for investors to select a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We recommend they consider a wide range of factors, including:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to buy and sell securities for client accounts.
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
5. Availability of investment research and tools that assist in making investment decisions.
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices.
8. Reputation, financial strength, and stability
9. Prior service to our Firm and our other clients
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from your Custodian)

### **CLIENT BROKERAGE AND CUSTODY COSTS**

For client accounts that the Custodian maintains, the Custodian generally does not charge separately for custody services. However, the Custodian receives compensation by charging transaction fees or other fees on trades that it executes or that settle into clients' Custodian accounts. In addition to commissions, the Custodian charge a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different custodian but where the securities bought or the funds from the securities sold are deposited (settled) into a client's Custodian account. These fees are in addition to the transaction fees or other compensation the client pays the executing custodian. To minimize these trading costs, we have your Custodian execute most trades for your accounts. We have determined that having Custodian execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How We Select Brokers/Custodian" section above).

### **PRODUCTS AND SERVICES AVAILABLE TO US FROM YOUR CUSTODIAN**

Qualified Custodian will provide our Firm and our clients with access to institutional brokerage, trading, custody, reporting, and related services. Qualified Custodian also makes available various support services which help us manage or administer our clients' accounts and help us manage and grow our business. Qualified Custodian's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. Following is a more detailed description of Qualified Custodian's support services:

## **SERVICES THAT BENEFIT OUR CLIENTS**

Qualified Custodian's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Qualified Custodian include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Qualified Custodian's services described in this paragraph generally benefit our clients and their accounts.

## **SERVICES THAT MAY NOT DIRECTLY BENEFIT OUR CLIENTS**

Qualified Custodian also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both the Qualified Custodian's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at your Custodian. In addition to investment research, Qualified Custodian also makes available software and other technology that:

1. Provides access to client account data (positions, trades, statements, cost basis, etc).
2. Facilitates trade execution and allocates aggregated trade orders for multiple client accounts.
3. Provides pricing and other market data.
4. Facilitates payment of our fees from our clients' accounts.
5. Assists with back-office functions, recordkeeping, and client reporting.

## **SERVICES THAT GENERALLY BENEFIT ONLY US**

Qualified Custodian often offer other services intended to help us manage and further develop our business enterprise. These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications or conferences on practice management & business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

Qualified Custodian may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. The Qualified Custodian may also discount or waive its fees for some of these services or pay all or part of a third party's fees. The Qualified Custodian may also provide us with other benefits, such as occasional business entertainment for our personnel. The Qualified Custodian provides these additional services and support to the Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to the Qualified Custodian for this. As part of our fiduciary duties to clients, we always endeavor to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our Firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of Qualified Custodian(s) for custody and brokerage services. A Qualified Custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.

## **OUR INTEREST IN YOUR CUSTODIAN'S SERVICES**

The availability of these services from the Qualified Custodian benefits us because we do not have to produce or purchase them.

Some of the products, services and other benefits provided by the Custodian benefit our Firm and may not benefit our client accounts. Our requirement that clients place assets in Qualified Custodian's custody may be based in part on the entire benefits and services the Custodian provides to us and our clients, and not solely on the nature, cost or quality of custody and execution services provided by the Custodian. We believe that our selection of the Qualified Custodian as Custodian and brokers is in the best interest of our clients.

#### **BROKERAGE FOR CLIENT REFERRALS**

Our Firm does not receive client referrals from any custodian or third party in exchange for using that custodian or third party.

#### **AGGREGATION AND ALLOCATION OF TRANSACTIONS**

Because each client is advised independently and we consider such factors as account size, suitability, taxes, investment objective and/or cash availability, and transactions are executed in accordance with such advice, MWM is unlikely to aggregate trade orders. Not aggregating orders might result in higher execution costs than if we aggregated client orders. If we do aggregate orders, we allocate the securities among client accounts so as not to systematically favor any client account over another. We determine which accounts will participate in an aggregated order on a case-by-case basis in the best interests of each client. Participating accounts share the benefit, if any, of aggregation on a pro rata basis. If aggregated orders are not filled on the day on which they are placed, each participating client will receive the average share price on the transaction day, and costs will be allocated pro rata.

#### **TRADE ERRORS**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes a trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole, and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the custodian, the Custodian will be responsible for covering all trade error costs. We will never benefit from or profit from trade errors.

#### **DIRECTED BROKERAGE**

MWM does not routinely require that clients direct us to execute transactions through a specified broker dealer. Additionally, we typically do not permit clients to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

### **I T E M 1 3 - R E V I E W O F A C C O U N T S**

#### **ACCOUNT REVIEWS AND REVIEWERS**

Our Investment Adviser Representatives will monitor investment management client accounts on a regular basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance, and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax, or financial status.

Geopolitical and macroeconomic specific events may also trigger reviews. Clients are urged to notify us in writing of any changes in your personal circumstances.

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for. Ongoing management of the financial planning portal is maintained by our Firm.

### **STATEMENTS AND REPORTS**

Performance reports from our Firm are generated for clients during annual reviews or as requested.

The Custodian for the individual client's account will also provide clients with an account statement at least Quarterly. Note that values reported by MWM may differ from time to time with prices reported on Client custodial statements or fund sponsor statements. MWM urges clients to review such statements and compare such official custodial records to other account reports that are provided. Clients are urged to compare the reports provided by MWM against the account statements the clients receive directly from your account custodian and/or fund sponsor.

## **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

At times, we will receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are a result of attendance at due diligence and/or investment training events hosted by investment sponsors. Marketing expense reimbursements are the result of informal expense sharing arrangements in which investment sponsors will underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Receipts of these travel and marketing expense reimbursements are dependent upon specific sales quotas; the investment sponsor reimbursements are made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control this conflict by always basing investment decisions on the individual needs of our clients. Our Firm and our supervised persons do not accept or receive compensation based on the sale of securities. Supervised people can be compensated for obtaining prospective clients through marketing initiatives.

MWM may be asked to recommend a financial professional, such as an attorney, accountant or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business. Individuals and firms in our financial professional network may refer clients to our Firm. Again, our Firm does not pay any direct compensation in return for any referrals made to our firm. Our Firm does recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

### **Lead Generation Provider**

The Firm pays a fee to participate in an online matching program that seeks to match prospective advisory clients with investment advisers. The program, which is operated by SmartAsset, provides information about

investment advisory firms to persons who have expressed an interest in such firms. The program also provides the name and contact information of such persons to the advisory firms as potential leads. The fee we pay for being provided with potential leads varies based on certain factors, including the size of the person's portfolio, and the fee is payable regardless of whether the prospect becomes our advisory client.

It is MWM's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **I T E M 1 5 - C U S T O D Y**

MWM does not have physical custody of any client funds and/or securities and does not take physical custody of client accounts at any time. Client funds and securities will be held with a bank, or other independent qualified custodian.

### **DEDUCTION OF ADVISORY FEES**

MWM is deemed to have limited custody of client funds and securities whenever MWM is given the authority to have fees deducted directly from client accounts. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. Account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least monthly. Clients should carefully review those statements and are urged to compare the statements against reports received from MWM. When the client has questions about their account statements, the client should contact MWM or the qualified custodian preparing the statement.

### **STANDING LETTERS OF AUTHORIZATION – THIRD PARTIES**

Our Firm is deemed to have custody of certain Client assets if given the authority to withdraw assets from Client accounts, as further described below under "Standing Instructions". All our Clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our Clients to carefully review these statements. Additionally, if our firm decides to send its own account statements to Clients, such statements will include a legend that recommends the Client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse Client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our Firm has adopted the following safeguards in conjunction with our custodians:

1. The Client provides an instruction to the qualified custodian, in writing, that includes the Client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.

2. The Client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The Client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the Client's authorization and provides a transfer of funds notice to the Client promptly after each transfer.
4. The Client has the ability to terminate or change the instruction to the Client's qualified custodian.
5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the Client's instruction.
6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
7. The Client's qualified custodian sends the Client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **ITEM 16 - DISCRETION**

For discretionary accounts, prior to engaging our Firm to provide investment advisory services, you will enter a written Agreement with us granting the Firm the authority to supervise and direct, on an on-going basis, investments in accordance with the Client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable our Firm, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell, or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the number of securities to be bought or sold, and (3) place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the Client.

## **ITEM 17 - VOTING CLIENT SECURITIES**

As a matter of MWM policy, MWM does not vote proxies on behalf of clients. Therefore, it is your responsibility to vote for all proxies for securities held in your Account. The client will receive proxies directly from the qualified custodian or transfer agent; we will not provide the client with the proxies. Although we do not vote client proxies, if the client does have a question about a particular proxy feel free to contact the custodian directly. In many cases, separately managed account managers will vote the proxies for the securities managed with the client account.

## **ITEM 18 - FINANCIAL INFORMATION**

As an advisory firm that maintains discretionary authority for client accounts, MWM is also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. MWM has no such financial circumstances to report. Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six (6) months in advance of services rendered. Therefore, we are not required to include a financial statement. MWM has not been the subject of a bankruptcy petition at any time during the past ten (10) years.

## **P R I V A C Y   P O L I C Y**

Our Firm collects nonpublic personal information about Clients from information provided on applications or other forms, as well as from information regarding Client transactions with our Firm, our affiliates, or others. In accordance with Regulation S-P, our Firm does not disclose any nonpublic personal information about current or former Clients to third parties, except as permitted or required by law, or as necessary to service Client accounts. Access to Client information is restricted to Firm personnel who require such information to provide investment advisory services. Our Firm maintains physical, electronic, and procedural safeguards designed to protect Client information in compliance with federal standards and Regulation S-P. Our Firm provides a copy of its Privacy Policy to Clients at the time of account opening, upon request, and annually if the Policy is amended.