

## **MARKS WEALTH MANAGEMENT**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Marks Wealth, LLC (hereinafter “MWM” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

The material changes in this brochure from the last annual updating amendment of MWM on 02/28/2024 are described below. Material changes relate to MWM's policies, practices or conflicts of interests.

- MWM has updated their Assets Under Management (Item 4).
- MWM has updated other business activities. (Item 10)

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## Item 4. Advisory Business

MWM offers a variety of advisory services through a comprehensive wealth management relationship with clients. As an investment adviser, MWM is subject to a fiduciary duty to its clients. Wealth management includes financial planning, consulting, and investment management services. Prior to MWM rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with MWM setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

MWM filed for registration as an investment adviser in August 2020 and is wholly owned by Charles Marks. As of December 2024, MWM has \$382,988,422.00 in assets under management, \$382,988,422.00 of which are discretionary and \$0.00 of which are non-discretionary.

While this brochure generally describes the business of MWM, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or other persons who provide investment advice on MWM’s behalf and are subject to the Firm’s supervision or control.

### Financial Planning and Consulting Services

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MWM offers clients a broad range of financial planning and consulting services, which include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Education Planning

These services are rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, MWM is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. MWM recommends certain clients engage the Firm for additional related services and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage MWM or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any

of the recommendations made by MWM under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising MWM's recommendations and/or services.

## **Investment Management Services**

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MWM manages client investment portfolios on a discretionary basis. As described above, MWM provides clients with wealth management services which include a broad range of financial planning and consulting services in addition to the investment management services.

MWM primarily allocates client assets among various exchange-traded funds ("ETFs") in accordance with their stated investment objectives. The Firm will also utilize mutual funds and individual debt and equity securities in limited circumstances.

Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon. Clients can engage MWM to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, MWM directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

MWM tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. MWM consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify MWM if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if MWM determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

## **Written Acknowledgement of Fiduciary Status**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some

conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest; • Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## Item 5. Fees and Compensation

MWM offers investment management services for an annual fee based on the amount of assets under the Firm’s management. This management fee varies in accordance with the following fee schedule:

| <u>PORTFOLIO VALUE</u>    | <u>BASE FEE</u> |
|---------------------------|-----------------|
| Up to \$499,999           | 2.50%           |
| \$500,000 - \$999,999     | 2.00%           |
| \$1,000,000 - \$1,999,999 | 1.50%           |
| \$2,000,000 - \$4,999,999 | 1.00%           |
| \$5,000,000 - \$9,999,999 | 0.85%           |
| \$10,000,000 and above    | 0.75%           |

The annual fee is prorated and charged monthly, in arrears, based upon the market value of the assets being managed by MWM on the last day of the month. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the days that the assets were managed. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), MWM can negotiate a fee rate that differs from the range set forth above. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage MWM for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm’s management. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.

## Fee Discretion

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MWM may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, pro bono activities, or competitive purposes.

## Additional Fees and Expenses

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In addition to the advisory fees paid to MWM, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, margin and other borrowing costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described at length in Item 12, below.

## Direct Fee Debit

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Clients provide MWM with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to MWM.

## Use of Margin

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MWM can be authorized by clients to use margin in the management of the client’s investment portfolio. This is typically used for cash needs. In these cases the fee payable will be assessed net of margin such that the market value of the client’s account and corresponding fee payable by the client to MWM will not be increased.

## Account Additions and Withdrawals

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Clients can make additions to and withdrawals from their account at any time, subject to MWM's right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients can withdraw account assets on notice to MWM, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. MWM may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

## Item 6. Performance-Based Fees and Side-by-Side Management

MWM does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## Item 7. Types of Clients

MWM offers services to individuals. Those individuals may also request that the Firm provide services to trusts, estates, charitable organizations, corporations and other business entities.

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

### Methods of Analysis and Investment Strategies

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MWM holds an introductory meeting to learn about prospective clients on both a personal and financial level. The Firm then creates a custom financial plan after a thorough review of their investments and goals. MWM customizes and aligns the client's investment strategy with their financial plan and risk tolerance. Investment advice and strategies suggested will vary depending on each client's financial situation.

#### *Portfolio Securities:*

The Firm's tool kit includes, but is not limited to individual stocks, individual bonds, stock ETFs, bond ETFs, US Treasury bonds, and mutual funds.

## *Asset Location:*

Investing in quality is at the forefront of MWM's geographical investment strategy. The Firm runs a global allocation portfolio that invests both domestically and internationally.

## *Methods of Analysis:*

MWM uses both fundamental and technical analysis when managing investment portfolios. Fundamental analysis focuses on evaluating a security's intrinsic value. Financial statements, economic indicators, industry trends, and qualitative factors all contribute to fundamental analysis. Technical analysis focuses on patterns and trends of past trading activity to predict future trends or evaluate security's strengths and/or weaknesses. Some of the indicators used in technical analysis are price, volume, price to earnings ratios, moving averages, and relative strength index (RSI).

## *Investment Strategies:*

MWM practices active portfolio management with a goal of outperforming benchmark indices. Active portfolio management includes overweighting and underweighting sectors of the market. MWM may utilize both long-term and short-term investment strategies depending on both the market environment and client goals/needs. Long-term purchases are held for more than one year, while short-term purchases are held for less than one year.

## **Risk of Loss**

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Clients must understand that all investments involve risk that are borne by the investor. Even the most diversified portfolios have potential for the risk of loss. Past performance is not always indicative of future results, and MWM does not guarantee future performance. Some of the risks a client should be aware of include, but are not limited to, the following:

### *Market Risks*

The prices and values of investments can be highly volatile, and are influenced by, amongst other factors, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

For those clients who are nearing retirement, MWM typically keeps three to five years' worth of distribution needs in investments not correlated to the market. The Firm does not guarantee any protection against loss of principle or negative price movements.

## *Cash and Cash Equivalents*

Accounts may maintain significant cash and/or money market positions from time to time and the client will pay the investment management fee based on the total value of the portfolio, including cash and cash equivalents. Client portfolios may forego investment opportunities to hold cash positions if the Firm considers it to be in the best interest of the portfolio.

## *Use of Margin*

While the use of margin borrowing for investments can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally affected using capital borrowed from a Financial Institution, which is secured by a client's holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

## *Currency Risks*

An advisory account that holds investments denominated in currencies other than the currency in which the advisory account is denominated may be adversely affected by the volatility of currency exchange rates.

## *Interest Rate Risks*

Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by clients.

## *Equity-Related Securities and Instruments*

The Firm may take long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. Investments in small-capitalization, mid-capitalization, and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity. These issuers often face greater business risks.

## *Fixed Income Securities*

While MWM emphasizes risk-averse management and capital preservation in our fixed-income bond portfolios, clients who invest in fixed income securities can lose money, including losing a portion of their original investment. The prices of the securities in our portfolios fluctuate. The Firm does not guarantee any particular level of performance. Below is a representative list of the types of risks clients should consider before investing in this product.

- Interest rate risk. Prices of bonds tend to move in the opposite direction to interest rate changes. Typically, a rise in interest rates will negatively affect bond prices. The longer the duration and average maturity of a portfolio, the greater the likely reaction to interest rate moves.
- Credit (or default) risk. A bond's price will generally fall if the issuer fails to make a scheduled interest or principal payment, if the credit rating of the security is downgraded, or if the perceived creditworthiness of the issuer deteriorates.
- Liquidity risk. Sectors of the bond market can experience a sudden downturn in trading activity. When there is little or no trading activity in a security, it can be difficult to sell the security at or near its perceived value. In such a market, bond prices may fall.
- Call risk. Some bonds give the issuer the option to call or redeem the bond before the maturity date. If an issuer calls a bond when interest rates are declining, the proceeds may have to be reinvested at a lower yield. During periods of market illiquidity or rising rates, prices of callable securities may be subject to increased volatility.
- Prepayment risk. When interest rates fall, the principal of mortgage-backed securities may be prepaid. These prepayments can reduce the portfolio's yield because proceeds may have to be reinvested at a lower yield.
- Extension risk. When interest rates rise or there is a lack of refinancing opportunities, prepayments of mortgage-backed securities or callable bonds may be less than expected. This would lengthen the portfolio's duration and average maturity and increase its sensitivity to rising rates and its potential for price declines.

## *Mutual Funds and ETFs*

MWM focuses on utilizing the most effective funds when creating client portfolios. Investment in either a mutual fund or ETF does involve risk in the loss of principal. Mutual fund and ETF shareholders can be subject to the risks from the individual issuers of the fund's underlying portfolio securities. For mutual funds, shareholders can be liable for taxes on any fund-level capital gains. ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding

loss. Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day. The actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility. This can lead to the mutual fund's shares trading at a premium or discount to actual NAV. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV. This price is normally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units. If a liquid secondary market ceases to exist for shares of an ETF, a shareholder may have no way to get rid of such shares.

## **Item 9. Disciplinary Information**

MWM has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

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

Neither MWM nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer, a Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities, or any other material relationships to the advisory business that would present a possible conflict of interest.

## **Item 11. Code of Ethics**

MWM has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. MWM's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of MWM's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and

procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact MWM to request a copy of its Code of Ethics by contacting the Firm at the phone number on the cover page of this brochure.

## **Item 12. Brokerage Practices**

### **Recommendation of Broker-Dealers for Client Transactions**

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MWM recommends that clients utilize the custody, brokerage and clearing services of Charles Schwab & Co, Inc. through its Schwab Advisor Services division ("Schwab") for investment management accounts. In some cases, MWM may recommend that clients, who have additional restrictions, utilize the custody, brokerage and clearing services of Shareholder Service Group (SSG). The final decision to custody assets with a custodian is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. MWM is independently owned and operated and not affiliated with Schwab or SSG.

SSG does not provide MWM with research, technology solutions, or money to pay for third party solutions nor does it allow MWM to move client funds to third parties.

Schwab provides MWM with access to its institutional trading and custody services, which are typically not available to retail investors. Factors which MWM considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Schwab enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.

Any transaction fees paid by MWM's clients to Schwab comply with the Firm's duty to obtain "best execution." Clients may pay transactions fees that are higher than another qualified Financial Institution when MWM determines that the fees are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. MWM seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist MWM in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because MWM does not have to produce or pay for the products or services.

MWM periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

## **Software and Support Provided by Financial Institutions**

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MWM receives administrative support, computer software, and related systems support, as well as other third-party support from Schwab, as further described below, which allow MWM to better monitor client accounts maintained at Schwab and otherwise conduct its business. MWM receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits MWM, but not its clients directly. Clients should be aware that MWM's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits will influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services, especially because the support is contingent upon clients placing a certain level(s) of assets at Schwab. In fulfilling its duties to its clients, MWM endeavors at all times to put the interests of its

clients first and has determined that the recommendation of Schwab is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, MWM receives the following benefits from Schwab: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

In addition, the Firm receives funds to be used toward qualifying third-party service providers for research, marketing, compliance, technology and software platforms and services.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts at Schwab. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of MWM by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist MWM in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Schwab. Schwab also makes available to MWM other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Schwab 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 the Firm. While, as a fiduciary, MWM endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

## **Brokerage for Client Referrals**

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MWM does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

## **Directed Brokerage**

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The client may direct MWM in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by MWM (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, MWM may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

## **Trade Aggregation**

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Transactions for each client will be effected independently, unless MWM decides to purchase or sell the same securities for several clients at approximately the same time. MWM may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among MWM's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which MWM's Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. MWM does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Item 13. Review of Accounts**

### **Account Reviews**

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MWM monitors client portfolios on a continuous and ongoing basis and regular account reviews are conducted on at least an annual basis via phone call, video call or in person. The Firm has additional calls each year with clients based on preference and asset level. Such reviews are conducted by the Firm's Principal. All investment advisory clients are encouraged to discuss their needs, goals and objectives with MWM and to keep the Firm informed of any changes thereto.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from MWM and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from MWM or an outside service provider.

## Item 14. Client Referrals and Other Compensation

The Firm does not provide compensation to any third-party solicitors for client referrals.

### Other Compensation

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The Firm receives economic benefits from Schwab. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

## Item 15. Custody

MWM is deemed to have custody of client funds and securities because the Firm is given the ability to debit client accounts for payment of the Firm's fees. As such, client funds and securities are maintained at one or more Financial Institutions that serve as the qualified custodian with respect to such assets. Such qualified custodians will send account statements to clients at least once per calendar quarter that typically detail any transactions in such account for the relevant period.

In addition, as discussed in Item 13, MWM will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from MWM. Any other custody disclosures can be found in the Firm's Form ADV Part 1.

### Standing Letters of Authorization

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MWM also anticipates having custody due to clients giving the Firm limited power of attorney in a standing letter of authorization ("SLOA") to disburse funds to one or more third parties as specifically designated by the client. In such circumstances, the Firm will implement the steps in the SEC's no-action letter on February 21, 2017 which includes (in summary): i) client will provide instruction for the SLOA to the custodian; ii) client will authorize the Firm to direct transfers to the specific third party; iii) the custodian will perform appropriate verification of the instruction and provide a transfer of funds notice to the client promptly after each transfer; iv) the client will have the ability to terminate or change the instruction; v) the Firm will have no authority or ability to designate or change the identity or any information about the third party; vi) the Firm will keep records showing that the third party is not a related party of the Firm or located at the same address as the Firm; and vii) the custodian will send the client an initial and annual notice confirming the SLOA instructions.

## **Item 16. Investment Discretion**

MWM is given the authority to exercise discretion on behalf of clients. MWM is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. MWM is given this authority through a power-of-attorney included in the agreement between MWM and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). MWM takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

## **Item 17. Voting Client Securities**

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

## **Item 18. Financial Information**

MWM is not required to disclose any financial information listed in the instructions to Item 18 because:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.