



FORM ADV PART 2A  
FIRM BROCHURE  
MARCH 9, 2017

This brochure provides information about the qualifications and business practices of WT Wealth Management, LLC and its registered investment adviser representatives. Any questions about the contents of this brochure may be directed to WT Wealth Management, LLC by calling (800) 825-0616 or by emailing John Heilner, Chief Investment Officer and Chief Compliance Officer, at: [Jheilner@wtwealthmanagement.com](mailto:Jheilner@wtwealthmanagement.com). 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. Registration does not imply a certain level of skill or training. Additional information about WT Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The site may be searched by a unique identifying number known as a CRD number. WT Wealth Management, LLC's CRD number is 169566.

## **ITEM 2 MATERIAL CHANGES**

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This version of Part 2A of Form ADV (“Firm Brochure”) and Part 2B of Form ADV (“Supplement Brochure”), dated **March 9, 2017**, is an annual amendment brochure document. It contains information about our business practices as well as a description of potential conflicts of interest relating to our advisory business that could affect a client’s account with us. We are providing this material in accordance with Rule 204-3 of the Investment Advisers Act of 1940, which requires a registered investment adviser to provide a written disclosure statement upon entering into an advisory relationship.

### **Material Changes Since the Last Update**

During calendar year 2016, WT Wealth Management, LLC (“WTWM”) registered as an investment adviser with the States of Arizona, California, New York, Nevada and Washington. WTWM also added two investment adviser representatives- Eileen Proud and Robert Redwanc.

### **Full Brochure Available**

We will provide a new version of the Firm Brochure as necessary when updates or new information are added, at any time, without charge. To request a complete copy of our Firm Brochure, contact us by telephone at (800) 825-0616 or by email to John Heilner, Chief Investment Officer and Chief Compliance Officer, at: [Jheilner@wtwealthmanagement.com](mailto:Jheilner@wtwealthmanagement.com).

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## **ITEM 4      ADVISORY BUSINESS**

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### **A.    FIRM DESCRIPTION**

WT WEALTH MANAGEMENT, LLC (“WTWM”) is organized as a Wyoming limited liability company that was founded in 2013.

WTWM is based in Scottsdale, Arizona and is currently a registered investment adviser with the States of Arizona, California, New York, Nevada and Washington. WTWM’s current business activity consists of providing wealth management services, wealth education services, and financial planning to its clients.

Principal Owner: The direct owner of WTWM is WesternTrust, L.P., a Delaware limited partnership. John Heilner is the executive officer of WTWM.

### **B.    TYPES OF ADVISORY SERVICES**

#### **Investment Advisory Services**

WTWM provides discretionary portfolio management services to its clients, based on the specific needs and objectives of such persons and the suitability of products and services. WTWM shall be granted full discretion and authority to manage the client’s account. Accordingly, WTWM is authorized to perform various functions without further approval from the client, such as the determination of securities to be purchased or to be sold without permission from the client prior to each transaction.

Prior to engaging WTWM to provide any of the aforementioned investment advisory services, WTWM requires a written investment management agreement (“IMA”) signed by the client prior to the engagement of services. The IMA outlines the services and fees the clients will incur pursuant to the IMA with WTWM.

Upon request, WTWM will create an Investment Policy Statement for each client, which outlines the client’s current situation (goals, objectives, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client’s specific situation. Investment Advisory Services include, but are not limited to, the following:

- Investment Strategy
- Asset Allocation
- Regular Portfolio Monitoring
- Personal Investment Policy
- Security Selection

As noted, WTWM’s asset management services are designed to offer portfolio construction and ongoing management of accounts with defined investment strategies to meet the client’s personal investment goals and objectives. WTWM evaluates the current investments of each client with respect to risk tolerance levels and time horizon. Risk tolerance levels may be documented in the Investment Policy Statement which is provided to our clients upon request. WTWM is responsible for providing ongoing re-balancing and continuous monitoring of our clients’ securities holdings.

WTWM generally limits its money management to open and closed end mutual funds, equities, bonds, fixed income and debt securities, ETFs, and REITs. WTWM may use other securities as well to help diversify a portfolio when applicable, and has the ability to service annuities, 529 plans, and other non-custodial accounts.

### **Wealth Education Services**

WTWM believes all investors should be encouraged to increase their knowledge, as education is a key component in empowering our clients to avoid behavioral mistakes that hinder a successful investing experience. We seek opportunities to teach principles that will enhance each client's accumulation, protection and enjoyment of wealth. WTWM believes in transparency and that clients have the right to ask questions, challenge our beliefs, receive forthright responses, and enjoy honest discussion about their investment portfolio. There is no fee involved when WTWM provides wealth education services.

In addition to one-on-one discussions with individual clients, WTWM may also conduct wealth educational events and outings (such as seminars and workshops) on various financial topics for our clients and the general public. Participants can increase their knowledge during these educational events and have the opportunity to ask specific questions by interacting with financial professionals and experts who will instruct such events.

Sample wealth education topics (whether addressed individually or in seminars and workshops) might include, but are not limited to:

- ✓ Financial Plans
- ✓ Estate Planning
- ✓ Succession Planning
- ✓ Financial Risk
- ✓ Asset Allocation Models
- ✓ Modern Portfolio Theory
- ✓ Investment Strategies
- ✓ Real Estate and Real Estate Investing
- ✓ Insurance (all types)
- ✓ Medicare or Social Security Enrollment and Administration
- ✓ Navigating the Affordable Care Act ("Obamacare")
- ✓ Tax Planning and Filing
- ✓ Financial Negotiation Skills

### **Publications**

WTWM publishes a daily market insight and a monthly white paper on various financial, market or macroeconomic topics. These publications are posted to the [www.wtwealthmanagement.com](http://www.wtwealthmanagement.com) website where they are publicly available at no cost to the

reader. WTWM also periodically sends e-mails to its clients and contact database in response to significant market or business events.

### **Financial Planning Services**

WTWM may provide additional advisory services in the form of financial planning services. These services are provided on a non-discretionary basis. Financial planning services do not involve the active management of client accounts, but instead focus on a client's overall financial situation. Financial planning can be described as helping individuals to determine and set their long-term financial goals through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of the financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

An inherent conflict exists between the interests of WTWM and the interests of the client. The client is under no obligation to act upon WTWM's recommendation. Should the client elect to act on any recommendation made by WTWM, the client is under no obligation to effect the transaction through the Firm.

### **Business Continuity**

WTWM has created and maintains a written business continuity plan which identifies procedures relating to an emergency or significant business disruption, including death or incapacitation of the investment adviser or any of its representatives. Such procedures are reasonably designed to enable WTWM or any of its representatives to meet their obligations to clients.

### **C. TAILORED RELATIONSHIPS**

WTWM offers the same suite of services to all of its clients. The management services and recommendations offered by WTWM are based on the individual needs of our clients and the suitability of products and services. Specific client financial plans and their implementation are dependent upon the client's Investment Policy Statement which outlines each client's current situation (income, objectives, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs and targets.

Clients may impose restrictions on investing in certain securities or types of securities in accordance with their values and beliefs. WTWM will make every effort to comply with the wishes of the client but cannot guarantee absolute adherence due to its use of indexed products, funds, and ETF's that are controlled by third party managers.

### **D. WRAP FEE PROGRAMS**

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks and other financial institutions and affiliated and unaffiliated investment advisers through which the clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a "bundled" form. In exchange for these "bundled" services, the clients pay an all-inclusive (or "wrap") fee determined as a percentage of the assets held in the wrap account. Due to the nature of its advisory services, WTWM does not participate in and is not a sponsor of wrap fee programs.

## **E. ASSETS UNDER MANAGEMENT**

When calculating regulatory assets under management, an Investment Adviser must include the value of any advisory account over which it exercises continuous and regular advisory or management services.

As of December 31, 2016, WTWM managed \$58,813,239 in client assets on a discretionary basis.

### **SOLICITED OR SUB-ADVISED SEPARATELY MANAGED ACCOUNTS (SMA)**

WTWM provides investment management services to clients facilitated by unaffiliated independent investment advisors contractually engaged by WTWM (collectively referred to as "Introducing Advisors"). WTWM may also act as sub-advisor to an unaffiliated independent investment advisor. Under these arrangements, each account is held at an unaffiliated brokerage firm or custodian, and is registered to the person, persons, or other entity listed on that firm's new account forms. All securities are owned directly by the account's registered owner or owners. WTWM directs the investment of the securities on a discretionary basis in the account under a limited power of attorney granted to WTWM by the client. WTWM is compensated by the investment management fee as detailed in the contract with the client. The Introducing Advisor receives a fee disclosed in the contract with the client and may provide continuing financial planning or other services for the client.

## **ITEM 5 FEES AND COMPENSATION**

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### **A. DESCRIPTION AND BILLING**

In addition to the information provided in Item 4 ("*Advisory Business*"), this section provides details regarding WTWM's services along with a description of each service's fees and compensation arrangements. *Lower fees for comparable services may be available from other sources.*

#### *For Washington Clients*

Pursuant to WAC 460-24A-106(1)(b)(ii), each time a fee is directly deducted from your client's account, the Firm will concurrently send the client an invoice itemizing the fee. Additionally, pursuant to Securities Act Policy Statement - 21, when WTWM charges an advisory fee, the Firm is required to provide advisory clients with written billing information which must contain the fee(s), the formula used to calculate the fee(s), and the time period covered by the fee(s). This written billing information must be delivered to the client each time the WTWM charges a fee.

Clients have the option to purchase investment products that WTWM recommends through other brokers or agent that are not affiliated with the Firm.

### **Investment Advisory Services**

WTWM will charge clients an investment management fee for its investment advisory services. The investment management fee is an annual fee based on a percentage of the

value of the client's assets under management, including all cash and other assets in the account (valued at liquidation value) (the "Account Value"), as follows:

WTWM charges clients a management fee ranging from 0% to 2% per annum, collected quarterly in advance on the first business day of each calendar quarter based on the fair market value of the assets in the account at the close of business on the last day of the previous quarter. The initial quarterly payment will be due at the time assets are allocated to the account and will be based on the amount of such assets. All fees are refundable if the relationship terminates before the end of the period for which the fee is paid. Please see Section C for full Refund and Termination Policy. The Firm may, in its sole discretion, waive or reduce a fee for providing investment management services to employees, family members of employees, and employees of affiliates of the Firm.

The management fee charged is subject to negotiation with each client based on the client's characteristics and may differ from client to client. The IMA is valid for a term of one year with automatic one-year renewals. Any changes, such as an increase or decrease to the management fee, may be made to the IMA in writing upon mutual agreement of the parties.

Any management fees due to WTWM shall be deducted by WTWM directly from the client's account, and will be paid to WTWM from the amount on deposit in the client account. The client will provide written authorization permitting the fees to be paid directly from the account. Both WTWM's advisory agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of WT's management fees and to directly remit that fee to WTWM in compliance with regulatory procedures. In the limited event that WTWM bills the client directly, payment in full is expected upon invoice presentation. WTWM reserves the right to waive or reduce fees at its discretion.

Lower fees for comparable services may be available from other sources.

### **Financial Planning Services**

WTWM's financial planning services are offered on an hourly fee basis. Hourly fees are billed at a rate of \$250 per hour for an initial plan with an additional \$150 per hour charged to update an existing plan (originally created by WTWM).

The fees are negotiable on a case-by-case basis dependent on the amount of the assets and the complexity of the services. Compensation will be paid after all services have been rendered. All fees and refunds remain subject to negotiation at the sole discretion of WTWM.

Financial planning fees are billed in arrears upon completion of the service and delivery of the product. Payment must be remitted within thirty (30) days.

### **B. OTHER FEES AND PAYMENTS**

There may be additional fees or charges that result from the maintenance of or trading within a client's account. These are fees that are imposed by third parties in connection with investments made through a client's account, including but not limited to, no-load mutual fund 12(b)-1 distribution fees, certain deferred sales charges on previously purchased mutual funds, and IRA and Qualified Retirement Plan fees.



### **C. REFUND AND TERMINATION POLICY**

Clients may terminate their account without penalty and full refund, within five (5) business days of signing their advisory agreement, and thereafter at any time with thirty (30) days prior written notice to WTWM. Upon termination, the management fee for any partial period shall be prorated and any unearned amount shall be refunded to the client as of the effective date of the termination when requested in a written communication to WTWM. WTWM will also deliver to clients any financial planning products that have been completed and for which financial planning fees have been charged. The client will not be entitled to a full refund of any financial planning fees, regardless of when or for what reason the relationship between WTWM and the client is terminated.

### **D. OTHER COMPENSATION**

Neither WTWM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds. WTWM does not charge for the publication of periodicals or wealth education services.

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

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### **A. PERFORMANCE-BASED COMPENSATION**

Performance-Based Fees (“Performance Fees”) are based on a share of the capital gains or capital appreciation of the assets of a client. **WTWM does not assess Performance Fees.** Our fees are calculated as described in *Item 5* above.

### **B. SIDE-BY-SIDE MANAGEMENT**

“Side-by-Side Management” refers to a situation in which the same adviser manages accounts that are billed based only on a percentage of assets under management and at the same time manages other accounts for which fees are performance-based.

**WTWM does not assess Performance Fees.**

## **ITEM 7 TYPES OF CLIENTS**

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WTWM generally provides investment advisory services to **Individuals and High Net-Worth Individuals.**

WTWM does not require a minimum account balance. We believe that every investor, large or small, deserves unbiased, uninfluenced, professional asset management services.

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

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### **A. METHODS OF ANALYSIS**

WTWM may utilize one or more of the following methods of analysis when providing

investment advice to its clients:

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. It involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. It attempts to predict a future stock price or direction based on market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall. Technical analysis methods employ software and other financial data management tools to assess various aspects of the marketplace. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that markets react in cyclical patterns which, once identified, can be leveraged to provide performance. Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical analysis is a time based assessment which incorporates past and present performance to determine future value. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. The risks of this strategy are two-fold: (1) the markets do not always repeat cyclical patterns; and (2) if too many investors begin to implement this strategy, it changes the very cycles of which they are trying to take advantage.

## **B. INVESTMENT STRATEGIES**

WTWM may utilize the following investment strategies when implementing investment advice given to clients:

**Long Term Purchases** – Securities are purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen long-term changes in the company in which a client is invested or in the overall market. Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Due to its nature, the long-term strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include, but are not limited to, inflation (purchasing power) risk, interest rate risk, economic risk, and political/regulatory risk.

**Short Term Purchases** – Securities are purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Short term trading generally holds greater risk. Frequent trading can affect investment performance due to increased brokerage and other transaction costs and taxes.

The investment strategies summarized above represent WTWM's current intentions. Depending on conditions and trends in the securities markets and the economy in general, WTWM may pursue any objectives, employ any investment techniques or strategies, or purchase any type of security that it considers appropriate and in the best interests of the client, whether or not described herein.

### C. RISK OF LOSS

*Clients need to be aware that investing in securities involves risk of loss of the principal.*

Every method of analysis has its own inherent risks. To perform an accurate market analysis WTWM must have access to current/new market information. WTWM has no control over the dissemination rate of market information; therefore, unbeknownst to WTWM, certain analyses may be compiled with outdated market information, severely limiting the value of WTWM's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by WTWM) will be profitable or equal any specific performance level(s). WTWM does not represent, warrant, or imply that its services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Notwithstanding WTWM's method of analysis or investment strategy, the assets within the client's portfolio are subject to risk of devaluation or loss. The client should be aware that there are many different events that can affect the value of the client's assets or portfolio including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example,

political, economic, and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Prepayment Risk:** The returns on the collateral for the deal can change dramatically at times if the debtors prepay the loans earlier than scheduled.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** This risk is associated with a particular industry or a particular company within an industry.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Risk Factors relevant to specific securities utilized include:

- **Equity Securities.** The value of the equity securities are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and more risky than some other forms of investment.
- **Exchange Traded Funds ("ETF").** ETFs are a recently developed type of investment security, representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETF's performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.

- **Mutual Fund Shares.** Some of the risks of investing in mutual fund shares include: (i) the price to invest in mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads), (ii) investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs, and (iii) investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.
- **Real Estate Related Securities Risk.** Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation; possible lack of availability of mortgage funds; overbuilding; extending vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; costs resulting from cleanup of, and liability to third parties for damages resulting from environmental problems; casualty or condemnation losses; uninsured damages from floods, earth quakes or other natural disasters; limitations on and variations in rents; and changes in interest rates. Investing in Real Estate Investment Trusts ("REITs") involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs are dependent upon management skills, are not diversified, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation.
- **Municipal Bond Risk.** Municipal securities issuers may face local economic or business conditions (including bankruptcy) and litigation, legislation or other political events that could have a significant effect on the ability of the municipality to make payments on the interest or principal of its municipal bonds. In addition, because municipalities issue municipal securities to finance similar types of projects, such as education, healthcare, transportation, infrastructure and utility projects, conditions in those sectors can affect the overall municipal bond market. Furthermore, changes in the financial condition of one municipality may affect the overall municipal bond market. The municipal obligations in which clients invest will be subject to credit risk, market risk, interest rate risk, credit spread risk, selection risk, call and redemption risk and tax risk, and the occurrence of any one of these risks may materially and adversely affect the value of the Client's assets or profits.
- **Fixed Income Securities Risk.** Prices of fixed income securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect fixed income security prices. The longer the effective maturity and duration of the client's portfolio, the more the portfolio's value is likely to react to interest rates. For example, securities with longer maturities sometimes offer higher yields, but are subject to greater price shifts as a result of interest rate changes than debt securities with shorter maturities. Some fixed income securities give the issuer the option to call, or redeem, the securities before their maturity dates. If an issuer calls its security during a time of declining interest rates, we might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in

value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of callable issues are subject to increased price fluctuation.

While this information provides a synopsis of the events that may affect a client's investments, this listing is not exhaustive. Although WTWM's methods of analysis and investment strategies do not present any significant or unusual risks, all investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Clients should understand that there are inherent risks associated with investing and depending on the risk occurrence; clients may suffer LOSS OF ALL OR PART OF THE CLIENT'S PRINCIPAL INVESTMENT.

#### *For California Clients*

California Code of Regulations Section 260.238 (k) provides that failing to disclose to a client in writing before entering or renewing an advisory agreement with that client any material conflicts of interest regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice does not promote "fair, equitable or ethical principles". WTWM has disclosed any material conflicts of interest.

#### **D. RECOMMENDATION OF SPECIFIC TYPES OF SECURITIES**

WTWM does not primarily recommend a particular type of security. Investments may include, but are not limited to, exchange listed securities, fixed-income securities, over-the-counter securities, foreign securities, options, derivatives, money market funds, real estate investment funds ("REITs") and other pooled investment vehicles, such as open and closed end mutual funds or ETF's.

### **ITEM 9 DISCIPLINARY INFORMATION**

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Registered investment advisers 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. Neither WTWM nor any of its management persons has been involved in legal or disciplinary events that are related to past or present investment clients.

### **ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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#### **A. FINANCIAL INDUSTRY ACTIVITIES**

WTWM is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, none of WTWM's management or supervised persons is a registered representative of, nor has an application pending to register as a representative of, a broker-dealer. However, WTWM does have the ability to service variable annuities, 529 plans and other broker-dealer products as a Registered Investment Adviser.

Mr. Heilner is the Manager of WT Tax Accounting, LLC. He spends approximately two hours every month signing checks and performing payroll activities. WT Tax Accounting, LLC does not have signatory authority for any client of WTWM's or for WTWM itself as an

entity.

Mr. Heilner and Ms. Proud are both licensed to sell insurance, though neither is actively pursuing insurance business. Mr. Heilner and Ms. Proud spend less than two hours per month maintaining their licenses.

#### **B. FINANCIAL INDUSTRY AFFILIATIONS**

WTWM is not a registered Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor and does not have an application pending to register as such. Furthermore, WTWM's management and supervised persons are not registered as and do not have an application pending to register as an associated person of the foregoing entities.

#### **C. OTHER MATERIAL RELATIONSHIPS**

WTWM does not have any arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships other than those already disclosed herein.

#### **D. OTHER INVESTMENT ADVISERS**

WTWM investment advisor representatives, Ms. Proud and Mr. Redwanc, are both dually registered with WTWM and True Financial. Ms. Proud and Mr. Redwanc spend approximately five hours per month performing advisory services for clients through True Financial.

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

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#### **A. DESCRIPTION OF CODE OF ETHICS**

All employees of WTWM must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, WTWM has adopted a Code of Ethics in its Employee Policies and Procedures Manual to specify and prohibit certain types of transactions deemed to create conflicts of interest (or the potential for or the appearance of such conflicts), and to establish reporting requirements and enforcement procedures relating to personal trading by WTWM personnel. WTWM's Code of Ethics in its Employee Policies and Procedures Manual, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. **We will provide a copy of our Code of Ethics to any client or prospective client upon request.**

#### **B. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

WTWM does not recommend or effect transactions in securities in which any related person may have material financial interest.

### **C. PROPRIETARY/SIMULTANEOUS TRADING**

At times, WTWM or its affiliated persons may buy or sell securities for its own accounts that it has also recommended to clients. However, any purchase or sale of a security by WTWM or a related person will be subject to WTWM's fiduciary duty to client accounts. From time to time, representatives of WTWM may buy or sell securities for themselves at or around the same time as WTWM's client accounts. In any instance where similar securities are bought or sold, WTWM will uphold its fiduciary duty by always transacting on behalf of the client before transacting for its own benefit. WTWM will always document any transactions that could be construed as conflicts of interest. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, WTWM will monitor its proprietary and personal trading reports for adherence to its Code of Ethics.

## **ITEM 12 BROKERAGE PRACTICES**

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### **A. SELECTION AND RECOMMENDATION**

WTWM seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that, overall, are most advantageous when compared to other available providers and their services.

WTWM considers a wide range of factors in selecting a custodian/broker including, among others, the following:

- ✓ Timeliness of execution
- ✓ Clearance and settlement capabilities
- ✓ Ability to place trades in difficult market environments
- ✓ Timeliness and accuracy of trade confirmations
- ✓ Quality of account statements
- ✓ Research, execution facilitation, record keeping, custody and other "value-added" services provided
- ✓ Frequency and correction of trading errors
- ✓ Financial condition and willingness to commit capital
- ✓ Business reputation and integrity
- ✓ WTWM's prior experience with the custodian/broker

To this end, WTWM has established a brokerage and custodian relationship with TD Ameritrade Institutional, a division of TD AMERITRADE, Inc., member FINRA/SIPC/NFA ("TD Ameritrade") and Folio Investments, Inc. ("Folio Investments"), member FINRA/SIPC. WTWM is independently owned and operated and is not affiliated with TD Ameritrade or Folio Investments. TD Ameritrade or Folio Investments will hold client assets in a brokerage account and buy and sell securities only when WTWM or the client instructs



them to.

WTWM may recommend either TD Ameritrade or Folio Investments to clients. Custodian recommendations are based on the client's account size, investment objectives, trading frequency and overall portfolio strategy. WTWM has determined that having TD Ameritrade and Folio Investments execute trades is consistent with our duty to seek "best execution" of client trades.

#### **B. RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

WTWM does not currently receive "soft dollars."

Under "soft dollar" arrangements, one or more of the brokerage firms would provide or pay the costs of certain services, equipment, or other items. These soft dollar benefits are attributed to the investment advisor by reducing its expenses; however, the amount of the fee paid to the investment advisor by the client would not be reduced. Making allocations to brokerage businesses with soft dollar arrangements could enhance the ability to obtain research, optimal execution and other benefits on behalf of clients.

#### **C. BROKERAGE FOR CLIENT REFERRALS**

WTWM does not receive client referrals from third parties for recommending the use of specific broker-dealer brokerage services.

#### **D. DIRECTED BROKERAGE**

WTWM will recommend to clients TD AMERITRADE Institutional, a Division of TD AMERITRADE, Inc., member FINRA/SIPC/NFA. This arrangement is designed to maximize efficiency and to be cost effective for WTWM's clients. By requiring clients to use the specific custodian, which WTWM has approved, WTWM seeks to achieve "best execution" of client transactions.

WTWM does not permit clients to direct the use of a particular brokerage firm.

#### **E. ORDER AGGREGATION**

WTWM may, at times, aggregate sale and purchase orders of securities ("block trading") for advisory accounts with similar orders in order to obtain the best pricing averages and minimize trading costs. This practice is reasonably likely to result in administrative convenience or an overall economic benefit to the client. Clients also benefit relatively from better purchase or sale execution prices, lower commission expenses or beneficial timing of transactions or a combination of these and other factors. Aggregate orders will be allocated to client accounts in a systematic non-preferential manner. WTWM may aggregate or "bunch" transactions for a client's account with those of other clients in an effort to obtain the best execution under the circumstances.

Trade Error Policy: WTWM maintains a record of any trading errors that occur in connection with investment activities of its clients. Both gains and losses that result from a trading error made by WTWM will be borne or realized by WTWM.

## **ITEM 13 REVIEW OF ACCOUNTS**

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### **A. PERIODIC REVIEWS**

WTWM reviews its client's account activity at least monthly. The reviews consist of determining whether a client's investment goals and objectives are aligned with WTWM's investment strategies. If reallocation of investments is necessary, WTWM sells underperforming investments or buys new investments that are more appropriate for the client's investment goals and objectives. The reviews are led by John Heilner, Chief Investment Officer and Chief Compliance Officer of WTWM.

### **B. INTERMITTENT REVIEW FACTORS**

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or changes in the client's financial status (such as retirement, termination of employment, relocation, inheritance, etc.). Clients are advised to notify WTWM promptly if there are any material changes in their financial situation, investment objectives, or in the event they wish to place restrictions on their account.

### **C. REPORTS**

Clients may receive confirmations of purchases and sales in their accounts and will receive, at least quarterly, statements containing account information such as account value, transactions, and other relevant information. Confirmations and statements are prepared and delivered by the custodian.

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

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### **A. ECONOMIC BENEFITS FROM OTHERS**

WTWM does not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to its clients.

### **B. COMPENSATION TO UNAFFILIATED THIRD PARTIES**

WTWM may, at times, enter into soliciting agreements to provide cash compensation to third parties for client referrals or introductions to WTWM. Our compensation agreements are in accordance with Rule 206(4)-3 under the Investment Adviser Act of 1940 and the applicable state regulations. To the extent required by Rule 206(4)-3 or applicable state regulations; the compensation is disclosed to clients by the third party referral source in a separate disclosure document. Generally, these arrangements provide compensation equal to a specific percentage of certain fees received by WTWM. This arrangement creates a conflict of interest in that cash compensation may impair the solicitor's evaluation of the client's suitability for WTWM's programs. To mitigate or remedy this conflict of interest the Chief Compliance Officer will review referrals to ensure suitability with WTWM's programs before compensating the solicitor. Prior to compensating any individual for referrals, WTWM will ensure that these individual solicitors are appropriately registered as investment adviser representatives, if registration is required by the jurisdictions in which solicitation activities are conducted.

Certain clients that engage WTWM's services as result of referrals from Introducing

Advisors may pay more or less to obtain WT's investment management services than do other clients, since a portion of the overall fee may be determined by the Introducing Advisor. In such situations, where the client pays more, the engagement shall result in an additional charge to the client in excess of what the client would have paid if the client were to engage the services of WTWM independent of the Introducing Advisor's introduction. Variations in the Introducing Advisor's compensation may be due to the Introducing Advisor's role as an unaffiliated investment adviser or investment adviser representative for the consulting and monitoring services the Introducing Advisor may provide to the client on an ongoing basis relative to the client's engagement of WTWM. Such arrangements, and their terms and conditions, are exclusively determined between the client and the Introducing Advisor, and WTWM will not be a party to these arrangements. Retail clients may pay more or less to obtain WT's investment management services than clients referred to WTWM by an Introducing Advisor.

*For California Clients*

Compensated persons will be properly registered as solicitors and follow the requirements under CCR 260.236(c)(2).

## **ITEM 15 CUSTODY**

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### **A. CUSTODIAN OF ASSETS**

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.

WTWM does not have direct custody of any client funds and/or securities. WTWM will not maintain physical possession of client funds and securities. Instead, client's funds and securities are held by the WTWM preferred, qualified custodian.

While WTWM does not have physical custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to the client's account application. In certain jurisdictions, the ability of WTWM to withdraw its management fees from the client's account may be deemed custody.

Prior to permitting direct debit of fees, each client provides written authorization permitting fees to be paid directly from the custodian.

*For Arizona and New York Clients*

As part of the billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. The custodian does not calculate the amount of the fee to be deducted and does not verify the accuracy of WTWM's advisory calculation. Therefore, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact WTWM directly if they believe that there may be an error in their statement. Please refer to *Item 12* for

information regarding WTWM's Brokerage Practices.

*For Nevada Clients*

Nevada follows Model Rule 102(a)(4)-1 entitled NASAA Unethical Business Practices of Investment Advisers, Investment Adviser Representatives, and Federally Covered Advisers, which adopts by reference, Model Rule 102(e)(1)-1 entitled NASAA Custody Requirements for Investment Advisers. Said custody rule requires that each time a fee is directly deducted from a client account, WTWM will concurrently send the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account and the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

*For California Clients*

As part of the billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

WTWM intends on complying with the safeguards listed in § 260.237 of California's Code of Regulations. WTWM will have custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee. The client provides written authorization to WTWM to deduct advisory fees from their account held with a qualified custodian. Each time a fee is directly deducted from a client account, WTWM will concurrently send the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account and the client an invoice or statement itemizing the fee. Itemization will include the formula used to calculate the fee, the values of the assets under management on which the fee is based, and the time period covered by the fee. Clients are encouraged to review their fee invoices with their account statements.

*For Washington Clients*

Clients are encouraged to review their fee invoices with their account statements.

**B. ACCOUNT STATEMENTS**

Although WTWM is the client's adviser, the client's statements will be mailed or made available electronically by the broker-dealer or custodian. When the client receives these statements, they should be reviewed carefully. Clients should compare asset values, holdings, and fees on the statement to that in the account statement issued the previous period.

## **ITEM 16 INVESTMENT DISCRETION**

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It is WTWM's customary procedure to have full discretionary authority in order to supervise and direct the investments of a client's accounts. Clients grant this authority upon execution of WTWM's IMA. This authority is for the purpose of making and

implementing investment decisions, without the client's prior consultation. All investment decisions are made in accordance with the client's stated investment objectives. Other than management fees due to WTWM, which WTWM will receive directly from the custodian, WTWM's discretionary authority does not give authority to take or have possession of any assets in the client's account or to direct delivery of any securities or payment of any funds held in the account to WTWM. Furthermore, WTWM's discretionary authority by agreement does not allow it to direct the disposition of such securities or funds to anyone except the account owner.

## **ITEM 17 VOTING CLIENT SECURITIES**

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WTWM will not vote proxies which are solicited for securities held in client accounts. WTWM will not be required to render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the client's account may be invested in occasionally. Furthermore, WTWM will not take any action or render any advice with respect to any securities held in any client's accounts that are named in or subject to class action lawsuits. WTWM will however, forward to the client any information received by WTWM regarding class action legal matters involving any security held in the client's account.

## **ITEM 18 FINANCIAL INFORMATION**

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### **A. BALANCE SHEET REQUIREMENT**

WTWM is not the qualified custodian for client funds or securities, and does not require prepayment of fees of more than \$500 per client, six (6) months or more in advance.

### **B. FINANCIAL CONDITION**

WTWM does not have any financial impairment that would preclude the Firm from meeting contractual commitments to clients.

### **C. BANKRUPTCY PETITION**

WTWM has not been the subject of a bankruptcy petition at any time during the last 10 years.

## **ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

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### **A. Firm Management**

The direct owner of WTWM is WesternTrust, L.P., a Delaware limited partnership. John Heilner is the Chief Investment Officer and Chief Compliance Officer of WTWM and one of its three investment advisor representatives.

### **B. Other Business Activities**

Please see Item 10 of the Firm Brochure.

### **C. Performance-Based Compensation**

WTWM does not assess a performance-based fee in the form of the Performance Allocation, as discussed in Item 5 above.

### **D. Disciplinary Reporting Disclosure**

#### *Arbitration Claims*

Neither the Firm nor its management persons has been found liable in any arbitration claim alleging damages in excess of \$2,500 involving an investment or investment-related business or activity, fraud, false statements or omissions, theft, embezzlement or other wrongful taking of property, bribery, forgery counterfeiting or extortion or dishonest, unfair or unethical practices.

#### *Civil, Self-Regulatory Organization (SRO), or Administrative Proceeding*

Neither the Firm nor its management persons has been found liable in any civil, self-regulatory organization, or administrative proceeding involving an investment or investment related business or activity, fraud, false statements or omissions, theft embezzlement or other wrongful taking of property bribery, forgery, counterfeiting, or extortion; or dishonest, unfair or unethical practices.

### **E. Relationships or Arrangements with Securities Issuers**

Neither the Firm nor its management has a relationship or arrangement with any issuer of securities.

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## **PRIVACY POLICY**

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WTWM does not disclose nonpublic personal information about its clients or former clients to any persons other than as described below. WTWM collects information about its clients (such as name, address, social security number, assets and income) from discussions with clients, from documents that clients may deliver to WTWM (such as account applications) and in the course of providing services. In order to service its client accounts and effect client transactions, WTWM may provide client personal information to its affiliates and to firms that assist it in servicing client accounts and which have a need for such information. WTWM does not otherwise provide information about its clients to outside firms, organizations or individuals except as required by law. Any party that receives this information will use it only for the services and as allowed by applicable law or regulations, and is not permitted to share or use this information for any other purpose.