



JWM Wealth Management, LLC

Registered Investment Advisor

JWM Wealth Management, LLC
9000 Crow Canyon Road/Suite S #177
Danville, CA 94506

(925) 389-3889
www.jwmwealth.com

Form ADV Part 2A

Firm Brochure

March 13, 2019

This brochure provides information about the qualifications and business practices of JWM Wealth Management, LLC. If you have any questions about the content of this brochure, please contact Joe Morgan at (925) 389-3889.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about JWM Wealth Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov. Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 221526.

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

Item 2 – Material Changes

JWM Wealth Management, LLC amended its March 12, 2018 Form ADV Part 2A firm brochure as part of the annual filing process.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's Website: www.adviserinfo.sec.gov or may contact our firm at (925) 389-3889 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

Item 3 – Table of Contents

Item 1 - Cover Page 1

Item 2 - Material Changes 2

Item 3 - Table of Contents 3

Item 4 - Advisory Business 4

Item 5 - Fees and Compensation 10

Item 6 - Performance-Based Fees and Side-By-Side Management 13

Item 7 - Types of Clients 14

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss 14

Item 9 - Disciplinary Information 17

Item 10 - Other Financial Industry Activities and Affiliations 17

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading 18

Item 12 - Brokerage Practices 21

Item 13 - Review of Accounts 24

Item 14 - Client Referrals and Other Compensation 25

Item 15 - Custody 26

Item 16 - Investment Discretion 26

Item 17 - Voting Client Securities 27

Item 18 - Financial Information 27

Item 19 - Requirements for State-Registered Advisers 28

Form ADV Part 2B - Brochure Supplement [Principal Executive] 29

Important Information

Throughout this document JWM Wealth Management, LLC may also be referred to as “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons*, and may refer to natural persons and legal entities. In addition, the term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., Internet address, etc.).

Item 4 - Advisory Business

Description of the Firm

JWM Wealth Management, LLC is a California domiciled limited liability company formed in 2015. Our firm is not a subsidiary of nor does it control another financial services industry entity. In addition to our 2015 registration as an investment advisor in the State of California, our firm and its associates may register, become licensed or meet certain exemptions to registration and/or licensing in other jurisdictions in which investment advisory business is conducted.

Mr. Joseph W. Morgan, CFA, CFP® is the firm's Principal and Chief Compliance Officer (supervisor).¹ He is also Managing Member and maintains controlling interest in the firm. Additional information about Mr. Morgan and his background may be found toward the end of this brochure.

Description of Advisory Services Offered

The firm's *financial planning services* provide clients with advice on key topics such as cash flow and budgeting, funding a college education, retirement planning, and risk management, estate or tax planning, among others. Ongoing and continuous supervision of clients' portfolios are provided through our *portfolio management services* offering. We also provide independent *portfolio reviews* as well as *educational workshops* involving a broad range of financial planning and investing topics.

An initial interview is conducted by a representative of our firm to discuss your current situation, goals and the scope of services that may be provided to you. During or prior to this meeting you will be provided with our Form ADV Part 2 firm brochure that includes a statement involving our privacy policy, as well as a brochure supplement about the representative who will be assisting you. We will also ensure that any material conflicts of interest have been disclosed to you that could be reasonably expected to impair the rendering of unbiased and objective advice.

Should you wish to engage JWM Wealth Management, LLC for its services, you must first execute our client engagement agreement. Thereafter discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. Depending on the scope of the engagement, you may be asked to provide copies of the following documents early in the process:

- Wills, codicils and trusts
- Insurance policies
- Mortgage information
- Tax returns
- Divorce decree or separation agreement
- Current financial specifics including W-2s or 1099s
- Information on current retirement plans and benefits provided by your employer
- Statements reflecting current investments in retirement and non-retirement accounts
- Employment or other business agreements you may have in place
- Completed risk profile questionnaires or other forms provided by our firm

¹ Refer to the end of this brochure for an explanation of designation prerequisites and continuing education requirements.

It is important that we are provided with an adequate level of information and supporting documentation throughout the term of the engagement including but not limited to: source of funds, income levels, and an account holder or attorney-in-fact's authority to act on behalf of the account, among other information that may be necessary for our services. The information and/or financial statements provided to us need to be accurate. Our firm may, but is not obligated to, verify the information that you have provided to us, which will then be used in the advisory process.

It is essential that you inform our firm of significant issues that may call for an update to your plan. Events such as changes in employment or marital status, an unplanned windfall, etc., can have an impact on your circumstances and plans. Our firm needs to be aware of such events so that adjustments may be made as necessary.

Financial Planning Services

Financial planning services may be broad-based or narrowly focused. The incorporation of most or all of the listed components allows not only a thorough analysis but also a refined focus of your plans so that the firm is able to assist you in reaching your goals and objectives. A comprehensive financial plan may delve into some areas more deeply than others depending on your particular situation and needs.

Define and Prioritize Goals and Objectives

Defining and prioritizing your goals is typically the first step to financial clarity. A firm representative will lead a discussion of what you want your finances to accomplish in your life including near-, short-, and long-term objectives. These will be reviewed often in our planning discussions, understanding they can evolve over time.

Summarize Current Financial Situation (Net Worth, Cash Flow, Balance Sheet, Insurance Statements)

Understanding where your current finances stand, including the risks you are taking and the resources you have to achieve your goals is extremely important. Additionally, these can change over time. Your current financial situation will be summarized in various reports and reviewed as your plan is built, executed, and revised.

Cash Flows For Now (Current Spending Plan)

An extremely important, but often overlooked determinant of your financial success is your current annual spending. We will work with you to build a realistic estimate of your current spending, possibly including a review and categorization of past spending. Monitoring your spending on a monthly basis will be up to you, however regular discussions of your spending progress will be important during reviews and updating of your plan.

Cash Flows For Life (Lifetime Cash Flow Analysis)

Ultimately, success in your plan will likely be defined by having financial resources that outlast your lifetime. To understand this likelihood, we will map out your cash flows on an annual basis to age 100 (or longer). This will be the culmination of many discussions and assumptions which will be clearly analyzed. Once the base case is built, the firm will model 2-3 scenarios to show how the situation can be improved either in attempt to extend your funds or accomplish all your goals. We may also build additional scenarios that result from our discussions of your cash flows.

But these are only point-estimates of your expected cash flows. We will also provide Monte Carlo-based scenario analysis that shows the likelihood of expiring with a portfolio balance given estimates of market volatility and correlation.

Investment Structure Recommendations

Investment discussions include an extensive educational discussion on how to use the markets to accomplish your objectives. Then we will gauge your tolerance for risk and use this as a limitation on the portfolio recommendation we construct. We will also provide recommendations on account types, funding strategies, and withdrawal strategies in retirement. Ultimately, we will build a strategy that may be executed through our Portfolio Management services or self-executed at your choice.

The resulting recommendations may differ depending whether your intention is to use our Portfolio Management Services. See Item 8 of this brochure for more information.

Insurance Review And Recommendations

Understanding and managing your risks is important for your financial plan. We will review your current life and property/casualty insurance coverage, helping you understand much of the risks for which you are covered and for which you may not be covered. These may include premature death, disability, property and casualty losses. Advice may be provided on ways to minimize such risks and about weighing the costs/benefits of purchasing insurance versus self-insuring.

Neither the firm nor any affiliates sell insurance or receive any compensation for these recommendations other than the fees listed in Item 5.

Estate Plan Review and Recommendations

Our review includes a discussion of what happens should you pass with your current estate plan and recommendations for any changes given your goals and situation. Our recommendation may refer to creating a will, powers of attorney, trusts, or other related vehicles. We may assess ways to minimize or avoid future estate taxes by implementing appropriate estate planning strategies, however we generally recommend you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who provide estate planning services and we may participate in meetings or phone calls between you and your attorney with your approval or request.

Action Plan to Implement The Recommendations

Financial Planning is an active process that does not “end” with a plan. Instead, our financial lives are fluid as income, expenses, goals, and life plans evolve over time. Because of this, it is important to have a clear Action Plan that points to tasks that need to be accomplished to move you closer to financial success.

Throughout our engagement, you will be provided with an Action Plan listing your “to do” items. This begins early in the planning process and there will likely always be something on the Action Plan going forward.

Assistance With Implementation Of The Plan

As you work through your Action Plan, the firm is here to provide support and help course-correct as needed. From opening new accounts to consolidating funds to purchasing insurance, there could be a multitude of items. As part of our Financial Planning service, we are here to help you accomplish your tasks effectively and efficiently.

Potential Additional Services

- Employer benefit reviews and recommendations
- College Funding
- Tax Strategies
- Divorce Planning
- Consultations on additional financial matters

Broad-Based v. Modular Financial Planning

A broad-based plan is an endeavor that requires detail. Certain variables can affect the cost involved in the development of the plan, such as the quality of your own records, complexity and number of current investments, diversity of insurance products and employee benefits you currently hold, size of the potential estate, and special needs of the client or their dependents, among others. While certain broad-based plans may require 40 or more hours to complete, complex plans may require more than 60 hours.

At your request we may concentrate on reviewing only a specific area (modular planning), such as an employer retirement plan allocation, funding an education or estate planning issues, or evaluating the sufficiency of your current retirement plan. Note that when these services focus only on certain areas of your interest or need, your overall situation or needs may not be fully addressed due to limitations you may have established.

Whether we have created a broad-based or modular plan, we will present you with a summary of our recommendations, guide you in the implementation of some or all of them per your decision, as well as offer you periodic reviews thereafter. In all instances involving our financial planning engagements, our clients retain full discretion over all implementation decisions and are free to accept or reject any recommendation we make.

Modular financial planning is offered only under specific circumstances as it is most usually beneficial to consider all pieces to your financial puzzle when making recommendations on the parts.

Continuing Clarity Service

Our Continuing Clarity Service provides an on-going fiduciary relationship with respect to your financial life outside of your managed investment portfolio that is under our purview.

This service includes quarterly reviews of portions of your financial plan with the goal of updating the entire plan approximately every two years. It also includes ongoing access to the Continuing Clarity Dashboard, unlimited phone and email consultations on any financial topic, and an annual review of investments that are *not* managed under our portfolio management services.

The Continuing Clarity service is included under the Financial Planning engagement addendum.

Maintenance

The Maintenance service is offered to clients who have completed an initial financial plan covering all areas above. Under this service, clients retain access to the online web-portal, ongoing email support for any simple financial questions or concerns that arise, and 1 hour per year of additional support via telephone, in-person meeting, or additional research and analysis.

Also, while a client is on Maintenance, the firm will perform a monthly review of the client's previously created plan and any recent communication. This review is designed to help the firm respond more quickly and thoroughly than if no regular review was performed.

Educational Workshops

JWM Wealth Management, LLC provides periodic complimentary educational seminar sessions for those desiring information on personal finance and investing. Topics may include issues related to general financial planning, educational funding, estate planning, retirement strategies, implications involving changes in marital status, and various other current economic or investment topics. Our workshops are educational in nature and do not involve the sale of insurance or investment products.

Portfolio Review Services

We provide portfolio reviews designed to provide a static assessment of your current investment portfolio. The service may include:

- List of holdings
- Asset Class exposures
- Fund/share class exposures
- Fund fee analysis
- Income analysis
- Liquidity analysis
- Risk analysis
- Additional observations and recommendations

Quick Start Services

Just looking to get started? This individual session is designed to address specific topics and provide insight into what financial planning is all about.

Fill out a questionnaire to identify your most burning questions and we'll meet for 2 hours to discuss your specific situation. I'll answer any questions you have or at least show you how to get the answers you need (some areas can get pretty involved).

Financial Planning is an ongoing process. This session will NOT replace a planning relationship that helps you address and adjust to all of life's challenges. Instead, this session will introduce the concept of planning by exploring any areas you desire.

Portfolio Management Services

You may also engage our firm to implement investment strategies that we have recommended to you. Depending on your risk profile, goals and needs, among other considerations, your portfolio will involve the

employment of one of our investment strategies as well as either a broad range or more narrowly focused choice of investment vehicles which are further discussed in Item 8 of this brochure.

Where appropriate, we will prepare investment guidelines reflecting your objectives, time horizon, tolerance for risk, as well as any reasonable account constraints you may have for the portfolio. These guidelines will be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. Since this effort is the product of information and data you have provided, you may be asked to review it and provide your final approval. We will then develop a customized portfolio for you based on your unique situation, investment goals and tolerance for risk. We serve as your portfolio manager on a discretionary or nondiscretionary basis (defined in Item 16), and the engagement typically includes:

- Determination of risk tolerance
- Investment strategy development and implementation
- Asset allocation
- Asset selection
- Regular monitoring
- Periodic rebalancing

Wrap Fee Programs

Our firm does not sponsor or serve as a portfolio manager in an investment program involving wrapped (bundled) fees.

Client Assets Under Management

As of March 13, 2019, JWM Wealth Management holds approximately \$5.4 million of assets under Management on a discretionary basis.

General Information

JWM Wealth Management, LLC does not provide legal or accounting services. With your consent, we may work with other professional advisors, such as an estate planning attorney, to assist with the coordination and implementation of accepted strategies. You should be aware that these other advisors will charge you separately for their services and these fees will be in addition to our own advisory fees.

Our firm will use its best judgment and good faith effort in rendering its services. We cannot warrant or guarantee the achievement of a planning goal or any particular level of account performance or that your account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, our firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to your direction or that of your legal agent; any act or failure to act by a service provider maintaining an account.

Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document or our client engagement agreement shall constitute a waiver of any rights that a client may have under federal and state securities laws.

Item 5 - Fees and Compensation

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in your engagement agreement with our firm. Fees are to be paid by check or draft from US-based financial institutions. With your prior authorization payment may also be made through a qualified, unaffiliated PCI compliant² third-party processor, or withdrawal from your investment account held at your custodian of record. Payment requests for our advisory fees will be preceded by our invoice, and fees paid to our firm from your investment accounts will be noted in your account statement you receive from your custodian. Our firm does not accept cash, money orders or similar forms of payment for its engagements.

Types of Fees and Payment Schedule

Financial Planning Services Fees

Financial planning fees consist of an initial payment plus an annual payment to commence at execution of the engagement agreement. The initial payment will range from \$2,400 - \$6,000 and the annual payment will range from \$2,400 - \$10,000. These services may be canceled at any time.

Our fee will take into consideration factors such as the complexity of your financial profile, the depth of services to be provided through the engagement, assets that comprise your overall portfolio, number of accounts comprising the portfolio, whether you or our firm will implement the transactions for your account(s), time involved in the engagement, among other factors.

Clients interested in a limited planning component engagement are assessed an hourly fee. Our rate is \$250 per hour; billed in 15-minute increments, and a partial increment (e.g., seven minutes) will be treated as a whole increment. Prior to entering into an agreement with our firm you will receive an estimate of the overall cost based on your requirements and the time involved. We require a deposit to initiate the engagement, which will be the greater of \$500 or one-half the estimated fee. The deposit is to be paid upon execution of our agreement. Any remaining fees are due at delivery of our invoice at the completion of the engagement. An hourly engagement lasting more than one month may be billed at the end of each month for time incurred.

Continuing Clarity Service Fees

Our Continuing Clarity service is provided under the previously described Financial Planning Services. The fee is included in the annual fee for these services described previously.

Maintenance Fees

Fees for the Maintenance service are \$1,800 per year, payable monthly or quarterly.

Educational Workshops Fees

Workshops sessions are complimentary; no fee is assessed by our firm.

² For an explanation of the term "PCI," who the PCI Security Standards Council is, as well as its comprehensive standards to enhance payment card data security, please go to https://www.pcisecuritystandards.org/security_standards/index.php

Portfolio Review Fees

Portfolio review services are assessed at a fee up to \$2,500 and will be based on the type and amount of assets that comprise your portfolio. A deposit of \$500 or one-half of the quoted fee, whichever is greater, will be due upon execution of the engagement agreement and the remaining portion upon delivery of our review.

Quick Start Fees

Fees for the Quick Start session are \$1,000 and may be applied to an ongoing relationship within 3 months of the session.

Portfolio Management Services Fees - Internal Portfolio Management

When we provide our portfolio management services, the account will be assessed an annualized asset-based fee that will be determined by the reporting period ending value of your account (e.g., the last market day of the quarter). These fees will be billed quarterly, in advance, per the following table.

Assets Under Management	Annualized Asset-Based Fee
First \$1,000,000	0.70% (70 basis points)
Next \$1,000,000	0.60% (60 basis points)
Next \$1,000,000	0.55% (55 basis points)
Amount over \$3,000,000	0.50% (50 basis points)

The minimum fee for Portfolio Management Services is \$2,800 per year.

The asset-based fee is based on a blended tier; for example, a client's portfolio with \$1.25 million in assets would be assessed an annualized fee of 70 basis points for the first \$1 million, and 60 basis points on the remaining \$250,000.

Aggregating Fees

For the benefit of discounting your asset-based fee, we will attempt to aggregate accounts for the same individual or two or more accounts within the same family.

Account Valuations

Accounts will be assessed in accordance with asset values disclosed on the statement the client will receive from the custodian of record for the purpose of verifying the computation of the advisory fee. In the rare absence of a reportable market value, our firm may seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), and the client may choose to separately seek such an opinion at their own expense as to the valuation of "hard-to-price" securities if necessary.

Billing Notices

Your first billing cycle will begin once your agreement is executed with our firm and assets have settled into your account held by the custodian of record. Advisory fees for partial quarters as well as mid-cycle additions or withdrawals of \$200,000 or more will be prorated based on the remaining days in the reporting period in which our firm services the account. Fee payments will generally be assessed within the first 15 days of each billing cycle.

We will concurrently send you and the custodian of record a written notice (“invoice”) each billing period that describes the advisory fees to be deducted from your account at our direction. This notice will be delivered prior to the deduction of fees. Your notice will include the total fee assessed, covered time period, calculation formula utilized, and reference to the assets under management in which the fee had been based. Please note that you share in the responsibility to verify the accuracy of fee calculations; the custodian may not verify the accuracy of advisory fee assessments for you.

Fee Withdrawals

By signing our firm’s engagement agreement, as well as the selected custodian account opening documents, you will be authorizing the withdrawal of our advisory fees from your account. The withdrawal will be accomplished by the custodian of record at the request of our firm, and the custodian will remit our fee directly to our firm. All fees deducted will be clearly noted on account statements that you will receive directly from the custodian of record on at least a quarterly basis.

Alternatively, you may request to directly pay our advisory firm its portfolio management fee in lieu of having the advisory fee withdrawn from your investment account. Our valuation assessment will remain the same as described above, and the client’s direct payment must be received by our firm within 15 days of our invoice.

Discounting of Advisory Fees

The services to be provided to you and their specific fees will be detailed in your engagement agreement. The firm’s published fees are negotiable. We strive to offer fees that are fair and reasonable in light of the experience of our firm and the services to be provided to you. We are obligated under California statute to inform you that similar services may be made available from others and potentially at a lesser fee.

Additional Client Fees

Any transactional or service fees (sometimes termed brokerage fees), individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder and per the separate fee schedule of the custodian of record. We will ensure you receive a copy of our custodian’s fee schedule at the beginning of the engagement, and you will be notified of any future changes to these fees by the custodian of record and/or third party administrator for certain tax-qualified plans.

Fees paid by our clients to our firm for our advisory services are separate from any of these fees or other similar charges. In addition, advisory fees paid to our firm for its services are separate from any transactional charges a client may pay, as well as those for mutual funds, ETFs, exchange-traded notes (ETNs), index mutual funds or other investments of this type.

Per annum interest at the current statutory rate in which the client resides may be assessed on fee balances due more than 30 days, and we may refer past due accounts to collections or legal counsel for processing. We reserve the right to suspend some or all services once an account is deemed past due.

Additional information about our fees in relationship to our brokerage practices are noted in Items 12 and 14 of this document.

External Compensation for the Sale of Securities to Clients

Our firm does not charge or receive a commission or a mark-up on securities transactions, nor will the firm or an associate be paid a commission on the purchase of a securities holding that is recommended to a client. We do not receive “trailer” or SEC Rule 12b-1 fees from an investment company that may be recommended to a client. Fees charged by such issuers are detailed in prospectuses or product descriptions and interested investors are always encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges. You retain the option to purchase recommended or similar investments through your own selected service provider.

Termination of Services

Either party may terminate the agreement at any time by communicating the intent to terminate in writing. If you verbally notify our firm of the termination and, if in two business days following this notification we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute. Our firm will not be responsible for investment allocation, advice or transactional services (except for limited closing transactions) upon receipt of a termination notice. It will also be necessary that we inform the custodian of record that the relationship between parties has been terminated.

If a client did not receive our Form ADV Part 2 firm brochure at least 48 hours prior to entering into the firm’s agreement, then that client will have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. Should a client terminate a portfolio review service after this five-day time period, the client may be assessed fees at the firm’s current hourly rate for any time incurred in the preparation of the client’s analysis or plan. When a portfolio management services client terminates their agreement after the five-day period, the client will be assessed fees on a prorated basis for services incurred from either (i) as a new client, the date of the engagement to the date of the firm’s receipt of the written notice of termination, or (ii) all other accounts, the last billing period to the date of the firm’s physical or constructive receipt of written termination notice.

If you were required to provide an initial deposit of \$500 or more for our financial planning or portfolio review services engagement, you provided all requisite information, and such plans or services have not been delivered to you within six months’ time from the date of the engagement, you may be entitled to a refund.

The firm will return any prepaid, unearned fees (if any) within 30 days of the firm’s receipt of termination notice. Earned fees in excess of any prepaid deposit will be billed at the time of termination and will be due upon receipt of our invoice.

Our return of payment to a client for our financial planning services will only be completed via check from our firm’s US-based financial institution; no credits or “transaction reversals” will be issued. We will only coordinate remuneration of prepaid asset-based fees to an investment account via the account custodian. Return of prepaid fees will never involve a personal check, cash or money order from our firm or from an associate of our firm.

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

Our firm’s advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-

by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

Item 7 - Types of Clients

We provide advisory services to individuals and high net worth individuals of all investment experience. We do not require minimum income, minimum asset levels or other similar preconditions. We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements or preexisting relationships. The firm reserves the right to decline services to any prospective client for any nondiscriminatory reason.

The firm also provides Portfolio Management Services to institutions.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

Method of Analysis

We believe markets are typically efficient, making it difficult for active strategies to outperform over long periods of time. However, there are circumstances when adjusting among asset classes, active/passive strategies, and individual fund managers can make a lot of sense. We begin by employing a Modern Portfolio Theory based portfolio structure and then adjust our exposures based on Behavioral Finance analysis of the overall and individual markets. Our research is often drawn from sources such as financial market valuation metrics, financial periodicals and reports from economists and other industry professionals.

Investment Strategy

Most developed markets operate efficiently most of the time; however, there are times and markets that are not very efficient. Fortunately, from a cost perspective, the efficient markets make up most of the potential investments appropriate to accomplish typical investment objectives. Therefore, we will mostly use passive, low cost mutual funds. In markets where efficiency is not as apparent, and passive strategies do not provide an adequate risk/return tradeoff, we may use actively managed funds to gain the return and diversification exposure desired. In rare instances we may recommend individual equities and higher quality fixed income securities, including government and municipal bonds.

Investment Strategy and Method of Analysis Material Risks

Our firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that an investment objective will be achieved. Investing in securities involves risk of loss that clients should be prepared to bear. We have offered examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each of them risk prior to investing.

Active Strategy Risks

A portfolio that employs active management strategies (e.g., tactical trading) may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or "turnover." This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management.

Company Risk

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

Cyclical Analysis

An economic cycle may not be as predictable as preferred; many fluctuations may occur between long term expansions and contractions. The length of an economic cycle may be difficult to predict with accuracy and therefore the risk of cyclical analyses is the difficulty in predicting economic trends. Consequently, the changing value of securities is affected.

Failure to Implement

As a financial planning client, you are free to accept or reject any or all of the recommendations made to you. While no advisory firm can guarantee future performance, no plan can succeed if it is not implemented. Clients who choose not to take the steps recommended in their financial plan may face an increased risk that their stated goals and objectives will not be achieved.

Financial Risk

Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Fundamental Analysis

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

Inflation Risk

When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

Market Risk

When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called *systemic* or *systematic* risk.

Passive Markets Theory

A portfolio that employs a passive, efficient markets approach has the risk of generating lower-than-expected returns due to its broad diversification when compared to a portfolio more narrowly focused.

Political Risk

The risk of financial and market loss because of political decisions or disruptions in a particular country or region, and may also be known as "geopolitical risk."

Research Data

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

Technical Analysis

The risk of investing based on technical analyses is that it may not consistently predict a future price movement; the current price of a security may reflect all known information. This may occur due to analyst bias or misinterpretation, a sector analysis error, late recognition of a trend, etc.

Security-Specific Material Risks

Equity (Stock) Risk

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they may be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

ETF and Mutual Fund Risks

The risk of owning ETFs and mutual funds reflect their underlying securities (e.g., stocks, bonds, securities futures, etc.). These forms of securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. We do not recommend leveraged or inverse ETFs due to their inherent heightened risk.

Fixed Income Risks

Various forms of fixed income instruments, such as bonds, money market or bond funds may be affected by various forms of risk, including:

Credit Risk

The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues.

Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

Duration Risk

Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

Interest Rate Risk

The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

Liquidity Risk

The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

Reinvestment Risk

With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

Index Investing

Certain ETFs and indexed funds have the potential to be affected by “active risk” (or “tracking error risk”), which might be defined as a deviation from a stated benchmark.

QDI Ratios

While various investment holdings may be known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of fund or portfolio), may be considered “non-qualified” under certain tax code provisions. A holding’s QDI will be considered when tax-efficiency is an important aspect of the client’s portfolio.

Item 9 - Disciplinary Information

Neither the firm nor its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

Item 10 - Other Financial Industry Activities and Affiliations

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

Registrant has voluntarily subscribed to the “Best Practices for Financial Advisors” published by The Institute for the Fiduciary Standard. The Best Practices offer a simple code of conduct and outline a commitment to clients of subscribing financial advisors. They seek to clearly articulate what a client can expect to receive from a subscribing financial advisor. These Best Practices do not replace our regulatory compliance obligations or duties to clients under relevant laws, rules or regulations. The Institute for Fiduciary Standard’s role is limited to publishing the Best Practices as well as maintaining a corresponding register of subscribing financial advisors. You can find a complete list of the Best practices on our website or at <http://www.thefiduciaryinstitute.org/wp-content/uploads/2016/09/BestPracticesSpecificRequirementsSeptember132016.pdf> and verify our subscription status at www.thefiduciaryinstitute.org.

Our advisory firm and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or associated person of such a firm, nor are we required to be registered with such entities. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

- accounting firm or accountant
- another investment advisor, including financial planning firms or municipal advisor
- bank, credit union or thrift institution
- lawyer or law firm
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships
- trust company
- issuer of a security, to include investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

Upon client request we provide referral to various professionals, such as an accountant or attorney. While these referrals are based on the best information made available, our firm does not guarantee the quality or adequacy of the work provided by these referred professionals. There is not an agreement with these entities nor are referral fees received from these professionals for such informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by our firm.

When it is appropriate to do so, we may refer a client to an insurance company that allows our firm to review and reallocate the client’s annuity subaccounts. We are not compensated by the insurance company for such a recommendation nor are we paid a commission if the client purchases or exchanges an insurance contract. We are compensated by our clients for advisory services that include allocation reviews of all holdings, including annuity contracts, and we have an incentive to recommend those insurance companies that allow us such access, review and allocation. Notwithstanding this issue, our firm takes its responsibilities seriously and intends to only make recommendations believed appropriate for the client, regardless of the services and/or access an insurance company may provide to us.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

JWM Wealth Management, LLC holds itself to a *fiduciary standard*, which means the firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of its clients. Our firm believes that business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. You should be aware that no set of rules can possibly anticipate or relieve all material conflicts of interest. Our firm will disclose to its advisory clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Code of Ethics Description

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with applicable laws and regulations but also to act in an ethical

and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. Our firm periodically reviews and amends its Code of Ethics to ensure that it remains current, and requires firm personnel to annually attest to their understanding of and adherence to the firm's Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request.

CFA Institute's Code of Ethics and Standards of Professional Conduct

Mr. Morgan, as a Chartered Financial Analyst (CFA), adheres to the CFA Institute's Code of Ethics and Standards of Professional Conduct which states:

The Code of Ethics maintains that Members and Candidates must:

- Place the integrity of the profession and the interests of clients above their own interests;
- Act with integrity, competence, and respect; and
- Maintain and develop their professional competence.

The Standards of Professional Conduct cover:

- Professionalism and integrity of the capital markets;
- Duties to clients and employers;
- Investment analysis and recommendations; and
- Conflicts of interest and responsibilities of CFA Institute members and candidates.

CFP® Principles

CERTIFIED FINANCIAL PLANNER™ Professionals, such as Mr. Morgan, adhere to the Certified Financial Planner Board of Standards, Inc. principles, which state:

Principle 1 – Integrity

An advisor will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Advisors are placed by clients in positions of trust, and the ultimate source of that trust is the advisor's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion; but integrity cannot co-exist with deceit or subordination of one's principles.

Principle 2 – Objectivity

An advisor will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which an advisor functions, an advisor should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

Principle 3 – Competence

Advisors will maintain the necessary knowledge and skill to provide professional services competently. Competence means attaining and maintaining an adequate level of knowledge and skill, and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Advisors make a continuing commitment to learning and professional improvement.

Principle 4 – Fairness

Advisors will be fair and reasonable in all professional relationships. Fairness requires impartiality, intellectual honesty and disclosure of material conflict(s) of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

Principle 5 – Confidentiality

Advisors will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

Principle 6 – Professionalism

Advisors will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to all who use their services, fellow professionals, and those in related professions. Advisors cooperate with fellow advisors to enhance and maintain the profession's public image and improve the quality of services.

Principle 7 – Diligence

Advisors will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

Statement involving our Privacy Policy

We respect the privacy of all clients and prospective clients (collectively termed "customers"), both past and present. It is recognized that you have entrusted our firm with non-public personal information and it is important that both access persons and customers are aware of firm policy concerning what may be done with that information.

The firm collects personal information about customers from the following sources:

- Information customers provide to complete their financial plan or investment recommendation;
- Information customers provide in engagement agreements and other documents completed in connection with the opening and maintenance of an account;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about customer transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

Within the firm, access to customer information is restricted to personnel that need to know that information. All access persons and service providers understand that everything handled in firm offices are

confidential and they are instructed not to discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes, for example, providing information about a spouse's IRA or to children about a parent's account.

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information.

The firm will provide you with its privacy policy on an annual basis per federal law and at any time, in advance, if firm privacy policies are expected to change.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither the firm nor an associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a "related person" (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as a board member, underwriter or advisor to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

The firm is able to provide a broad range of advisory services to its clients, including financial planning and portfolio management. A fee may be earned by the firm for some or all of these services. A conflict of interest exists within these various client relationships and we hereby note that you are under no obligation to act on a recommendation from an associate. If you elect to do so, you are under no obligation to complete all of them through our firm or a service provider whom we may recommend to you. Whether an associate is serving a client in one or more capacities, they will disclose in advance how they are being compensated and if there is a conflict of interest involving any service being provided.

Firm/Personnel Purchases of Same Securities Recommended to Clients and Conflicts of Interest

Our firm does not trade for its own account (e.g., proprietary trading). The firm's related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest.

We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of client recommendation, etc.), firm policy may require that we periodically restrict or prohibit related parties' transactions. Any exceptions must be approved in writing by our Chief Compliance Officer, and personal trading accounts are reviewed on a quarterly or more frequent basis. Please refer to Item 6 of the accompanying Form ADV Part 2B for further details.

Item 12 - Brokerage Practices

Factors Used to Select Broker/Dealers for Client Transactions

JWM Wealth Management, LLC does not maintain physical custody of your assets (see Item 15). Your account must be maintained by a qualified custodian (generally a broker/dealer, bank or trust

company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian nor is there an affiliate that is a custodian.

When we are engaged to provide an investment consultation via a planning service component, we may recommend the service provider with whom your assets are currently maintained. Should you prefer a new service provider, a recommendation made by our firm would be based on your needs, overall cost, and ease of use.

We prefer that our portfolio management services clients use the services of Shareholders Services Group, Inc. ("SSG"). Please note that SSG acts as an introducing broker/dealer that executes transactions and performs asset custody on a fully disclosed basis through Pershing LLC ("Pershing") -- a BNY Mellon Company. SSG and Pershing are FINRA and SIPC members. Our firm is independently owned and operated and is not legally affiliated with SSG or Pershing, or any other provider we may recommend.

While we recommend that you use SSG, you will decide whether to do so and will open your account with them by entering into an account agreement directly with them. We do not technically open the account for you, although we will assist you in doing so. If you do not wish to place your assets with SSG as the custodian of record, we may be unable to serve your account via our portfolio management service and an alternative engagement (e.g., financial planning or portfolio review service) may become necessary.

SSG offers independent investment advisors various services which include custody of client assets, trade execution, clearance and settlement, etc. Our firm may receive other benefits from our preferred custodian through participation in their independent advisor support program. These benefits may include the following products and services (provided either without cost or at a discount):

- receipt of duplicate client statements and confirmations
- research related products and tools
- access to trading desks serving our clients
- access to block trading services
- the ability to have advisory fees deducted directly from a client's accounts (per written agreement)
- resource information related to capital markets and various investments
- access to electronic communications networks for client order entry and account information
- access to mutual funds with no transaction fees
- discounts on marketing, research, technology, and practice management products or services provided to our firm by third-party providers

Some of the noted products and services made available to our firm by our preferred custodian may benefit our advisory firm but may not directly benefit a client account, and certain research and other previously referenced services may qualify as "brokerage or research services" (sometimes referred to as "soft dollars") under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services benefits our firm because we do not have to produce or purchase them as long as clients maintain assets in accounts at our recommended custodian. There is a conflict of interest since our firm has an incentive to select or recommend a custodian based on our firm's interest in receiving these benefits rather than the client's interests in receiving favorable trade execution. It is important to mention that the benefit received by our firm through participation in any custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole -- not just those services that benefit only our advisory firm. Further, we will act in the best interest of our clients regardless of the custodian we may select.

Our firm conducts periodic assessments of any recommended service provider, which generally involves a review of the range and quality of services, reasonableness of fees, among other items, and in comparison to industry peers.

Best Execution

“Best execution” means the most favorable terms for a transaction based on all relevant factors, including those listed in the paragraph titled *Factors Used to Select Broker/Dealers for Client Transactions*. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian’s transactions represent the best “qualitative execution” while taking into consideration the full range of services provided. Our firm will seek services involving competitive rates but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having our portfolio management clients’ accounts trades completed through our recommended custodian is consistent with our obligation to seek best execution of client trades. A review is regularly conducted with regard to recommending a custodian to our clients in light of our duty to seek best execution.

Directed Brokerage

Our internal policy and operational relationship with our custodian requires client accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades; whether that is an affiliate of our preferred custodian or another executing broker of our custodian’s choice. As a result you may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a custodian for our advisory clients, and that custodian may choose to use the execution services of its broker affiliate for some or all of our client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services described in this section from that custodian. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades. We do not receive interest on our client accounts’ cash balances.

Our clients are unable to engage in directed brokerage via our custodian. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

Aggregating Securities Transactions for Client Accounts

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed “blocked,” “bunched” or “batched” orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may, but is not obligated to aggregate orders, and the firm does not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth

in SEC No-Action Letter, *SMC Capital, Inc.*, or similar guidance if the jurisdiction in which the client resides provides such direction.

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

We review firm trading processes on a periodic basis to ensure they remain within stated policies and regulation. You will be informed, in advance, should trading practices change at any point in the future.

Trade Errors

The firm corrects its trade errors through an account maintained by our custodian, and the firm may be responsible for trading error losses that occur within a client account. Should there be a gain following the correction of a trading error, the firm will typically credit the client's account.

Client Referrals from Custodians

We do not receive referrals from our custodian, nor are client referrals a factor in our selection of our custodian.

Item 13 - Review of Accounts

Schedule for Periodic Review of Client Accounts

Financial Planning Services

Periodic financial check-ups or reviews are recommended if you are receiving our financial planning services. We believe they should occur on an annual basis whenever practical. Reviews will be conducted by Mr. Morgan and typically involve analysis and possible revision of your previous financial plan or investment allocation. A copy of revised plans or asset allocation reports will be provided to the client upon request. Unless provided for in your engagement agreement, reviews are generally conducted under a new or amended agreement and will be assessed at our current fee rate.

Portfolio Management Services

Investment accounts are reviewed on a quarterly or more frequent basis by Mr. Morgan. Client-level reviews are also completed by Mr. Morgan, and we recommend that they occur on at least an annual basis. A copy of a revised investment guideline or asset allocation reports will be provided to the client upon request.

Review of Client Accounts on Non-Periodic Basis

Financial Planning Services

You should contact our firm for additional reviews when you anticipate or have experienced changes in your financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.), or should you prefer to change requirements involving your investment account. Non-periodic reviews are conducted by Mr. Morgan, under a new or amended agreement, and fees may be assessed at our published rate. A copy of revised plans or asset allocation reports will be provided to the client upon request.

Portfolio Management Services

Additional reviews may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. A portfolio may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

Content of Client Provided Reports and Frequency

Whether you have opened and maintained an investment account on your own or with our assistance, you will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where your investments are held. We urge you to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Clients are urged to carefully review and compare account statements that they have received from their account custodian with any report they may receive from any source, including our advisory firm.

Item 14 - Client Referrals and Other Compensation

We do not engage in solicitation activities involving unregistered persons. Please refer to Items 10 and 12 for additional information with respect to our offerings and the potential conflict of interest they may present.

If we receive or offer an introduction to a client, we do not pay or earn referral fee, nor are there established *quid pro quo* arrangements. Each client retains the option to accept or deny such referral or subsequent services.

An associate of the firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via email, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area, and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. The firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

Item 15 – Custody

Your assets will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer (e.g., Pershing), mutual fund companies or transfer agent. Your assets are not held by our firm or any associate or our firm. In keeping with this policy involving our client funds or securities, our firm:

- Restricts the firm or an associate from serving as trustee or having general power of attorney over a client account;
- Prohibits any associate from having authority to directly withdraw securities or cash assets from a client account. Although we may be deemed to have “constructive custody” of your assets since we may request the withdrawal of advisory fees from an account, we will only do so through the engagement of a qualified custodian maintaining your account assets, via your prior written approval, and following our delivery of our written notice (invoice);
- Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- Will not collect advance fees of \$500 or more for services that are to be performed six months or more into the future; and
- Will not authorize an associate to have knowledge of a client’s account access information (i.e., online 401(k), brokerage or bank accounts) if such access would allow physical control over account assets.

Your custodian of record will provide you with your investment account transaction confirmations and account statements, which will include all debits and credits as well as our firm’s advisory fee for that period. Statements are provided on at least a quarterly basis or as transactions occur within their account. Our firm will not create an account statement for a client or serve as the sole recipient of an account statement.

Should you ever receive a report from any source that includes investment performance information, you are urged to carefully review and compare your account statements you have received directly from the custodian of record to determine the report’s accuracy.

Item 16 - Investment Discretion

Portfolio Management Services

We generally provide our portfolio management services on a *discretionary* basis. Similar to a limited power of attorney, discretionary authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of your account, without requiring your prior authorization for each transaction in order to meet your stated investment objectives. This authority will be granted through your execution of both our engagement agreement and the selected custodian’s account opening documents. Note that your custodian will specifically limit our firm’s authority within your account to the placement of trade orders and the request for the deduction of our advisory fees.

Our firm prefers to not manage client accounts on a *nondiscretionary basis* but we may accommodate such requests on a case-by-case basis. Such account authority requires your ongoing prior approval involving the investment and reinvestment of account assets, portfolio rebalancing, or for our firm to give instructions to the custodian maintaining your account (i.e., wire instructions, etc.). Should you find it necessary to require such restrictions, we may not offer a reduced fee due to the additional operational costs involved managing your account. You will be required to execute our firm’s client services agreement that describes our limited account authority, as well as the custodian of record’s account opening document that includes their limited power of attorney form or clause. Please note that in light of the requirement for your pre-approval you must make yourself available and keep our firm updated on your contact information so that instructions can be efficiently effected on your behalf.

You may amend our account authority by providing our firm revised written instructions. As noted in Item 4, we will allow for reasonable restrictions involving the management of your account. It remains your responsibility to notify us if there is any change in your situation and/or investment objective so that we may reevaluate previous investment recommendations or portfolio holdings.

Financial Planning Services

If you ask us to assist you in any trade execution (including account rebalancing) under an investment consultation component of our financial planning engagement, such as assisting you with your held-away assets, it will only be accomplished on a nondiscretionary basis.

Item 17 - Voting Client Securities

You may periodically receive proxies or other similar solicitations sent directly from your selected custodian or transfer agent. Should we receive a duplicate copy, note that we do not forward these or any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on your behalf, including accounts that we have discretionary authority. We do not offer guidance on how to vote proxies, nor will we offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. We will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

Item 18 - Financial Information

Our advisory firm will not take physical custody of your assets, nor do we have the type of account authority to have such control. Fee withdrawals must be done through a qualified intermediary (e.g., your custodian of record), per your prior written agreement, and following your receipt of our firm's written notice (termed "constructive custody").

Engagements with our firm do not require that we collect fees from you of \$500 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.

Item 19 - Requirements for State-Registered Advisers

For further information involving firm principal executive and management personnel, their business activities as well as material conflicts of interest, please refer to areas previously disclosed in Items 6 and 9 through 11, as well as the accompanying Form ADV Part 2B brochure supplement that immediately follows this page. Per Item 10 of this brochure, neither the firm nor a member of its management has a material relationship with the issuer of a security.

Business Continuity Plan

Our firm maintains a business continuity and succession contingency plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover.

JWM Wealth Management, LLC

Registered Investment Advisor

JWM Wealth Management, LLC
9000 Crow Canyon Road/Suite S #177
Danville, CA 94506

(925) 389-3889
www.jwmwealth.com

Joseph W. Morgan, CFA, CFP®

Principal
Chief Compliance Officer
Investment Advisor Representative

Form ADV Part 2B
Brochure Supplement
March 13, 2019

This brochure provides information about Joseph W. Morgan that supplements the JWM Wealth Management, LLC Form ADV Part 2A firm brochure. You should have received a copy of that brochure. Please contact Joe Morgan at (925) 389-3889 if you did not receive the full brochure or if you have any questions about the contents of this supplement. Additional information about Joseph W. Morgan is available on the Securities and Exchange Commission's (SEC) website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm, as well as their business experience for at least the most recent five years.

Principal Executive Officers and Management Persons

Principal/Chief Compliance Officer/Investment Advisor Representative

Joseph (Joe) Wade Morgan

Year of Birth: 1969

CRD Number: 4816078

Educational Background and Business Experience

Educational Background

Masters of Science in Finance, Texas A&M University; College Station, TX

Bachelors of Business Administration (Finance), Texas A&M University; College Station, TX

Chartered Financial Analyst (CFA), CFA Institute; Charlottesville, VA ¹

Certificate in Financial Planning, Pepperdine University; Los Angeles, CA ²

CERTIFIED FINANCIAL PLANNER™ Professional, Certified Financial Planner Board of Standards, Inc.³

Business Experience

JWM Wealth Management, LLC (03/2015-Present)

Danville, CA

Principal/Managing Member (03/2015-Present)

Chief Compliance Officer/Investment Advisor Representative (05/2015-Present)

Financial Planning Program Student (08/2014-04/2015)

Danville, CA

SVB Asset Management (04/2004-08/2014)

San Francisco, CA

Head of Portfolio Management/Chief Investment Officer

City National Bank Asset Management (03/2003-04/2004)

Beverly Hills, CA

Vice President

Personal Sabbatical (04/2002-02/2003)

Lafayette, CA

Seneca Capital Management LLC (05/1995-03/2002)

San Francisco, CA

Analyst/Principal

Eagle Management & Trust Company (04/1994-04/1995)
Houston, TX
Analyst

Ibbotson Associates, Inc. (05/1993-04/1994)
New York, NY
Senior Consultant

Item 3 – Disciplinary Information

Registered investment advisors are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or suspension or sanction by a professional association for violation of its conduct rules, that would be material to your evaluation of each officer or a supervised person providing investment advice.

Mr. Morgan has not been the subject of any such event.

Item 4 – Other Business Activities

Investment advisor representatives are required to disclose outside business activities that account for a significant portion of their time or income, or that may present a conflict of interest with their advisory activities.

Neither Mr. Morgan nor our advisory firm has a material relationship with the issuer of a security. He is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. He does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service (“trail”) fees from the sale of mutual funds.

Item 5 – Additional Compensation

Neither our advisory firm nor Mr. Morgan is compensated for advisory services involving performance-based fees. In addition, firm policy does not allow associated persons to accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

Item 6 – Supervision

Mr. Morgan serves as the firm’s Chief Compliance Officer. Because supervising one’s self poses a conflict of interest, the firm has adopted policies and procedures to mitigate this conflict, and may use the services of unaffiliated professionals to ensure the firm’s oversight obligations are met. Questions relative to the firm, its services or this Form ADV Part 2B brochure supplement may be made to the attention of Mr. Morgan at (925) 389-3889.

Additional information about the firm, other advisory firms, or an associated investment advisor representative is available on the Internet at www.adviserinfo.sec.gov. A search of this site for firms may be accomplished by firm name or a unique firm identifier, known as an IARD or CRD number. The IARD number for JWM Wealth Management, LLC is 221526.

The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the California Department of Business Oversight Securities Regulation Division at (866) 275-2677.

Item 7 - Requirements for State-Registered Advisers

There have been neither awards nor sanctions or other matters where Mr. Morgan or JWM Wealth Management, LLC has been found liable in a self-regulatory or administrative proceeding. Neither Mr. Morgan nor our advisory firm has been the subject of a bankruptcy petition.

Important Information about Industry Designations and Examinations

- 1** The **Chartered Financial Analyst (CFA)** charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. There are currently more than 120,000 CFA charterholders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry.

As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment. Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

- 2** The completion of a financial planning educational or certificate program does not constitute or imply a person is the holder of a professional designation, such as the CERTIFIED FINANCIAL PLANNER™, CFP® professional certification granted in the United States by Certified Financial Planner Board of Standards, Inc. Minimum criteria may be found at: <http://www.cfp.net>.

- 3** The **CERTIFIED FINANCIAL PLANNER™, CFP®** and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 75,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- ☒ Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- ☒ Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
 - ☒ Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- ☒ Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- ☒ Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
 - ☒ Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.