



# Form ADV Disclosure Brochure

January 1, 2024

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This brochure provides information about the qualifications and business practices of Jeppson Wealth Management, LLC, an SEC registered investment adviser. If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. For compliance specific request, please call (971) 371-3446. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration does not imply any level of skill or training.

## Item 2. Material Changes

In this Item, Jeppson Wealth Management, LLC (hereby known as “Jeppson Wealth Management” or the “Firm”) is required to discuss any material changes that have been made to the Brochure since the last annual amendment. The business practices of the Firm are substantially the same as represented in the Firm’s previous and current years’ annual updated Brochures. Any material changes are discussed below:

Material changes since the initial filing of this brochure include:

- The Firm has amended its Form ADV to update current Assets Under Management.

We will ensure that all current clients receive a Summary of Material Changes and updated Brochure within 120 days of the close of our business’ fiscal year. A Summary of Material Changes is also included with our Brochure on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Jeppson Wealth Management, LLC is #305552. We may further provide other ongoing disclosure information about material changes as necessary and will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Michelle Eldridge, Chief Compliance Officer at 971-371-3446 or [michelle@tru-ind.com](mailto:michelle@tru-ind.com).

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## Item 4. Advisory Business

Jeppson Wealth Management, LLC (“Jeppson Wealth Management”, “we”, “our,” or “us”) is a privately owned limited liability company headquartered in Manhattan Beach, California.

Jeppson Wealth Management has been registered as an investment advisor with the U.S. Securities and Exchange Commission (“SEC”) since 2019. The Firm was formed in February 2017 and is owned by Michael Jeppson. As of December 31, 2023, Jeppson Wealth Management managed a total of approximately \$642,242,998 in assets for approximately 870 accounts all of which are on a discretionary basis. Approximately 720 of these accounts with approximately \$526,775,967 in assets are in a wrap program.

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

### *Advisory Services Offered*

Jeppson Wealth Management offers discretionary and non-discretionary investment management and investment advisory services. Prior to the Firm rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with the Firm setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

### **Financial Planning and Consulting Services**

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

- Retirement Planning
- Portfolio Management
- Trust and Estate Planning
- Investment Consulting
- Cash Flow Forecasting
- Distribution Planning
- Pension Planning
- Insurance Planning
- Risk Management
- Charitable Giving

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, Jeppson Wealth Management is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accounts, etc.) and is expressly authorized to rely on such information. The Firm may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or register representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if client engages Firm or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by the Firm under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Firm's recommendations and/or services.

### **Wealth Management Services**

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Jeppson Wealth Management provides clients with wealth management services which may include a broad range of comprehensive financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

Under an investment management engagement, the Firm primarily allocates client assets among various individual equity and debt securities, fixed income, mutual funds, and exchange-traded funds ("ETFs") in accordance with their stated investment objectives.

Where appropriate, Jeppson Wealth Management may also provide advice about any type of legacy position or other investments held in client portfolios. Clients may engage the Firm to manage and/or advice on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans. In these situations, Jeppson Wealth Management directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

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

## **Use of Independent Managers**

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As mentioned above, Jeppson Wealth Management may select certain Independent Managers or Sub-Advisors to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

Jeppson Wealth Management evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analysis it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance, and risk results in relation to its clients' individual portfolio allocations and risk exposure. The Firm also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing, and research capabilities, among other factors.

Jeppson Wealth Management continues to provide services relative to the discretionary or non-discretionary selection of Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Manager. The Firm seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

## **Sponsor and Manager of Wrap Program**

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Jeppson Wealth Management provides substantially all investment management services as the sponsor and manager of the Jeppson Wealth Management Wrap Program (the "Wrap Program"), a wrap fee program where transactional, custodial, independent manager, and other similar fees are absorbed by the Firm. Accounts managed through the Wrap Program are done so in substantially the same manner as those that may be managed under a non-wrap arrangement. Additional information about the Wrap Program is available in Jeppson Wealth Management's Wrap Brochure, which appears as Part 2A Appendix 1 of the Firm's Form ADV.

## **Item 5. Fees and Compensation**

Jeppson Wealth Management offers services on a fee basis, which may include fixed and/or hourly fees, as well as fees based upon assets under management or advisement.

### **Wealth Management Fees**

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Jeppson Wealth Management offers investment management for an annual fee based on the amount of

assets under management. This management fee generally varies between 25 and 150 basis points (0.25% - 1.50%), depending on the size and composition of a client's portfolio and the type of services rendered.

The annual fee is prorated and charged monthly, in advance, based upon the market value of the assets being managed by the Firm on the last day of the previous billing period.

If assets in excess of \$10,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a pro rata basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Jeppson Wealth Management may negotiate a fee rate that differs from the range set forth above.

#### **Fee Discretion**

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

#### **Additional Fees and Expenses**

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In addition to the advisory fees paid to the Firm, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The firm regularly reviews accounts that have transferred different share classes of mutual funds and will convert share classes to a lower expense share class when we believe doing so would be beneficial to the client. The Firm's brokerage practices are described at length in Item 12 below.

#### **Direct Fee Debit**

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Clients generally provide Jeppson Wealth Management with the authority to directly debit their accounts

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

### **Account Additions and Withdrawals**

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

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

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

## **Item 7. Types of Clients**

Jeppson Wealth Management offers investment advice to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

### **Minimum Account Requirements**

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The Firm does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship.

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

### **Methods of Analysis and Investment Strategies**

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Jeppson Wealth Management may utilize several methods of analysis when structuring client portfolios including fundamental analysis and technical analysis.



Fundamental analysis involves the fundamental financial condition and competitive position of a company. Jeppson Wealth Management may analyze the financial condition, capabilities of management, earnings, new products, and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Jeppson Wealth Management will be able to accurately predict such a reoccurrence.

To implement its recommendations, the Firm primarily allocates client assets among various individual equity and debt securities, fixed income, mutual funds and exchange-traded funds ("ETFs") in accordance with their stated investment objectives. On a more limited basis, the Firm may utilize mutual funds or other securities to meet a client's investment needs.

## **Risk of Loss**

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### **Market Risks**

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Jeppson Wealth Management's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds, and other asset classes. There can be no assurance that the Firm will be able to predict those price movements accurately or capitalize on any such assumptions.

### **Mutual Funds and Exchange Traded Funds (ETFs)**

An investment in a mutual fund or exchange traded funds (ETFs) involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market

volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### **Use of Independent Managers**

As stated above, Jeppson Wealth Management may select certain Independent Managers to manage a portion of its clients' assets. In these situations, the Firm continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies.

In addition, the Firm generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

## **Item 9. Disciplinary Information**

Jeppson Wealth Management has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management. Please see [www.BrokerCheck.finra.org](http://www.BrokerCheck.finra.org) for information disclosures or disciplinary actions on the Firm's IARs.

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

This item requires investment advisers to disclose certain financial industry activities and affiliations.

### **Relationship with tru Independence, LLC**

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The Firm maintains a business relationship with tru Independence, LLC ("tru Independence"), a service platform for investment professionals and an SEC registered investment adviser. Through its relationship with tru Independence, the Firm gains access to services related to reporting, custody, investments, compliance, trading, technology, transition support and other related services.

In fulfilling its duties to its clients, the Firm endeavors at all times to put the interests of its clients first. The Firm reviews all of its service provider relationships on an ongoing basis in an effort to ensure decisions are made in the best interests of clients. Clients should be aware, however, that this relationship may pose certain conflicts of interest. Specifically, tru Independence charges the Firm a platform fee that

decreases as assets increase. Accordingly, the Firm has an incentive to increase the assets it places through the tru Independence platform. tru Independence also provided transition support aimed at helping the Firm launch its new advisory firm. The receipt of economic and other benefits as described above from tru Independence creates an incentive for the Firm to choose tru Independence over other service providers that do not furnish similar benefits.

## **Retirement Plan Accounts**

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The Firm may from time to time recommend the rollover to an IRA from an employer sponsored retirement plan. This product will be recommended when it is deemed by the Firm to be in the best interest of the client. It is understood that the Investment Advisor Representative will receive management fee paid as indicated by the client agreement that will be signed when the account is opened.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

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

When recommending the rollover to an IRA from an employer sponsored retirement plan, you will be provided with disclosure on the reasons why the transaction is in your best interest, it will be required to be signed by both you and the advisor and will be maintained in your file.

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

Jeppson Wealth Management has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. The Firm's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as

the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of the Firm's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

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

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

These requirements are not applicable to: (i) direct obligations of the Government of the United States. (ii) Money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact the Firm to request a copy of its Code of Ethics.

## **Item 12. Brokerage Practices**

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

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Jeppson Wealth Management generally recommends that clients utilize the custody, brokerage and clearing services of Schwab Advisor Services TM, Charles Schwab & Co, Inc. or Charles Schwab & Co., Inc. Advisor Services (the "Custodian" or "Schwab") for investment management accounts.

Factors which the Firm considers in recommending the Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, and service. The Custodian may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by the Custodian may be higher or lower than those charged by other Financial Institutions.

Jeppson Wealth Management may recommend/require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Jeppson Wealth Management is independently owned and operated and not affiliated with Schwab. Schwab provides Jeppson Wealth Management with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to advisors. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

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

arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

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

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the client may be required to sign an additional agreement and additional fees are likely to be charged.

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

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

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

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Jeppson Wealth Management may receive without cost from Schwab computer software and related systems support, which allow the Firm to better monitor client accounts maintained at Schwab. The Firm may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit the Firm, but not its clients directly. In fulfilling its duties to its clients, the Firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the Firm's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, the Firm may receive the following benefits from Schwab:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

### **Brokerage for Client Referrals**

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Jeppson Wealth Management does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

### **Directed Brokerage**

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

### **Trade Aggregation**

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

In the event that the Firm determines that a prorated allocation is not appropriate under the particular

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

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

### **Account Reviews**

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Jeppson Wealth Management monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least an annual basis. Such reviews are conducted by the Firm's Investment Committee and/or investment adviser representatives and are intended to fulfil the Firm's fiduciary obligations to their advisory clients. All advisory clients are encouraged to discuss their needs, goals and objectives with Jeppson Wealth Management and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial and/or investment objectives.

### **Account Statements and Reports**

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



## Item 14. Client Referrals and Other Compensation

### Client Referrals

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Jeppson Wealth Management may provide compensation to third-party solicitors for client referrals. In the event a client is introduced to the Firm by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from the Firm's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with the Firm's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of the Firm is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

## Item 15. Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize the Firm and/or the Independent Managers to debit client accounts for payment of Jeppson Wealth Management's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to the Firm.

In addition, as discussed in Item 13, the Firm may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from the Firm.

### Third-Party Standing Letters of Authorization ("SLOA")

Our firm is deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian.

The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. By working with the qualified custodian, the Firm has in place seven provisions set forth by the SEC to assist in mitigating risk.

The below must be followed to clients with third-party SLOAs:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's

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

As stated earlier in this section, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from us. When you have questions about your account statements, you should contact us, your Advisor or the qualified custodian preparing the statement.

## **Item 16. Investment Discretion**

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

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

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

### **Acceptance of Proxy Voting Authority**

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Jeppson Wealth Management may accept the authority to vote a client's securities (i.e., proxies) on their behalf. When the Firm accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Clients may choose to vote their own proxies by contacting the Firm and

completing the appropriate paperwork for their custodian.

Clients may contact the Firm to request information about how the Firm voted proxies for that client's securities or to get a copy of the Firm's Proxy Voting Policies and Procedures. A brief summary of the Firm's Proxy Voting Policies and other elections relative to mergers, acquisitions, tender offers or other events pertaining to such holdings. 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.

Account holders of record maintain responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to their holdings. The account holder should consider contacting the issuer or their own legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

## **Item 18. Financial Information**

The Firm is not required to disclose any financial information due to the following:

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