

# NorthStar Wealth Management, Inc.

## Firm Brochure - Form ADV Part 2A

### Item 1: Cover Page

*This brochure provides information about the qualifications and business practices of NorthStar Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at (952) 831-2300 or by email at: [nwm.office@nwm.financial](mailto:nwm.office@nwm.financial). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about NorthStar Wealth Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). NorthStar Wealth Management, Inc.'s CRD number is: 306721.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

Version Date: 03/17/2025

## Item 2: Material Changes

These are the following material changes in this brochure from the last annual updating amendment of NorthStar Wealth Management, Inc. on 03/13/2024. Material changes relate to NorthStar Wealth Management, Inc.'s policies, practices or conflicts of interest only.

- Item 7 - The minimum aggregate annual fee for NorthStar Private Client Services is \$1,000. The minimum aggregate annual fee for NorthStar TechEdge Services is \$250.
- Item 12b. - Updated aggregate/block trading practices.
- Item 14b. - Removed disclosure of compensation to non-advisory personnel/business for client referrals. NWM no longer compensates non-advisory personnel/businesses for client referrals.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

NorthStar Wealth Management, Inc. (hereinafter "NWM") is a Corporation organized in the State of Minnesota. The firm was formed in January 2009, and the principal owner is James Matthew Broom. NWM was registered as an independent advisor with the State of Minnesota on February 27, 2020.

### **B. Types of Advisory Services**

#### ***NorthStar Private Client Service (NPCS)***

NWM offers NorthStar Private Client Service, personalized wealth management with a dedicated advisor working directly with the client providing financial planning and investment management advice. The client's individual goals, objectives, time horizon, and risk tolerance are evaluated. NWM creates an investor profile for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels).

NWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. NWM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the investor profile form, which is given to each client.

NWM seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of NWM's economic, investment or other financial interests. To meet its fiduciary obligations, NWM attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, NWM's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is NWM's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

NPCS generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), advisory annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds and non-U.S. securities. NWM may use other securities as well to help diversify a portfolio when applicable.

NPCS offers the same suite of services to all its clients. However, specific client investment strategies and their implementation are dependent upon the client's profile which outlines each client's current situation (income, tax levels, and risk tolerance levels).

### ***NorthStar TechEdge Service (NTES)***

NorthStar TechEdge Service consists of investment portfolios built, maintained, and automatically rebalanced by NWM. As a stand-alone option, NorthStar TechEdge offers a tech-driven financial planning program which utilizes Monte Carlo simulations based on personal financial information entered by the investor. One-on-one advice is available on an hourly rate basis.

NTES generally limits investment advice to varying sectors of ETFs. NTES does not currently offer mutual funds in its portfolios.

NTES offers clients professionally structured investment portfolios, automated rebalancing, and client driven financial planning technology for Monte Carlo simulations.

### **C. Client Imposed Restrictions**

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent NWM from properly servicing the client account, or if the restrictions would require NWM to deviate from its standard suite of services, NWM reserves the right to end the relationship.

### **D. Wrap Fee Programs**

NWM acts as portfolio manager for and sponsor of a wrap fee program, which is an investment program where the client pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. NWM has a separate Wrap Fee Program Brochure available. NWM manages the investments in the wrap fee program but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts.

### **E. Assets Under Management**

NWM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 71,648,013	\$ 98,103	March 2025

## Item 5: Fees and Compensation

### A. Fee Schedules

#### *NorthStar Private Client Service Fees*

##### Tier 1 Schedule (Up to \$5 million)

Total Assets Under Management	Annual Fees
First \$0 - \$1,000,000	1.00%
Next \$1,000,001 - \$3,000,000	0.90%
Next \$3,000,001 - \$5,000,000	0.80%

##### Tier 2 Schedule (Greater than \$5 million)

Total Assets Under Management	Annual Fees
First \$5,000,000 - \$7,500,000	0.70%
Next \$7,500,001 - \$10,000,000	0.50%
Over \$10,000,001	Negotiable

#### *NorthStar Specialty Account Service Fees*

Account Type	Annual Fees
Cash Management	0.15%
Health Savings Brokerage Account	0.25%
Personal Choice Retirement Account	0.25%
Advisory Annuities	0.25%
Advisory 529 Accounts	0.25%

### *NorthStar TechEdge Service Fees*

<b>Total Assets Under Management</b>	<b>Annual Fees</b>
\$0 - \$1,000,000	0.5%
\$1,000,001 - \$3,000,000	0.4%
\$3,000,001 - \$5,000,000	0.3%
\$5,000,001 - \$7,500,000	0.25%
\$7,500,001 And Up	0.15%
Financial Planning Program	\$200/Year (Billed \$50/Quarter)
1:1 Consult	\$100/Hour (Billed End of Quarter)

The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period.

NWM offers advisory services for business 401(k) plans. The management fee for this service is 0.25% annually, billed quarterly\*. The fee is calculated using the total value of the plan and is invoiced directly to the plan sponsor for payment. NWM only offers PCRA brokerage account investment management to NPCS clients. All plan participants are provided with this option for their 401k plan. All 401(k) assets are custodied at Charles Schwab & Co.

NWM offers cash management brokerage accounts. The minimum account balance for opening cash management accounts is \$100,000, though this is negotiable. The management fee for this service is 0.15% annually, billed on a quarterly basis. Deposits into these accounts are obligations of the destination bank, and not cash balances held by NWM. These accounts serve the purpose of optimizing income by investing Client assets in short to intermediate duration bonds, preferred stocks, master limited partnerships (MLPs), real estate investment trusts (REITs), and money market funds. The additional goals are providing liquidity and assisting with client retirement cash flow management. Fund transfers to Client banks are not immediate and subject to the processing timeframes of the custodian, Charles Schwab & Co.

NWM management fees are generally negotiable, and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of NWM's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

## **B. Payment of Advisor Fees**

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management and financial planning fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance, except 1:1 consult fees which are paid in arrears. The AUM fee will vary each billing period depending on vacillations of the account's market value.  $\text{AUM quarterly fee} = (\text{Annual fee percentage} / 4) \times \text{amount of assets under management}$ .

## **C. Client Responsibility for Third Party Fees**

NWM will wrap third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) for wrap fee portfolio management accounts. NWM will charge clients one fee and pay all transaction fees using the fee collected from the client.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that NWM has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, fees associated with "step out" transactions if the account uses different custodians or broker-dealers, 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.

## **D. Prepayment of Fees**

NWM collects fees in advance. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

## **E. Outside Compensation For the Sale of Securities to Clients**

No supervised persons are registered with any broker dealer. NWM does not receive compensation for sales of securities.



## **Item 6: Performance-Based Fees and Side-By-Side Management**

NWM does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

NWM generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ 401 (k) Plans
- ❖ Businesses

The minimum aggregate annual fee for NorthStar Private Client Services is \$1,000. The minimum aggregate annual fee for NorthStar TechEdge Services is \$250.

## **Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss**

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

#### *Methods of Analysis*

NWM's methods of analysis include Fundamental analysis, Modern portfolio theory and Technical analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

## *Investment Strategies*

NWM uses long term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **B. Material Risks Involved**

#### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

#### *Investment Strategies*

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/ Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle

to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself.

Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF's shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

**Master Limited Partnerships (MLPs):** MLPs must meet certain criteria, including earning at least 90% of its income in "qualifying income." Investors are typically issued a schedule K-1 document directly from the partnership. MLPs may incur Unrelated Business Taxable Income (UBTI) that could be taxable even within an IRA. Investors should consult a tax professional to learn more. MLPs historically have experience more volatility than stocks and bonds. MLPs are sensitive to changes in interest rates due to high distribution yields. MLPs face several different legislative risks that could affect the attractiveness of the structure. These include changes to the tax code and Federal and State legislation that may affect the oil and gas industry.

**Inverse ETFs:** NWM may use non-leveraged inverse ETFs in portfolios with the goal of profiting from falling markets. Risk associated include correlation risk. Fees are usually higher on these funds. Most inverse ETFs deploy derivatives, which are aggressive and have increase liquidity and credit risk. Inverse ETFs may seeks short exposure through use of derivatives, futures, and swaps, which may expose these securities to short-selling risk.

**Commodity ETFs:** Equity-based commodity ETFs hold stock in the companies that produce, transport, and store commodities. Commodity ETFs are volatile due to supply and demand swings related to the underlying investment. Funds that invest in futures and other derivatives contracts may be structured as partnerships producing a K-1 tax form. These ETFs may either hold commodities as physical assets or future contracts. Commodity ETFs with futures have two potential outcomes:

- When contracts approaching expiration have higher prices than those with expiration dates further out, ETFs are effectively selling high and buying low with every contract rollover—a condition known as backwardation. This happens when the current demand for a commodity is higher than what investors expect it to be in the future, relative to its supply.
- Conversely, when contracts approaching expiration have lower prices than those with expiration dates further out, ETFs are effectively selling low and buying high with every contract rollover—a condition known as contango. This happens when the current demand for a commodity is lower than investors expect it to be in the future, relative to its supply.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that**

you, as a client, should be prepared to bear.

### **Item 9: Disciplinary Information**

In May 2018, a civil and administrative action was initiated against James Matthew Broom Sr. seeking Civil and administrative penalties and fines based on allegations that certifying compliance with insurance producer continuing education requirements at the time of license renewal before completing all of the required continuing education requirements. The matter is no longer pending, as it resulted in a civil penalty and agreement in May 2018 wherein Mr. Broom paid a fine of \$500. The erroneous certification of compliance to insurance CE was submitted not by the advisor, but by an administrative assistant. It was an unintentional error. The error was caught by the advisor two weeks later and immediately corrected with all of the necessary courses being completed. Two weeks after the courses were completed and the license reinstated, the State cited the error and levied the fine.

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

#### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

James Matthew Broom is not registered as a representative of a broker/dealer.

#### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither NWM nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

#### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Our firm is not registered, nor does it have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. Our firm does not recommend or select other investment advisers for clients. Our firm does not directly or indirectly receive compensation for the recommendation or selection of other investment advisers.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

NWM does not utilize nor select third-party investment advisers.

### **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

#### **A. Code of Ethics**

NWM has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. NWM's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

NWM does not recommend that clients buy or sell any security in which a related person to NWM or NWM has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of NWM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of NWM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. NWM will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of NWM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of NWM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients.

Such transactions may create a conflict of interest; however, NWM will never engage in trading that operates to the client's disadvantage if representatives of NWM buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on NWM's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and NWM may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in NWM's research efforts. NWM will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

NWM will require clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc. and Invesco. Additionally, NWM will require clients to use American Funds for advisory 529 accounts.

#### ***1. Research and Other Soft-Dollar Benefits***

While NWM has no formal soft dollars program in which soft dollars are used to pay for third party services, NWM may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). NWM may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and NWM does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. NWM benefits by not having to produce or pay for the research, products or services, and NWM will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that NWM's acceptance of soft dollar benefits may result in higher commissions charged to the client.



## **2. Brokerage for Client Referrals**

NWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. Clients Directing Which Broker/Dealer/Custodian to Use**

NWM will require clients to use a specific custodian. Not all advisers require clients to use a particular custodian.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

NWM will from time to time aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All NPCS client accounts for NWM's advisory services provided on an ongoing basis are reviewed at least annually by a NWM Investment Advisor with regard to clients' respective investment policies and risk tolerance levels.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of NWM's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. NWM will also provide at least quarterly a separate written statement to the client.

## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

NWM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to NWM's clients.

With respect to Schwab, NWM receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For NWM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to NWM other products and services that benefit NWM but may not benefit its clients' accounts. These benefits may include national, regional or NWM specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of NWM 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 NWM 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, if applicable), provide research, pricing information and other market data, facilitate payment of NWM's fees from its clients' accounts (if applicable), 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 NWM's accounts. Schwab Advisor Services also makes available to NWM other services intended to help NWM 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 NWM 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 NWM. NWM is independently owned and operated and not affiliated with Schwab.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

NWM does not provide compensation to non-advisory personnel or businesses for client referrals.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, NWM will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

NPCS provides discretionary and non-discretionary investment advisory services to clients, and NTES provides solely discretionary investment advisory services. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, NWM generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

### **Item 17: Voting Client Securities (Proxy Voting)**

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

## **Item 18: Financial Information**

### **A. Balance Sheet**

NWM neither requires nor solicits prepayment of more than \$1200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither NWM nor its management has any financial condition that is likely to reasonably impair NWM's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

NWM has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

NWM currently has only one management person: James Matthew Broom. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

### **C. Calculation of Performance-Based Fees and Degree of Risk to Clients**

NWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

**D. Material Disciplinary Disclosures for Management Persons of this Firm**

No management person at NWM or NWM has been found liable in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

See Item 10.C and 11.B.