



## Form ADV Part 2A – Disclosure Brochure

February 5, 2026

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This brochure provides information about the qualifications and business practices of Wellment Financial (“Wellment” or “Firm”). If you have any questions about the contents of this brochure, please contact us at (630) 993-8200 or by email at [info@wellment.com](mailto:info@wellment.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about Wellment is available on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Wellment is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually and/or when material changes have occurred since the previous release of the Firm Brochure. A summary of changes is necessary to inform clients of any substantive changes to the Firm's policies, practices or conflicts of interest so that they can determine whether to review the brochure in its entirety or to contact the Firm with questions about the changes.

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

This update includes changes to reflect our name change from FSR Wealth Management to Wellment Financial. Additional changes were made throughout for language consistency and clarification.

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## Item 4 – Advisory Business

### Business Description

Wellment provides investment management services, manager selection and supervision, as well as financial planning services to individuals, high net worth individuals and institutions, including profit sharing plans and solo 401(k) plans.

#### A. Description of the Advisory Firm

Wellment was formed in 2013 and is a corporation organized in the State of Illinois. Joshua Bretl serves as the firm's president and is the principal owner.

#### B. Types of Advisory Services

##### Investment Management Services

Wellment is a retirement planning firm that offers investment management services with a focus on tax planning. Wellment will tailor a program for each individual client based on their risk profile and utilize tax strategies with the goal of minimizing overall taxation. This will include an interview session to get to know the client's specific needs and requirements and to develop a plan that will be executed by Wellment on behalf of the client. Wellment will generally use model portfolios for each client based on their personal objectives, needs, and targets. When using these model portfolios, the client will not be able to impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs unless the model portfolios are designed to accommodate such restrictions. You will be responsible for notifying us of any updates regarding your financial situation, investment objectives, or risk tolerance and whether you wish to impose or modify any existing investment restrictions.

Wellment will act as the investment advisor for the client on a discretionary or non-discretionary basis, as set forth in each Client Agreement with the firm. In a discretionary relationship we will be authorized by you to make investment recommendations for your account(s) and will buy and sell securities in your account(s) without contacting you in advance. In a non-discretionary relationship, we will make recommendations to you, but you will be required to initiate or pre-approve the investment transactions in your account(s) - you will make the ultimate decision regarding the purchase or sale of investments. See Item 16. Investment Discretion for additional details.

In performing its Investment Management Services for each client, Wellment will utilize a third-party platform operated by an unaffiliated investment advisor, AE Wealth Management ("Sub-Advisor"). The Sub-Advisor also provides Wellment with certain sub-advisory administrative, technical and support services. Wellment will provide you with the Sub-Advisor's disclosure documents, including Form ADV 2A, Appendix 1 and Form CRS. Please refer to these disclosure documents for additional details regarding the Sub-Advisor.

As part of our investment management services, Wellment uses a wrap fee program sponsored by the Sub-Advisor to provide discretionary investment management services to our clients. The model portfolio selection services allows Wellment to select appropriate models based on your financial goals, risk tolerance and investment objectives. The models and individual portfolio managers are vetted and approved by the Sub-Advisor and are reviewed on a periodic basis.

A wrap fee program is an investment program where the client pays one stated fee that includes management fees, transaction costs, and other administrative fees. Wellment investment advisor representatives ("IARs") will advise clients of any fees that are not included within the wrap fee. In connection with the various programs offered by Wellment, IARs will recommend a wrap fee program consisting of a model or a combination of the various models. Wellment and its IARs will be providing the client with the sponsor's Wrap Fee Program Brochure to provide the client with additional information on the specific wrap fee program. Clients should refer to the sponsor's Wrap Fee Program Brochure or consult with their IAR for any additional information or questions the client may have with respect to the specific Wrap Fee program. When participating in the Wrap Fee Program, the client will pay one fee, a "wrap fee", which will be split between Wellment and the Wrap Fee Sponsor (the Sub-Advisor), pursuant to an agreement between the Sub-Advisor and Wellment. Wellment will review the ongoing performance of the Wrap Fee Program to determine whether the use of the program continues to be in the best interest of our clients. Please note Client transactions will be executed by the Wrap Fee Sponsor through the Custodian where your assets are held. When the account is invested in a wrap fee program, the fees and costs associated with obtaining these services and investments outside of the wrap program may be less than those acquired through the wrap program.

Wellment periodically reviews the Sub-Advisor, including services provided and costs.

#### Use of Third-Party Platform – Client Managed Accounts

As an accommodation, Wellment and the Sub-Advisor will allow existing Clients to set up one or more client-managed accounts, wherein Wellment and the Sub-Advisor are providing the Client with access to the platform utilized by Wellment and operated by the Sub-Advisor for a portion of the Client's assets ("Client Managed Accounts"). Wellment will NOT be acting as a fiduciary for Client Managed Accounts and offers no investment advice to the Client with respect to Client Managed Accounts. The Client makes all investment decisions and conducts all securities transactions in such accounts without utilizing the services of Wellment personnel. However, the client receives the same reporting tools and software that are available on the platform as other accounts utilizing a more robust program with the Sub-Advisor. In order to establish a Client Managed Account, the Client must enter into an agreement with Wellment. For this service, the Client is charged a flat monthly fee, as reflected in the fee schedule contained in the client agreement. Wellment provides this service as an accommodation for its clients and currently does not receive any portion of the fee collected for this service. Since this service merely provides access to the platform, any transactions conducted on the platform are subject to transaction-based fees.

#### Financial Planning Services

Wellment offers financial planning services on a one-time basis or on a continuous basis, with a minimum commitment of twelve months of service. The one-time financial planning services may involve, at the client's request, the preparation of a written financial plan covering specific topics or a comprehensive financial plan. When providing financial planning services, the role of the Wellment IAR is to find ways to help the clients understand the client's overall financial situation and assist the client in setting financial goals and objectives.

Financial planning is based on the individual goals, objectives, time horizon, and risk tolerance of each client. Plans may include, but are not limited to, the following: Retirement Analysis / Projections, Cash Flow Analysis / Projections, Major Goal Funding Analysis / Projections, Insurance Needs Analysis (Life or Long-Term Care) / Risk Analysis, Estate Review and/or Investment Related Tax Planning

Wellment offers both comprehensive written financial plans and modular written financial plans, depending upon its clients' needs or direction. Generally, a comprehensive written financial plan involves a detailed review and analysis of all facts of the client's financial situation, which may include cash flow analysis, investment strategy, retirement planning, life insurance planning, and estate planning, as identified and set forth below. However, some clients may prefer to receive modular written financial plans, which only cover those specific areas of concern mutually agreed upon by the client and Wellment. A modular written financial plan is limited in scope and does not involve the creation of a comprehensive written financial plan. Clients who desire a modular written financial plan should be aware that these modular written financial plans do not contain all of the analyses in the more comprehensive written financial plan.

#### *Implementation of Recommendations*

Wellment's financial planning services do not include investment management services or implementing any transaction on your behalf. Wellment will not provide active and ongoing monitoring or management of your investments or accounts. You shall have the sole responsibility for determining whether to implement Wellment's financial planning recommendations. To the extent that you would like to implement any of Wellment's investment recommendations through Wellment or retain Wellment to provide investment management services, and to actively monitor and manage your investments, you will execute a written agreement with Wellment for its investment management services described above.

#### Retirement Plan Services

Wellment may offer fee-based qualified retirement plan services providing non-discretionary investment fiduciary services to Sponsors and Trustees of qualified retirement plans. With these plans, employees will self-direct the investments of their accounts within the plan.

As an ERISA 3(21) Investment Advisor, Wellment's services are designed to allow the Sponsor to retain full discretionary authority or control over assets of the Plan. Wellment will solely be making recommendations to the Sponsor and will provide guidance to the Sponsor in meeting its fiduciary responsibilities. The Sponsor retains decision making authority and may accept or reject any recommendations.

Wellment Retirement Plan Services include:

- Administrative services related to support with retirement plan ("Plan") governance and committee education.
- Administrative services related to support with vendor management and service provider selection and review.
- Administrative services related to support with plan participant non-fiduciary education services related to participant education and participant enrollment.

#### IRA Rollover Recommendations

For purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

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

retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

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

## **C. Assets Under Management**

As of December 31, 2025, Wellment managed \$312,671,001 of regulatory assets under management on a discretionary basis.

## **Item 5 – Fees and Compensation**

### **A. Fee Schedule**

#### Investment Management Services

Fees for investment management services are negotiable based upon various factors, including, but not limited to; the specific investment management services that the client requires; the type of client; the complexity of the client's situation; the composition of the client's account; the potential for additional account deposits; and/or the total amount of Assets Under Management. Clients will be charged an investment advisory fee based on the assets under management. The total investment advisory fee for participation in the wrap fee program will not exceed 2.0% annually. The investment advisory fee charged to each client includes a portion attributable to Wellment's Advisory fee, the Sub-Advisors fee, the model manager fee, if applicable, and transaction cost. Wellment will review your personal situation, including investment objectives, financial goals and risk tolerance to determine which model is most appropriate.

The cost of the model manager varies based on the selected model and is included in your investment advisory fee. Clients may customize their portfolios through various enhanced programs, such as direct indexing. Direct indexing involves investing directly in individual securities to replicate a specific index and is designed to provide greater tax efficiency through tax-loss harvesting, as well as the ability to align investments with personal values. Certain enhanced models or programs may carry additional fees. Any applicable fees associated with these enhanced models / programs will be outlined in your Investment Advisory Agreement. Please review the fee section of the Sub-Advisors Firm Brochure and Wrap Fee Program Brochure for additional details.

Fees charged for investment management services are charged based on a percentage of assets under management, billed in arrears on a monthly basis and calculated based on an average daily balance of your account during the billing period. Investment management services fees are deducted by the Sub-Advisor from the custodian. The Sub-Advisor remits Wellment's portion of the fee directly to Wellment.

### Use of Third-Party Platform – Client-Managed Accounts

Fees for services related to Client-Managed accounts consist of the Sub-Advisor RIA's annual platform fee, which is charged on a monthly basis. The current platform fee is \$30 per year. As the platform fee charged by the Sub-Advisor, Wellment has no control over the price of that service, nor does it have any control over any changes to the fees. Currently, Wellment does not charge a separate fee for this service and merely passes on its cost as an accommodation to Wellment clients. Since Wellment does not provide any investment advice, but merely provides access to the platform, any costs related to transactions conducted by the Wellment client using Client-Managed accounts will be charged to the client. Transaction-based fees are based upon the custodian's fee schedule and Wellment does not share in any revenue derived from the transaction-based fees. Clients should consult with their Wellment's IAR to obtain a copy of the third-party custodian's fee schedule to understand the amount of the platform fees and the amount of transaction-based fees charged.

Fees paid by clients with Client-Managed accounts are paid directly to the Sub-Advisor and Wellment is not paid for providing this service to its clients.

### General Provisions Applicable to Investment Management Services and Client-Managed Accounts

For Investment Management Services, you may invest in mutual funds, exchange traded funds, individual equities and/or individual bond holdings through the model portfolio selection service. The fee you pay for Investment Management Services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses.

If you participate in the Client-Managed accommodation platform you will incur commissions as well as other transaction-based fees, charged directly from the custodian.

Wellment believes that its fees for Investment Management Services are reasonable in relation to: (1) the services provided and (2) the fees charged by other investment advisors offering similar services/programs. However, our annual fee may be higher than that charged by other investment advisers offering similar services/programs.

Fees for Investment Management Services and for the non-fiduciary services with respect to the Client-Managed accounts will be deducted from the client's account by the qualified custodian(s), pursuant to authorization provided by the client to the qualified custodian(s). The client is required to authorize the qualified custodian(s) of the client's account to deduct fees from the client's account and pay such fees directly to the Sub-Advisor for allocation among the Sub-Advisor, Wellment and/or any such sub-manager, as applicable. Clients should review their account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted appropriately since Wellment does not calculate the fees or cause the fees to be deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

You may terminate the investment management services upon 30-day written notice. You will incur a pro rata charge for services rendered prior to the termination of the investment advisory agreement, which means you will incur advisory fees only in proportion to the number of days in the month for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

## Financial Planning Services Fees

### *One-Time Financial Planning Services*

Wellment offers various financial planning services as a stand-alone service under a fixed fee arrangement. The fixed fees are negotiable based upon a number of factors, including but not limited to, the type of client, the complexity of the client's situation, the composition of the client's account, the total amount of assets under management for the client and the type of financial planning services requested (comprehensive vs modular). The minimum fixed fee is generally \$1,000.00 and the maximum fixed fee is no more than \$24,000, depending on the financial planning services requested by the client. The amount of the fixed fee for your financial planning engagement, is payable in advance and is specified in your Investment Advisory Agreement with Wellment.

### *On Going Financial Planning Services*

Wellment offers on-going financial planning services, which includes reviewing and maintaining a financial plan, based on its clients' goals, updating tax planning as needed and updating and monitoring spending and asset allocations. For these services, the clients agree to engage Wellment for a minimum of twelve (12) months and agrees to pay a monthly fee for this on-going financial planning services. The fees for ongoing financial planning services are negotiable and also based upon the same various factors as indicated in the above. Generally, the fees charged will be a flat fee, collected on a monthly basis. Based upon the above negotiability factors, the fee for financial planning services will range from \$300 - \$1500 per month, which is collected in arrears of the services provided. The amount of your monthly fee will be disclosed in the Investment Advisory Agreement entered into by the client and Wellment. The fee could also be expressed as an annual fee, with the work and the fee equally divided into twelve monthly payments, beginning at the time you execute an agreement with Wellment. This fee is collected in arrears.

### *General Provisions Applicable to Financial Planning Services*

Clients may pay the fees owed for the financial planning services by submitting payment directly to Wellment. All fees paid to Wellment for financial planning services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations. Moreover, there are fees and expenses charged by mutual funds to their shareholders if the client decides to invest in mutual funds due in part to the recommendations made by Wellment, as part of the financial planning services. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee (known as 12(b)-1 fees). If the mutual fund also imposes sales charges, client may pay an initial or deferred sales charge.

To the extent Wellment provides the client with general investment recommendations as part of the financial planning services and the client implements such investment recommendations by transferring the client assets to Wellment for management pursuant to Wellment's advisory services, Wellment and the client may elect to terminate the financial planning agreement at the end of the month following the client's execution of the agreement to enter into an advisory program agreement with Wellment.

Generally, there is no additional cost for financial planning services provided to our investment management clients unless the scope of the requested service is considered by management as excessive based on the services to be provided and the size of your total household assets. If such determination is made, you will be informed of the proposed fee prior to any work being accomplished and can decide to move forward or change the scope of the project.

The financial planning services may be terminated by either Wellment or the client upon written notice of termination from one party to the other. The clients have a right to terminate the financial planning services within five (5) business days of entering into an agreement with Wellment without penalty or fees due. If, however, the client decides to terminate the services after five (5) business days of entering into an agreement, a remaining balance of any fees paid in advance, after the deduction of hours worked, will be refunded by Wellment to the client.

#### Retirement Plan Services Fees

Fees for administrative services related to the Retirement Plan Services are negotiable based upon a number of factors, including but not limited to, the type of Plan; the complexity of the Plan; the type and number of administrative services requested by the Plan; the composition of the Plan's assets; the experience and needs of the Plan Administrator and any other service providers; the number of Plan participants and services offered to Plan participants; the total amount of assets for the Plan; and the complexity of Plan assets. Generally, the fees charged will be based upon the value of the Plan assets. Currently, the range of the fee rates is between 0.30% and 1.0%, which is based upon the above negotiability factors and is negotiated and agreed upon between Wellment and the Plan Sponsor prior to the implementation of the services. The final negotiated rate will be set forth in the agreement entered into with the Plan.

Fees are generally billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of the Plan's assets as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for the Plan opened at any time other than the beginning of the billing period.

Wellment does not deduct fees from client accounts. Fees for retirement plan services will be collected by the plan administrator, and the plan administrator will issue payment directly to Wellment.

Either party may terminate services by providing written notice of termination to the other party. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

#### **B. Additional Fees and Expenses**

In addition to the Advisory fees paid, 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 custodial fees, margin costs, embedded fees and expense ratio 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), transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

#### **C. Outside Compensation for the Sale of Securities to Clients**

Wellment will recommend insurance products as part of the Clients overall allocation strategy. If the client decides to purchase an insurance product from Wellment's investment adviser representative, acting in his or her capacity as an insurance agent for Wellment's affiliated insurance company, FSR Insurance Planning, Ltd or the investment adviser representative will earn commission-based compensation for selling the product. Any compensation received is

separate from and does not offset regular advisory fees. Wellment will not charge advisory fees on any insurance products.

This practice presents a conflict of interest as the investment adviser representative has an incentive to recommend insurance products to the client. Wellment and its licensed insurance agents employ a process of analyzing each customer's financial situation, including tax situation, needs, goals and risk profile for the purpose of making recommendations that are based on an objective evaluation of each client's best interest rather than on the receipt of any commissions or other benefits. When recommending the sale of insurance products for which the investment adviser representative receives compensation, Wellment will document the conflict of interest and inform the Client of the conflict of interest, through the execution of the Disclosure and Acknowledgement Form.

Clients are under no obligation, contractually or otherwise, to purchase insurance products through any Wellment Adviser or its affiliate. Commissions received from the sale of insurance products represent a primary source of compensation for Wellment advisory services. Please see item 10 below for additional details.

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

Wellment 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**

Wellment generally provides advisory services to individuals, high-net worth individuals, trusts, corporations or business entities, profit sharing plans and retirement plans, including solo 401(k) plans. Clients are required to enter into an agreement with Wellment in order to establish a client arrangement with the Firm.

The account minimum is currently set at \$250,000 in investable assets for Investment Management Services. This minimum can be waived at the discretion of management.

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

### **A. Methods of Analysis**

Wellment's generally uses the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental analysis** involves the attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages) to determine if the company is underpriced (indicating that it may be a good time to buy) or overpriced (indicating that it may be a good time to sell). 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. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security

can move up or down along with the overall market regardless of the economic and financial factors considered in evaluation of the stock.

**Technical analysis** evaluates securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value but instead uses charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

**Third-Party Money Manager Analysis.** We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers who have entered into an advisory agreement with us to determine if that manager has demonstrated an ability to invest over a period and in different economic conditions. Additionally, as part of our due diligence process, we advise our clients that the third-party money manager may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in our sub-advisor's portfolio, there is a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients.

**Risks for All Forms of Analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **B. Investment Strategies**

Wellment employs a diversified investment strategy for its clients. Wellment utilizes various strategies offered by the Sub-Advisor and may engage in various strategies, including but not limited to, value investing, tactical asset allocation and strategic asset allocation. The Sub-Advisor's specific investment strategies are outlined in its Firm Brochure. In general, the strategies are:

**Value investing.** A value investing strategy selects stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, under performance relative to major benchmarks, macro-economic risks, investing in value traps i.e., businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation.

**Tactical asset allocation.** A tactical asset allocation strategy allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

**Strategic asset allocation.** A strategic asset allocation strategy calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the

original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

### **C. Risk of Loss**

Investing in securities (including stocks, mutual funds, and bonds, etc.) always involves risk of loss. Depending on the different types of investments utilized, there are varying degrees of risk. Accordingly, you should be prepared to bear investment loss including the loss of your original principal. Further, past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable.

Market Risks. Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.

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

Fixed Income Risks. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

Liquidity Risks. Liquidity risk occurs when an individual investor, business, or financial institution cannot meet its short-term debt obligations. The investor or entity might be unable to convert an asset into cash without giving up capital and income due to a lack of buyers or an inefficient market.

Currency Risks. Overseas investments are subject to fluctuations in the value of the dollar against the currency of an investment’s originating country. This is also referred to as exchange rate risk.

Inflation Risks. 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.

Value Style Risks. Investing in value stocks presents the risk that the stocks never reach what the adviser believes are their full market values, either because the market fails to recognize what the adviser considers to be the companies’ true business values or because the adviser misjudged those values. In addition, value stocks may fall out of favor with investors and underperform growth stocks during given periods.

Growth Style Risks. To the extent that the portfolio holdings include companies that appear to be growth-oriented, there is risk that the adviser’s perceptions of a company’s growth potential are wrong, or the securities purchased may not perform as expected, causing losses to the portfolio.

### **Risks of Investments**

**Equity (Stock) Risks.** Common stocks are subject to general stock market fluctuations and to volatile increases and decreases in value as market confidence and perception of their issuers change. There is also a certain level of company or industry specific risk that is inherent in each investment. 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.

**ETF Risks.** The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if an ETF has a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

**Mutual Fund Risks.** The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

**Fixed Income (Bonds) Risks.** Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; interest rate movements (Interest Rate Risk); when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

**Real Estate Risks.** 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.

**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**

Wellment is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Wellment does not have any required disclosures to this Item.

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

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

Neither Wellment nor its IARs are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

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

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

**Accounting Firm Affiliation** - Wellment is under common ownership and affiliated with FSR Certified Public Accountants Ltd. (“FSR CPA”), a certified public accounting firm. As such, owners common to both entities may derive a benefit and pose a conflict of interest that can impair the objectivity of Wellment and those individuals’ making recommendations. Some of Wellment’s IARs are accountants working for our affiliated CPA firm and from time to time, Wellment’s IARs will offer clients accounting and other services on behalf of FSR CPA. If not included within the scope of the Wellment advisory agreement, the Client will execute a separate engagement letter with FSR CPA detailing the services. Clients are under no obligation to engage our affiliated entity, or our investment adviser representatives in their separate capacities as accountants for tax-related transactions.

**Insurance Agency Affiliation** – Wellment is under common ownership and affiliated with FSR Insurance Planning Ltd (“FSR Insurance”), a licensed insurance agency. As such, owners common to both entities may derive a benefit and pose a conflict of interest that can impair the objectivity of Wellment and those individuals making advisory recommendations. Some of Wellment’s investment adviser representatives are general insurance agents working with our affiliated Insurance Firm and will offer clients products and services on behalf of FSR Insurance. In offering these services, FSR Insurance receives commission or other forms of compensation resulting from implementing product transactions on behalf of advisory clients. Clients should be aware that there may be other insurance products that are offered by other insurance agents at a lesser cost than those recommended by the Wellment IAR in his or her capacity as an independent insurance agent.

**Additional Benefits** – FSR Insurance has a relationship with a third-party insurance intermediary to provide access to insurance products from several life insurance companies. In addition to commissions received, they receive marketing support payments and other incentives from that intermediary or certain insurers based on and related to insurance products. These incentives can include but are not limited to: participation in bonus programs, reimbursement for training, marketing assistance, back-office services, sales tools, educational efforts, advertising, travel expenses to conferences and events, and business-related meals, gifts, and entertainment. These are additional conflicts of interest because the receipt of these economic benefits creates an incentive to recommend Clients purchase fixed index annuity products and other insurance products.

**How we address these conflicts** - Wellment endeavors at all times to put the interests of its clients first as part of our fiduciary duty as a registered investment advisor. Clients are under no obligation to engage our investment adviser representatives in their separate capacities as insurance agents or accountants or our affiliated entities, for insurance or tax-related transactions. Wellment has

adopted and strictly adheres to a code of ethics, wherein, among other things, Wellment mandates that its investment adviser representatives always put their clients' interests first. Wellment discloses to clients the existence of all material conflicts of interest, including the potential for its firm and its employees to earn compensation from advisory clients in addition to its firm's advisory fees. Wellment requires that its employees seek prior approval of any outside employment activity and monitors those activities so that Wellment may ensure that any conflicts of interests in such activities are properly addressed.

#### **D. Manager Selection and Supervision of Managers and How This Advisor is Compensated for Those Selections**

As previously disclosed, Wellment recommends the services of the Sub-Advisor to its clients who are suitable for such an arrangement to manage all or a portion of the client's assets. In exchange for this recommendation, Wellment shares our investment advisory fees with the Sub-Advisor. As such, our investment advisory fees are paid directly by the client to the Sub-Advisor, who then compensates Wellment. No clients pay fees directly to Wellment. The portion of the advisory fee paid to Wellment does not increase the total advisory fee paid to the Sub-Advisor by the client. Our Sub-Advisor has entered into an agreement with Wellment to provide these services. As such, clients should be aware that there may be other third-party Sub-Advisory platforms that would charge you less fees for the same services, but Wellment clients are only able to utilize those Sub-Advisors that have a contract with Wellment for those services.

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

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

Wellment has established a Code of Ethics that will apply to all of its supervised persons. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Wellment has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics, which also covers our insider trading and personal securities transactions policies and procedures. Wellment has the responsibility to make sure that the interests of all clients are placed ahead of Wellment's own investment interests. Wellment will disclose material facts along with potential and actual conflicts of interest to clients. Wellment seeks to conduct business in an honest, ethical, and fair manner and will take reasonable steps to avoid circumstances that might negatively affect our duty of loyalty to clients. Clients may receive a complete copy of the Code of Ethics upon request.

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

Wellment does not recommend that clients buy or sell any security in which Wellment or its related person(s) has a material financial interest.

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

From time to time, representatives of Wellment may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Wellment 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 can create a conflict of interest. Wellment will document transactions that could be construed as conflicts

of interest and will not 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 Wellment may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Wellment 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 create a conflict of interest; however, Wellment will not engage in trading that operates to the client's disadvantage if representatives of Wellment buy or sell securities at or around the same time as clients.

### **Item 12 – Brokerage Practices**

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

Wellment generally recommends that clients utilize the custody, brokerage and clearing services of Fidelity Brokerage Services LLC (Fidelity) (a Custodial Broker) for investment management accounts. Factors which Wellment considers in recommending Fidelity, or any other Custodial Broker to clients include their respective financial strength, reputation, execution, pricing, research and service. Fidelity may enable the Firm to obtain mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other Custodial Brokers.

As a registered investment adviser, Wellment has a duty to seek an executing broker that provides the best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the timelines of the execution, apparent market conditions at the time the trade is placed (including the float and efficiency of the market) and the needs of the particular client. Wellment and its Sub-Advisor seek to obtain best execution for our clients' transactions, which may not necessarily mean the best price or lowest commission available but rather the best overall qualitative execution given the particular circumstances.

#### *Support Products and Services*

The Custodial Brokers utilized by Wellment provide Wellment with access to institutional trading and custody services, which are typically not available to retail investors. These services are generally available to independent investment advisers on an unsolicited basis. Some of the services provided by the Custodial Brokers also include brokerage, custody, research and access to certain mutual funds and other investments that may not otherwise be available to non-institutional investors or would require a significantly higher minimum initial investment.

By virtue of the contract between the Custodial Brokers and Wellment, the Custodial Brokers also make available to Wellment other products and services that benefit Wellment but may not benefit our clients' accounts. Some of these other products and services assist Wellment in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitation of trade execution (and allocation of aggregated trade orders for multiple client accounts), providing pricing information and other market data and assisting with back-office functions, recordkeeping and client reporting. Many of these services are used to service all or a substantial number of Wellment's accounts, including accounts not maintained at

the Custodial Brokers providing the services. The Custodial Brokers also make available to Wellment other services intended to help Wellment manage and further develop our business enterprise. These services include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. You should be aware that the receipt of economic benefits by us, in and of itself, creates a potential conflict of interest and may indirectly influence our choice of Custodial Brokers utilized for custody and brokerage services.

***Mutual Funds Share Class Selection:*** Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to retail share classes (typically referred to as class A, class B and class C shares), funds may also offer institutional share classes or other share classes that are specifically designed for purchase by investors who meet certain specified eligibility criteria, including, for example, whether an account meets a certain minimum dollar amount. Institutional share classes usually have a lower expense ratio than other share classes. When recommending investments in mutual funds, the Sub-Advisor will review and consider available share classes and select the most appropriate share classes based on various factors including but not limited to: minimum investment requirements, trading restrictions, internal expense structure, transaction charges, availability and other factors. When considering all the appropriate factors the Sub-Advisor can select a share class other than the 'lowest cost' share class. In order to select the most appropriate share class, the Sub-Advisor considers retail, institutional or other share classes of the same mutual fund. Regardless of such considerations, clients should not assume that they will be invested in the share class with the lowest possible expense ratio. Clients should ask their IAR whether a lower cost share class is available instead of those selected.

***Direct and Indirect Compensation/Research and Other Soft Dollar Benefits:*** Wellment does not presently have any soft dollar arrangements.

***Brokerage for Client Referrals:*** Wellment receives no referrals from any Custodial Broker or other broker-dealer in exchange for using that Custodial Broker or other broker-dealer.

***Clients Directing Which Broker-Dealer and Custodian to Use:*** Wellment does not generally trade for its clients' accounts, as trading is typically performed for client accounts by the Sub-Advisor. Trades for client accounts are typically placed by the Sub-Advisor on a discretionary basis. The trades made by the Sub-Advisor are thus transacted through the custodian. The Sub-Advisor's trading practices are described in Item 12 of the Sub-Advisor's Brochure.

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

The trading of client accounts is usually delegated to the Sub-Advisor. The Sub-Advisor is responsible for managing client portfolios and entering client transactions on an individual or aggregated basis, according to the Sub-Advisor's policies. For a complete description of the Sub-Advisor's policies regarding aggregate trading, please refer to the Sub-Advisor's Form ADV.

## **Item 13 – Review of Accounts**

For those clients to whom Wellment provides investment management services and retirement plan services, Wellment monitors portfolios as part of an ongoing process while regular account reviews are conducted on at least an annual basis. For those clients to whom Wellment provides ongoing financial planning services, reviews are conducted no less than annually and on an "as needed" basis, such as changes in a client's objectives or/and resources. Such reviews are conducted by one of Wellment's investment adviser representatives. All investment advisory clients are encouraged to

discuss their needs, goals, and objectives with Wellment and to keep Wellment informed of any changes thereto. Wellment shall contact ongoing investment advisory clients at least annually to review their previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Occasionally, Wellment will provide Clients with a report that may include such relevant account and/or market-related information such as an inventory of account holdings and account specific performance. Clients should compare the account statements they receive from their custodian with those they receive from Wellment.

## **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)**

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

Clients should be aware that, although not necessarily related to the investment advisory services or the administrative services, various vendors, product providers, distributors and others may provide non-monetary compensation to Wellment by providing training, education and publications that may further Wellment's employees' skills and knowledge. Some vendors may occasionally provide Wellment with gifts, meals, and entertainment of reasonable value, consistent with industry rules and regulations. Wellment may, in accordance with its compliance policies, accept lodging or travel expenses from third parties or third-party payment of its conference fee costs or fees to attain professional designations.

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

Wellment does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15 – Custody**

Wellment does not take physical custody of client accounts at any time. Client assets are held at a third-party custodian and Wellment is not deemed to have custody as defined in Advisers Act Rule 206-4(2). Clients will receive account statements from the custodian and should carefully review those statements for accuracy.

## **Item 16 – Investment Discretion**

Wellment provides discretionary investment advisory services to clients, the Advisory Agreement established with each client will outline the discretionary authority for trading. Where investment discretion has been granted, Wellment generally manages the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, or the price per share.

For accounts managed under a non-discretionary agreement, clients must be contacted prior to the execution of any trade in the account(s) under management. This can result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

## **Item 17 – Voting Client Securities**

Wellment 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**

Wellment does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Wellment has not been the subject of a bankruptcy petition at any time.