

**Item 1 – Cover Page**

**PBMares Wealth Management LLC**

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**March 8, 2021**

This Brochure provides information about the qualifications and business practices of PBMares Wealth Management LLC (“PBMares Wealth Management”). If you have any questions about the contents of this Brochure, please contact us at (757) 229-7180. 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.

PBMares Wealth Management is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about PBMares Wealth Management also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for PBMares Wealth Management is 116218. The SEC’s web site also provides information about any persons affiliated with PBMares Wealth Management who are registered, or are required to be registered, as investment adviser representatives of PBMares Wealth Management.

## Item 2 – Material Changes

Item 2 of this Brochure will discuss only specific material changes that are made to the Brochure since the last annual update and provide clients with a summary of such changes.

We made the following material changes to our current Brochure:

- Item 5 was amended to reflect the current Employee Benefit Retirement Services Fee Schedule.
- PBMares Wealth Management will not utilize the Institutional Intelligent Portfolios® program platform offered by Schwab Performance Technologies (the “Platform” and “SPT,” respectively). We have removed this service offering from our Brochure.

In addition, please note that we have updated the Assets Under Management information of Item 4 in accordance with the filing of our Annual Updating Amendment on March 8, 2021

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Robert Klingensmith at (703) 385-8577 or by email at [rklingensmith@pbmareswealth.com](mailto:rklingensmith@pbmareswealth.com).

(Brochure Date: 03/08/2021)

(Date of Most Recent Annual Updating Amendment: 03/08/2021)

## Item 3 -Table of Contents

|  |     |
|--|-----|
| Item 1 – Cover Page.....   | i   |
| Item 2 – Material Changes .....  | ii  |
| Item 3 -Table of Contents.....   | iii |
| Item 4 – Advisory Business .....   | 1   |
| Item 5 – Fees and Compensation .....                                       | 4   |
| Item 6 – Performance-Based Fees and Side-By-Side Management.....           | 7   |
| Item 7 – Types of Clients .....  | 7   |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss ..... | 7   |
| Item 9 – Disciplinary Information .....                                    | 10  |
| Item 10 – Other Financial Industry Activities and Affiliations.....        | 10  |
| Item 11 – Code of Ethics.....  | 12  |
| Item 12 – Brokerage Practices.....   | 13  |
| Item 13 – Review of Accounts .....   | 15  |
| Item 14 – <i>Client</i> Referrals and Other Compensation.....              | 16  |
| Item 15 – Custody.....   | 17  |
| Item 16 – Investment Discretion .....                                      | 18  |
| Item 17 – Voting <i>Client</i> Securities.....                             | 18  |
| Item 18 – Financial Information.....                                       | 19  |

## **Item 4 – Advisory Business**

PBMares Wealth Management is wholly owned by an affiliated accounting firm, PBMares, LLP and has been providing advisory services since 1999 (prior to 2013, operating as WittMares Financial Vision). (PBMares Wealth Management is the combination of Witt Mares Financial Vision and PBGH Financial Advisors, Inc.)

As of December 31, 2020, PBMares Wealth Management managed \$739,538,410 on a discretionary basis, \$2,080,126 on a nondiscretionary basis and advised on \$137,870,787 of self-directed retirement account assets.

### **Investment Management Services:**

PBMares Wealth Management manages investment portfolios for individuals, qualified retirement plans, trusts and small businesses. PBMares Wealth Management will work with the client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement.

PBMares Wealth Management uses investment and portfolio allocation software to evaluate alternative portfolio designs. PBMares Wealth Management evaluates the client's existing investments with respect to the client's investment policy statement. PBMares Wealth Management works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by PBMares Wealth Management. PBMares Wealth Management will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold regular review meetings with the client regarding the account as necessary.

PBMares Wealth Management will typically create a portfolio of no-load mutual funds and ETFs, and may use model portfolios if the models match the client's investment policy. PBMares Wealth Management will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. PBMares Wealth Management primarily recommends portfolios consisting of mutual funds or ETFs offered by Dimensional Fund Advisors (DFA), Vanguard, , -), iShares and other passive or index based investments. Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests they be retained for a personal reason. These situations will be specifically identified in the client's Investment Policy Statement (IPS).

PBMares Wealth Management manages portfolios on a discretionary and non-discretionary basis. A client may impose any reasonable restrictions on PBMares Wealth Management's

discretionary authority, including restrictions on the types of securities in which PBMares Wealth Management may invest client's assets and on specific securities, which the client may believe to be appropriate.

PBMares Wealth Management may also recommend fixed income portfolios to advisory clients, which consist of managed accounts of individual bonds. Complete, laddered fixed income portfolios generally require a minimum investment of \$400,000. PBMares Wealth Management will request discretionary authority from advisory clients to manage fixed income portfolios, including the discretion to retain a third party fixed income manager. PBMares Wealth Management will prepare a separate Fixed Income Investment Policy Statement for any client qualifying for separate fixed income portfolio services.

On an ongoing basis, PBMares Wealth Management will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. PBMares Wealth Management will periodically, and at least annually, review client's investment policy, risk profile and discuss the re-balancing of each client's accounts to the extent appropriate.

In addition to managing the client's investment portfolio, PBMares Wealth Management may consult with clients on various financial areas including income and estate tax planning, business sale structures, college financial planning, retirement planning, insurance analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things.

#### **Employee Benefit Retirement Plan Services:**

PBMares Wealth Management also provides advisory services to participant-directed retirement plans through third party administration services, which are online bundled service providers offering an opportunity for plan sponsors to provide their participants with daily account access, valuation, and investment education.

PBMares Wealth Management will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. PBMares Wealth Management will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

PBMares Wealth Management will recommend changes in the plan's investment vehicles as may be appropriate from time to time. PBMares Wealth Management generally will review the plan's investment vehicles and investment policy as necessary. Additionally, PBMares Wealth Management will also act as the 3(38) investment manager for certain retirement

plan accounts. As such, for those clients we will have the discretion to direct the investment of the funds accordingly.

PBMares Wealth Management will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

### **Financial Planning & Consulting Services:**

PBMares Wealth Management also provides advice in the form of a Financial Plan. Clients purchasing this service may receive a written report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern:

- PERSONAL: Family records, budgeting, personal liability, estate information and financial goals.
- EDUCATION: Education IRAs, financial aid, state savings plans, grants and general assistance in preparing to meet dependent's continuing educational needs through development of an education plan.
- TAX & CASH FLOW: Income tax and spending analysis and planning for past, current and future years. PBMares Wealth Management will illustrate the impact of various investments on a client's current income tax and future tax liability.
- DEATH & DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- RETIREMENT: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio.
- ESTATE: Living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.
- INSURANCE: Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

PBMares Wealth Management gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed and a written report is prepared.

Should a client choose to implement the recommendations contained in the plan, PBMares Wealth Management suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

## **Item 5 – Fees and Compensation**

In certain circumstances, all fees, account minimums and their applications to family circumstances may be negotiable.

The specific manner in which fees are charged by PBMares Wealth Management is established in a client's written agreement with PBMares Wealth Management. For investment management and employee benefit plan services, clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted (date of first trade).

For Investment Management and employee benefit plan services, PBMares Wealth Management will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. PBMares Wealth Management will send to the client an invoice showing the amount of the fee, the value of the client's assets on which the fee was based, and the specific manner in which the fee was calculated. Clients should verify the accuracy of the fee calculations in such invoices. To the extent that investment advisory fees are directly debited from a custodial account with margin agreement, the debiting of fees may create or increase the client's margin loan balance in the custodial account.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

PBMares Wealth Management's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These fees will generally

include a management fee and other fund expenses. All fees paid to PBMares Wealth Management for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to PBMares Wealth Management's fee, and PBMares Wealth Management shall not receive any portion of these commissions, fees, and costs.

### **Advisory Fees**

#### **Investment Management Services:**

The annual fee for investment management services will be charged as a percentage of assets under management, according to the schedule below:

| <b>Assets Under Management</b>  | <b>Annual Fee (%)</b> |
|---------------------------------|-----------------------|
| Accounts \$0 -\$500,000         | 1.50%                 |
| Accounts \$500,000 -\$1,000,000 | 1.00%                 |
| \$1,000,000 - \$3,000,000       | 0.75%                 |
| \$3,000,000-\$5,000,000         | 0.65%                 |
| \$5,000,000-\$10,000,000        | 0.50%                 |
| Amounts \$10,000,000 or greater | 0.35%                 |

All accounts for members of the client's family (husband, wife and dependent children) or related businesses may be assessed fees based on the total balance of all accounts. Clients whose accounts predate this disclosure document are subject to pre-existing fee arrangements which may differ from the above schedule.

#### **Employee Benefit Retirement Plan Services:**

The annual fee for plan services will be charged as a percentage of assets within the plan pursuant to the following fee schedule:



### 3(21) Fee Schedule

| Assets Under Management    | Annual Fee %                           |
|----------------------------|--|
| \$0-\$3,000,000            | \$2,500 or 0.50%, whichever is greater |
| \$3,000,000 to \$5,000,000 | 0.30%                                  |
| \$5,000,000 to \$7,000,000 | 0.25%                                  |
| >\$7,000,000               | 0.20%                                  |

### 3(38) Fee Schedule

| Assets Under Management      | Annual Fee %                           |
|------------------------------|--|
| \$0-\$3,000,000              | \$3,000 or 0.55%, whichever is greater |
| \$3,000,000 to \$5,000,000   | 0.40%                                  |
| \$5,000,000 to \$7,000,000   | 0.35%                                  |
| \$7,000,000 to \$10,000,000  | 0.30%                                  |
| \$10,000,000 to \$20,000,000 | 0.24%                                  |

### Financial Planning & Consulting Services:

PBMares Wealth Management's Financial Planning fee is determined based on the nature of the services provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client. Our financial fees may be calculated and charged on a fixed fee basis, depending on the specific arrangement reached with each client, or on an hourly basis, ranging from \$295-\$415 per hour. The length of time it will take to provide the Financial Plan will depend on each client's personal situation.

PBMares Wealth Management may reduce or waive the hourly or fixed fee if a financial planning client additionally chooses to engage PBMares Wealth Management for Investment Management services.

PBMares Wealth Management will, upon client's request, continue to be available at the same rates disclosed above to provide assistance in the implementation of the client's financial plan, evaluation or analysis on specific securities or advice on investment related issues. Annual updates may be provided upon contracting with the client. Hourly rates are billed on a monthly basis.

Investment Consultations: Investment consultations are offered involving investment analysis, recommendations, reviews of mutual fund prospectuses, or other limited engagements. Fees will be charged at a rate of \$295-\$415 per hour. Fees are billed on a monthly basis.

PBMares Wealth Management and PBMares LLP partners, principals, and employees, as well as their family member, may be charged a discounted fee for investment advisory services, financial planning, or other wealth management consulting services.

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

PBMares Wealth Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

PBMares Wealth Management provides services to individuals, qualified retirement plans, trusts and small businesses.

PBMares Wealth Management generally requires a minimum annual fee of \$5,000 for Investment Management Services. A minimum account size of \$500,000 is generally required for fixed income portfolio management services. This minimum fee and account size may be negotiable under certain circumstances.

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

### Methods of Analysis and Investment Strategy

PBMares Wealth Management's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. PBMares Wealth Management's

investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. PBMares Wealth Management recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds and exchange traded funds (ETFs). PBMares Wealth Management selects or recommends to client portfolios of securities, principally broadly traded open end mutual funds, ETFs and conservative fixed income securities, to implement this investment strategy.

Although all investments involve risk, PBMares Wealth Management's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients, the investment directly in high quality fixed income securities to represent the fixed income class allocation. PBMares Wealth Management's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that PBMares Wealth Management's strategy seeks to minimize.

In the implementation of investment plans, PBMares Wealth Management therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. PBMares Wealth Management may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and PBMares Wealth Management may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services, but may help to more generally assist the client.

PBMares Wealth Management's strategies do not utilize securities that we believe would be classified as having any unusual risks and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

PBMares Wealth Management receives supporting research from Fidelity Investments, Morningstar, iShares and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). PBMares Wealth Management primarily utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy, with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to PBMares Wealth Management.

### Analysis of a Client's Financial Situation

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, PBMares Wealth Management relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, PBMares Wealth Management may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

### Risk of Loss

**Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by PBMares Wealth Management may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in PBMares Wealth Management's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of

Treasury Inflation Protected Securities or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by PBMares Wealth Management may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses within each applicable sector.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of PBMares Wealth Management or the integrity of PBMares Wealth Management’s management. PBMares Wealth Management has no information applicable to this Item.

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

### Affiliated Accounting Firm

PBMares Wealth Management is directly owned by the accounting firm PBMares, LLP. PBMares, LLP is the combination of the former accounting firms PBGH, LLP and Witt Mares, PLC. The Managing Directors of PBMares Wealth Management are also CPA’s and Owners of the accounting firm, and may spend as much as 10% of his business time on accounting services.

The accounting firm and its employees may recommend PBMares Wealth Management to accounting clients in need of advisory services. PBMares Wealth Management may recommend the accounting firm to advisory clients in need of accounting services.

Accounting services are separate and distinct from the advisory services of PBMares Wealth Management and are provided for separate and typical compensation. In some instances, mutual clients of PBMares, LLP and PBMares Wealth Management may receive discounted tax preparation fees for returns prepared by PBMares, LLP.

PBMares, LLP also provides pension consulting services, including plan design, compliance, and plan monitoring and reporting services. These services may be separately offered to

advisory clients of PBMares Wealth Management. Pension consulting services are separate and distinct from the advisory services of PBMares Wealth Management and are provided for separate and typical compensation.

No PBMares Wealth Management client is obligated to use PBMares, LLP for any accounting services or pension consulting services.

#### Affiliated Broker/Dealer Registration

Mr. Craig A. Ascari, an Investment Advisor Representative with PBMares Wealth Management, has been named as the Chief Compliance Officer and a Registered Representative with PBMares Capital Markets, LLC, an affiliated FINRA registered broker/dealer. Mr. Ascari devotes approximately 45% of his time to his position with PBMares Capital Markets, LLC. The services provided by PBMares Capital Markets, LLC. are separate and distinct from the advisory services of PBMares Wealth Management, LLC. Mr. Ascari receives a salary and discretionary bonus as compensation for his work at PBMares Capital Markets, LLC. Clients should be aware that the receipt of commissions creates a conflict of interest; however, Mr. Ascari does not receive any commissions from PBMares Capital Markets LLC. There are no referral agreements between PBMares Wealth Management, LLC and PBMares Capital Markets, LLC.

#### Individual Licensed Insurance Agents / Affiliated Insurance Company

Certain individuals of PBMares, are licensed insurance agents for various insurance companies. All commission compensation resulting from implementing insurance product transactions on behalf of advisory clients is paid to our affiliated insurance company, PBMares Insurance Solutions. Clients are not under any obligation to engage these individuals when considering implementation of recommendations. While these individuals endeavor at all times to put the interest of the clients first as part of PBMares Wealth Management's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

#### Individual Investment Advisor Representative Outside Business Activities:

##### Family Office

Raymond Kingsfield, Investment Advisor Representative with PBMares Wealth Management, in his individual capacity, is also the Chief Investment & Operating Officer of Steel Family Investments, LLC, a private family office. Mr. Kingsfield devotes the majority of

his time to his position with Steel Family Investments, LLC. Steel Family Investments, LLC business activities are separate and distinct from the advisory services of PBMares Wealth Management and Mr. Kingsfield receives separate and typical compensation for this outside business activity. PB Mares Wealth Management is not affiliated with Steel Family Investments, LLC and is not involved in any Steel Family Investments, LLC business activities.

## **Item 11 – Code of Ethics**

PBMares Wealth Management has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. PBMares Wealth Management's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth PBMares Wealth Management's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with PBMares Wealth Management may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of PBMares Wealth Management that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, PBMares Wealth Management requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's Chief Compliance Officer. PBMares Wealth Management also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

PBMares Wealth Management's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. PBMares Wealth Management requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

PBMares Wealth Management will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

It is PBMares Wealth Management's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. PBMares Wealth Management will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an

affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

PBMares Wealth Management participates in the Schwab Advisor Services (SAS) program offered to independent investment advisers by Charles Schwab & Company, Inc., member FINRA/SIPC, and the Fidelity Institutional Wealth Services (FIWS) program offered to independent investment advisers, sponsored by Fidelity Brokerage Services, LLC ("Fidelity"), member FINRA/SIPC. Schwab and Fidelity are unaffiliated SEC-registered broker dealers and FINRA member broker-dealers.

The Schwab and Fidelity brokerage programs will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. PBMares Wealth Management regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty. These trading platforms are essential to PBMares Wealth Management's service arrangements and capabilities, and PBMares Wealth Management may not accept clients who direct the use of other brokers. As part of these programs, PBMares Wealth Management receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As PBMares Wealth Management will not request the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid for mutual fund and equity securities transactions, clients must direct PBMares Wealth Management as to the broker-dealer to be used. In directing the use of a particular broker or dealer, it should be understood that PBMares Wealth Management will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisers require clients to direct the use of specific brokers.

SAS and FIWS do not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers. Trading



client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While PBMares Wealth Management will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

PBMares Wealth Management does not have any arrangements to compensate any broker dealer for client referrals.

PBMares Wealth Management does not maintain any client trade error gains. PBMares Wealth Management makes clients whole with respect to any trade error losses incurred by client caused by PBMares Wealth Management .

PBMares Wealth Management generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which PBMares Wealth Management arranges transactions.

#### **Employee Benefit Retirement Plan Services:**

PBMares Wealth Management is a 3(38) Investment Manager. As such, we may arrange for the execution of securities transactions for participant directed plans utilizing Employee Benefit Retirement Plan Services.

#### **Financial Planning & Consulting Services:**

PBMares Wealth Management 's financial planning and consulting practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Clients will be required to select their own broker-dealers and insurance companies for the implementation of financial planning recommendations. PBMares Wealth Management may recommend any one of several brokers. PBMares Wealth Management clients must independently evaluate these brokers before opening an account. The factors considered by PBMares Wealth Management when making this recommendation are the broker's ability to provide professional services, PBMares Wealth Management 's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. PBMares Wealth Management 's financial planning and consulting clients may use any broker or dealer of their choice.

## **Item 13 – Review of Accounts**

### **Reviews:**

#### **Investment Management Services:**

Account assets are supervised continuously and formally reviewed quarterly by an Investment Advisor Representative of PBMares Wealth Management. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. specific client request;
- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

For fixed income portfolios, certain account review responsibilities may be delegated to a third-party investment manager as described above in Item 4.

#### **Employee Benefit Retirement Plan Services:**

Plan assets are reviewed on a quarterly basis, and according to the standards and situations described above for investment management accounts.

#### **Financial Planning & Consulting Services:**

Financial Planning and Consulting accounts will be reviewed as contracted for at the inception of the advisory relationship.

### **Reports:**

#### **Investment Management Services:**

All clients receiving investment management services will receive written quarterly performance reports, prepared and reviewed by PBMares Wealth Management that summarize the client's account and asset allocation. Clients will also receive at least

quarterly statements from their account custodian, which will outline the client's current positions, and current market value.

### **Employee Benefit Retirement Plan Services:**

Plan sponsors are provided with quarterly information and annual performance reviews from PBMares Wealth Management. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

### **Financial Planning & Consulting Services:**

Financial Planning and Consulting clients will receive those reports for which they contract PBMares Wealth Management to prepare.

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

### Client Referrals

PBMares Wealth Management may from time to time compensate, either directly or indirectly, any person, (defined as a natural person or a company) including affiliated persons, for client referrals. PBMares Wealth Management is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations. Should PBMares Wealth Management elect to compensate such persons, appropriate disclosure shall be made, all written instruments will be maintained by PBMares Wealth Management and all applicable Federal and/or State laws will be observed.

### Other Compensation

As indicated under the disclosure for Item 12, SAS and FIWS each respectively provide PBMares Wealth Management with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit PBMares Wealth Management but may not benefit its clients' accounts. Some of these other products and services assist PBMares Wealth Management 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), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of PBMares Wealth Management's fees from its clients' accounts, and assist with

back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of PBMares Wealth Management's accounts. Recommended brokers also make available to PBMares Wealth Management other services intended to help PBMares Wealth Management manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. PBMares Wealth Management does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, PBMares Wealth Management endeavors to act in its clients' best interests, PBMares Wealth Management's requirement that clients maintain their assets in accounts at SAS or FIWS may be based in part on the benefit to PBMares Wealth Management of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

PBMares Wealth Management also receives software from DFA, which PBMares Wealth Management utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for PBMares Wealth Management personnel. These services are designed to assist PBMares Wealth Management plan and design its services for business growth.

As previously disclosed, certain individuals affiliated with PBMares Wealth Management, , are insurance agents. As such, these individuals will be able to receive separate, yet customary commission compensation resulting from implementing insurance product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

## **Item 15 – Custody**

Investment Management and Employee Benefit Plan clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. PBMares Wealth Management urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

PBMares Wealth Management requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. For fixed income securities, this authority will include the discretion to retain a third-party money manager for fixed income accounts. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, PBMares Wealth Management observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to PBMares Wealth Management in writing.

Non-Discretionary Clients: An advisory client electing not to grant investment discretionary authority to PBMares Wealth Management is advised that trades in his/her account may be executed subsequent to trades affected in discretionary accounts due to the additional time involved in obtaining the required client approval prior to executing any trade in such client's account.

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

Proxy Voting: As a matter of firm policy and practice, PBMares Wealth Management does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. However, clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. PBMares Wealth Management may provide advice to clients regarding the clients voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that PBMares Wealth Management will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct PBMares Wealth Management to transmit copies of class action notices to the client or a third party. Upon such direction, PBMares Wealth Management will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about PBMares Wealth Management’s financial condition. PBMares Wealth Management has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.