

# 24Acres Wealth, LLC

## Form ADV Part 2A Brochure

Address: 506 N Francisca Ave.  
Unit A  
Redondo Beach, CA 90277

Phone: (484) 798-4434

Email: [max.gallagher@24acreswealth.com](mailto:max.gallagher@24acreswealth.com)

Website: <https://www.24acreswealth.com>

This brochure provides information about the qualifications and business practices of 24Acres Wealth, LLC (the “Adviser,” “we,” “us,” or “our”). If you have any questions about the contents of this brochure, please contact us at the telephone number or email address listed above. 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. 24Acres Wealth, LLC is a registered investment adviser, but registration does not imply a certain level of skill or training.

Additional information about 24Acres Wealth, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching for CRD# 334532.

## Item 2: Material Changes

---

In this Item, we are only required to identify and discuss material changes since filing our last annual amendment. Since filing our last annual updating amendment on February 3, 2026, we have no material changes to report.

## Item 3: Table of Contents

---

Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	6
Item 6: Performance-Based Fees & Side-By-Side Management	8
Item 7: Types of Clients	9
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss	10
Item 9: Disciplinary Information	13
Item 10: Other Financial Industry Activities & Affiliations	14
Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading	15
Item 12: Brokerage Practices	16
Item 13: Review of Accounts	17
Item 14: Client Referrals and Other Compensation	18
Item 15: Custody	19
Item 16: Investment Discretion	20
Item 17: Voting Client Securities	21
Item 18: Financial Information	22
Item 19: Requirements for State-Registered Advisers	23

## Item 4: Advisory Business

---

A. 24Acres Wealth, LLC is an investment adviser founded in 2025, principally registered in the state of California, and registered or exempted from registration in other states as applicable, and solely owned by Max Gallagher.

B. We offer the following types of advisory services:

- i. Discretionary Investment Management. We provide ongoing discretionary investment management services to our clients based upon each client's current financial condition, goals, risk tolerance, income, liquidity requirements, investment time horizon, and other information that is relevant to the management of the client's accounts. This information will then be used to make investment decisions that reflect the client's individual needs and objectives on an initial and ongoing basis pursuant to an investment policy statement. Our investment decisions will allocate portions of the client's accounts to various asset classes classified according to historical and projected risks and rates of return. We will retain the discretion to buy, sell, or otherwise transact in securities and other investments in the client's accounts without first receiving the client's specific approval for each transaction. Such discretionary authority is granted by the client in our services agreement. The client may impose restrictions on investing in certain securities or types of securities so long as we can reasonably implement such restrictions.

We typically implement our investment strategy by allocating clients' investable assets across a diversified risk-based portfolio of exchange traded funds ("ETFs") and mutual funds, but we will also incorporate stocks, bonds, real estate investment trusts ("REITs"), and private investment vehicles.

- ii. Financial Planning. When rendering financial planning services (which are provided in connection with investment management services and not as a standalone service), we will evaluate and make recommendations with respect to various financial planning topics that are relevant to the particular client. Such topics can include, for example, retirement planning, education savings, cash flow management, debt reduction, estate planning, insurance needs, risk mitigation, tax planning, charitable giving strategies, and/or financial goal tracking. Implementation of our recommendations will be at the discretion of the client.

When rendering financial planning services, a conflict exists between our interests and the interests of our clients. The client is under no obligation to act upon our financial planning recommendations. If the client elects to act on any of the recommendations we make, the client is under no obligation to effect the transaction through us or any of our personnel.

- iii. 1031 Exchange Advisory Services. Specifically with respect to tax-deferred transactions executed pursuant to Section 1031 of the Internal Revenue Code of 1986 and the Treasury Regulations promulgated thereunder (a "Section 1031 Like-Kind Exchange"), and only pursuant to a separate written agreement, Adviser shall work with the client to, among other things, understand the client's relinquished property details, equity position, debit obligations, investment objectives, and specific tax-deferral goals. This information will be used to deliver analyses, recommendations, and services regarding the execution of a Section 1031 Like-Kind Exchange. Adviser's 1031 exchange advisory services are limited to providing analysis, logistical coordination, and investment consulting to assist the client with achieving a Section 1031 Like-Kind Exchange; Adviser shall not act as a qualified intermediary, escrow agent, legal counsel or tax advisor.

- C. We do not sponsor or participate in any wrap fee programs.
- D. 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 (“ERISA”) and/or the Internal Revenue Code (the “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:
- i. Meet a professional standard of care when making investment recommendations (give prudent advice);
  - ii. Never put our financial interests ahead of yours when making recommendations (give loyal advice);
  - iii. Avoid misleading statements about conflicts of interest, fees, and investments;
  - iv. Follow policies and procedures designed to ensure that we give advice that is in your best interest;
  - v. Charge no more than is reasonable for our services; and
  - vi. Give you basic information about conflicts of interest.
- E. We manage the following amount of discretionary and non-discretionary client assets calculated as of May 20, 2026:

Discretionary:	\$28,531,416
Non-Discretionary:	\$0
<b>Total:</b>	<b>\$28,531,416</b>

## Item 5: Fees and Compensation

---

- A. Investment Management & Financial Planning. In consideration of our investment management and financial planning services, we charge an asset-based fee based on the client's assets designated to be under our management, advisement and/or supervision. Our typical asset-based fee schedule is set forth in the table below:

<b>Client Assets Under Management, Advisement, and/or Supervision</b>	<b>Annual Fee Percentage</b>
For the first \$0 to \$3,000,000	1.00%
For the next \$3,000,001 to \$6,000,000	0.80%
For the next \$6,000,001 to \$9,000,000	0.60%
For the next \$9,000,001 to \$12,000,000	0.40%
For any amount above \$12,000,000	0.30%

The asset-based fees set forth above reflect a “tiered” or “blended” fee schedule, which means that different annual fee percentages will apply to different ranges of client assets under Adviser’s management, advisement and/or supervision. Fees are deducted quarterly in advance from the client’s assets and based upon the gross market value of such assets as of the last business day of the prior calendar quarter. Alternatively, the clients may elect to pay Adviser’s fees electronically via ACH, debit card, or credit card, or otherwise upon presentation of an itemized invoice.

Asset-based fees also apply to ninety percent (90%) of the equity value of rental real estate owned by the client (less any outstanding mortgages or liens on the subject property). The number of rental properties to be included for billing purposes, and their respective fair market values and billable values, will be mutually agreed upon between us and the client annually, as well as upon acquisition and disposition.

Asset-based fees are prorated from the date that the client’s assets are first designated to be under our management, advisement, and/or supervision through the effective date of termination of our engagement. Accounts that are opened or closed during the quarter shall be charged a pro rata fee in consideration of the period of time for which the account is designated to be under our management, advisement, and/or supervision. Upon termination of a client services agreement, our fees will be prorated through the effective date of the termination. The pro rata fees for the remainder of the quarterly billing period after the termination will be refunded to the client. The proration of fees described above shall also apply to the equity value of rental real estate owned by the client from the date of purchase up to and including the date of sale.

- B. 1031 Exchange Advisory Services. In consideration of our 1031 exchange advisory services, we charge a tiered flat fee based on the exchanged property sale price, limited to a certain number of replacement properties included. Any additional replacement property beyond the limit specified for the applicable property sale price range listed below will be billed at \$5,000 per property. Our typical flat-tiered fee schedule for 1031 exchange advisory services is set forth in the table below:

Exchanged Property Sale Price		Flat Fee	# of Replacement Properties Included
From:	To:		
\$0	\$500,000	\$15,000	1
\$500,001	\$1,000,000	\$20,000	2
\$1,000,001	\$1,500,000	\$30,000	3
\$1,500,001	\$2,000,000	\$40,000	4
\$2,000,001	\$3,000,000	\$50,000	5
\$3,000,001	\$5,000,000	\$60,000	6
\$5,000,001	\$7,500,000	\$70,000	7
\$7,500,001	\$10,000,000	\$80,000	8
\$10,000,001		\$100,000	10

The above fee schedule is subject to a \$5,000 non-refundable deposit which shall be paid to Adviser by the client upon the execution of the 1031 exchange advisory services agreement. Such non-refundable deposit shall be payable via check mailed to Adviser's address as set forth in the 1031 exchange advisory services agreement.

The advisory fees listed above shall be payable to Adviser upon completion of the 1031 exchange transaction via check mailed to Adviser's address as set forth in the 1031 exchange advisory services agreement.

C. General Fee Disclosures.

Adviser's fees as set forth herein reflect the 'standard' fees charged by Adviser to its clients. However, the specific fees charged to a particular client may vary from client to client. Each client should review the services agreement signed between the client and Adviser for the specific fees that will be charged. Adviser's fees may vary from client to client due to historical or "grandfathered" fee schedules that are no longer offered, the nature and scope of the services to be provided to a client, personal or familial relationships with a client, and other factors that Adviser deems relevant. Fees are negotiable, but Adviser reserves the right to accept or reject different fees proposed by a client.

For certain investment management and financial planning clients, we voluntarily agree to reimburse or otherwise offset the cost of real estate bookkeeping services performed by an independent and unaffiliated third-party bookkeeper that would otherwise be borne by the client.

Neither Adviser nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

- D. In addition to the fees charged by Adviser, clients will incur brokerage and other transaction costs. Please refer to Item 12: Brokerage Practices, for further information on such brokerage and other transaction-related practices. Depending on the specific investment products held in a client's account and the services provided, a client may also incur additional fees and costs charged by other independent and unaffiliated third-parties. Such additional fees and costs may include, but are not necessarily limited to, the internal fees and costs of an investment product (like a mutual fund or exchange traded fund), margin interest, account or asset transfer fees, subadvisory or third-party investment manager fees, account type fees, early redemption charges, market-maker or bid-ask spreads, retirement plan fees, trade-away or prime brokerage fees, fees for receiving paper copies of documents in lieu of electronically-delivered documents, and other fees and taxes on brokerage accounts and securities transactions. These additional charges are separate and apart from the fees charged by Adviser. Lower fees for comparable services may be available from other sources.

## Item 6: Performance-Based Fees & Side-By-Side Management

---

Neither we nor any of our supervised persons accept performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client). Neither we nor any of our supervised persons engage in side-by-side management.

## Item 7: Types of Clients

---

We generally provide our services to individuals and high-net-worth individuals. We do not require a minimum account value to open or maintain an account.

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

---

- A. We construct client portfolios guided by Modern Portfolio Theory (“MPT”), the framework which holds that an optimal portfolio can be constructed by evaluating the expected risk and return characteristics of each asset class and the correlations among them, rather than selecting individual securities based on their standalone merits. Under this approach, we seek to build diversified portfolios positioned along the efficient frontier — the set of portfolios offering the highest expected return for a given level of risk. In practice, this means we emphasize broad diversification across asset classes and systematically tilt portfolio allocations toward dimensions of higher expected returns identified by academic research, such as company size, relative price, and profitability. We believe that capital markets are sufficiently efficient such that attempting to outperform through individual security selection or market timing is unlikely to add value after costs, and that disciplined, long-term exposure to compensated risk factors is the most reliable path to achieving client investment objectives. MPT is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various assets.

Investing in securities involves risk of loss that clients should be prepared to bear. Past performance does not guarantee future returns.

- B. Like any investment strategy, ours involves material risks. Such material risks are described in further detail below:
- i. Investing for the long term means that a client’s account will be exposed to short-term fluctuations in the market and the behavioral impulse to make trading decisions based on such short-term market fluctuations. We do not condone short-term trading in an attempt to “time” the market, and instead coach clients to remain committed to their financial goals. However, investing for the long term can expose clients to risks borne out of changes to interest rates, inflation, general economic conditions, market cycles, geopolitical shifts, and regulatory changes.
  - ii. Inflation risk is the risk that the value of a client’s portfolio will not appreciate at least in an amount equal to inflation over time. General micro- and macro-economic conditions may also affect the value of the securities held in a client’s portfolio, and general economic downturns can trigger corresponding losses across various asset classes and security types. Market cycles may cause overall volatility and fluctuations in a portfolio’s value, and may increase the likelihood that securities are purchased when values are comparatively high and/or that securities are sold when values are comparatively low. Geopolitical shifts may result in market uncertainty, lowered expected returns, and general volatility in both domestic and international securities. Regulatory changes may have a negative impact on capital formation and increase the costs of doing business, and therefore result in decreased corporate profits and corresponding market values of securities.
  - iii. Investing in mutual funds does not guarantee a return on investment, and shareholders of a mutual fund may lose the principal that they’ve invested into a particular mutual fund. Mutual funds invest into underlying securities that comprise the mutual fund, and as such clients are exposed to the risks arising from such underlying securities. Mutual funds charge internal expenses to their shareholders (which can include management fees, administration fees, shareholder servicing fees, sales loads, redemption fees, and other fund fees and expenses, e.g.), and such internal expenses subtract from its potential for market appreciation. Shares of mutual funds may only be traded at their stated net asset

value (“NAV”), calculated at the end of each day upon the market’s close.

Investing in (“ETFs”) bears similar risks and incurs similar costs to investing in mutual funds as described above. However, shares of an ETF may be traded like stocks on the open market and are not redeemable at an NAV. As such, the value of an ETF may fluctuate throughout the day and investors will be subject to the cost associated with the bid-ask spread (the difference between the price a buyer is willing to pay (bid) for an ETF and the seller's offering (asking) price).

Clients are encouraged to carefully read the prospectus of any mutual fund or ETF to be purchased for investment to obtain a full understanding of its respective risks and costs.

- iv. Investing in common stocks means that a client will be subject to the risks of the overall market as well as risks associated with the particular company or companies whose stock is owned. These risks can include, for example, changes in economic conditions, growth rates, profits, interest rates and the market’s perception of these securities. Common stocks tend to be more volatile and more risky than certain other forms of investments, especially as compared to fixed income products like bonds.
- v. Investing in fixed income securities issued by the U.S. Government, including Treasury Bills, Treasury Notes, Treasury Bonds, Treasury Inflation-Protected Securities (“TIPS”), and Floating Rate Notes means that a client will be subject to the market prices of such debt securities, which typically fluctuate depending on interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and rise when interest rates fall. The longer the time to a security’s maturity, the greater its interest rate risk. Fixed income securities issued by the U.S. Government are also subject to inflation risk, reinvestment risk, redemption risk, and valuation risk.
- vi. Investing in municipal securities carries unique risks, depending on the type of bond offered. General obligation bonds are issued by governmental entities and are not backed by revenues from a specific project or source. In some instances, municipalities may not have taxing authority to repay bondholders. Revenue bonds are backed by revenues from a specific project or source and can vary greatly in terms of credit risk. Some revenue bonds are “non-course” bonds, meaning that should the revenue stream dry up or the conduit borrower fails to pay, the bondholder will not have a claim to the underlying revenue or against the conduit borrower.
- vii. Investing in corporate debt, including corporate bonds, carries additional risks to those noted above for fixed income securities. Corporate debt is also subject to credit risk - the risk that the bond issuer may default on one or more payments before the bond reaches maturity. In the event of a default, you may lose some or all of the income you were entitled to, and even some or all of the principal amount invested. Some corporate bonds may also be subject to early redemption risk, with the issuer having the principal repaid prior to the maturity date of the bond.
- viii. Investing in certificates of deposit (“CDs”), while relatively safe, can still carry some risks. CDs have terms of different lengths, ranging up to 10 years. During the term length, your funds invested in the CD will be inaccessible; if you opt to withdraw early, you will be subject to early withdrawal fees, which can erode any interest accrued and can decrease the principal amount originally invested. It is also subject to inflation risk, as CD rates tend to lag behind rising inflation and drop more quickly than inflation on the way down.
- ix. Investing in money market funds carries interest rate risk. Securities with longer maturities typically offer higher yields, but have greater interest rate sensitivity. There is also liquidity risk - the money market fund may impose a fee upon the sale of your

shares, or may temporarily suspend your ability to sell shares, if the fund's liquidity falls below required minimums because of market conditions or other factors.

- x. Investing in REITs means that clients will be subject to the risks associated with investments in mortgages and their related activities in addition to the general risk of equity and financial markets. Among the factors that the REIT industry is vulnerable to are: (1) change in government regulation, primarily the pass-through tax treatment of REIT income, (2) the market for residential mortgage assets, (3) the general level and term structure for interest rates. The common equity prices of REITs have historically been more closely correlated with changes in interest rates than other non-REIT equity securities. Additionally, REITs tend to be more illiquid in nature, may contain additional fees, and may experience disruptions in distributions in comparison to other types of securities.
- xi. Investments in private investment funds (e.g., limited partnerships, limited liability companies, special purpose vehicles, and other private investment funds) are often subject to liquidity restrictions, which means that a client may not be able to redeem an investment until a redemption window is available. In addition, such investments can be more volatile and less transparent than an exchange-listed security that trades daily in an electronic marketplace. Private investment funds are generally more difficult to value than exchange-listed securities, and therefore are more reliant on individual judgment as opposed to market prices when determining a valuation. Investors in private investment funds are typically required to be either accredited investors, qualified clients, or both, and should carefully consider the specific risks described in the applicable private placement memorandum, limited partnership agreement, limited liability company agreement, and other fund-related disclosure documents.
- xii. Investing in options has the potential to amplify losses as well as to limit potential gains, and whether or not an option will result in a gain or a loss is wholly dependent on the market value of the option's underlying security. Options require the payment of a premium (which may not be recouped), and have the potential to trigger a purchase or sale obligation within a shorter timeframe than a more traditional long-term investment. Implementing certain options strategies creates certain time sensitivities, such that an options strategy may not be successful if exercises are not executed within an applicable period of time. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price. When purchasing puts, there is a risk that the premium paid will be a sunk cost if the option expires unexercised.

## Item 9: Disciplinary Information

---

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

## Item 10: Other Financial Industry Activities & Affiliations

---

- A. Neither we nor any of our management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither we nor any of our management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Neither we nor any of our management persons have any relationship or arrangement with any related person below:
  - i. broker-dealer, municipal securities dealer, or government securities dealer or broker
  - ii. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
  - iii. other investment adviser or financial planner
  - iv. futures commission merchant, commodity pool operator, or commodity trading advisor
  - v. banking or thrift institution
  - vi. accountant or accounting firm
  - vii. lawyer or law firm
  - viii. insurance company or agency
  - ix. pension consultant
  - x. real estate broker or dealer
  - xi. sponsor or syndicator of limited partnerships
- D. We do not recommend or retain third-party advisers to manage our client accounts.

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

---

- A. We have adopted a code of ethics that will be provided to any client or prospective client upon request. Our code of ethics describes the standards of business conduct that we require of our supervised persons, which is reflective of our fiduciary obligations to act in the best interests of clients. The code of ethics also includes sections related to compliance with securities laws, reporting of personal securities transactions and holdings, reporting of violations of the code of ethics to our Chief Compliance Officer, pre-approval of certain investments by access persons, and the distribution of the code of ethics and any amendments to all supervised persons followed by a written acknowledgement of their receipt.
- B. Neither we nor any of our related persons recommends to clients, or buys or sells for client accounts, securities in which we or any of our related persons has a material financial interest.
- C. From time to time, we or our related persons will invest in the same securities (or related securities such as warrants, options or futures) that we or a related person recommend to clients. This has the potential to create a conflict of interest because it affords us or our related persons the opportunity to profit from the investment recommendations made to clients. Our policies and procedures and code of ethics address this conflict of interest by prohibiting such trading by us or our related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances, we will act in the best interests of our clients.
- D. From time to time, we or our related persons will buy or sell securities for client accounts at or about the same time that we or a related person buys or sells the same securities for our own (or the related person's own) account. This has the potential to create a conflict of interest because it affords us or our related persons the opportunity to trade either before or after the trade is made in client accounts, and profit as a result. Our policies and procedures and code of ethics address this conflict of interest by prohibiting such trading by us or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances, we will act in the best interests of our clients.

## Item 12: Brokerage Practices

---

- A. We consider several factors when recommending a custodial broker-dealer for client transactions and determining the reasonableness of such custodial broker-dealer's compensation. Such factors include the custodial broker-dealer's industry reputation and financial stability, service quality and responsiveness, execution price, speed and accuracy, reporting abilities, and general expertise. Assessing these factors as a whole allows us to fulfill our duty to seek best execution for client securities transactions. However, we do not guarantee that the custodial broker-dealer recommended for client transactions will necessarily provide the best possible price, as price is not the sole factor considered when seeking best execution. After considering the factors above, we recommend Charles Schwab & Co., Inc. as the custodial broker-dealer for client accounts.
- i. The custodial broker-dealer we recommend provides certain products and services that are intended to directly benefit us, clients, or both. Certain states may deem the receipt of such products and services to be "soft dollar benefits." Such products and services include (a) an online platform through which we can monitor and review client accounts, (b) access to proprietary technology that allows for order entry, (c) duplicate statements for client accounts and confirmations for client transactions, (d) invitations to the custodial broker-dealer's educational conferences, (e) practice management consulting, and (f) occasional business meals and entertainment.
- The receipt of these products and services creates a conflict of interest to the extent it causes us to recommend Schwab as opposed to a comparable custodial broker-dealer. We address this conflict of interest by fully disclosing it in this brochure, evaluating Schwab based on the value and quality of its services as realized by clients, and by periodically evaluating alternative custodial broker-dealers to recommend.
- ii. We do not consider, in selecting or recommending custodial broker-dealers, whether we or a related person receives client referrals from a custodial broker-dealer. We do not receive client referrals from Schwab.
- iii. We do not routinely recommend, request, or require that a client direct us to execute transactions through a specified custodial broker-dealer other than Schwab.
- B. We do not aggregate the purchase and sale of securities for clients' accounts. Directing the purchase and sale of securities for clients' accounts on an individual basis, rather than in aggregate blocks, may result in increased client transaction costs. To the extent the securities purchased and sold by us are mutual funds (each of which generally price at the same respective net asset value at the end of each trading day), we believe that the potential for increased client transaction costs by not aggregating orders is substantially eliminated.

## Item 13: Review of Accounts

---

- A. Our investment adviser representatives monitor client accounts on an ongoing basis, and typically review client accounts on at least a quarterly basis. Such reviews are designed to ensure that the client is still on track to achieve the client's financial goals, and that the investments remain appropriate given the client's risk tolerance, investment objectives, major life events, and other factors. Clients are encouraged to proactively reach out to us to discuss any changes to their personal or financial situation.
- B. Other factors that may trigger a review include, but are not limited to, material developments in market conditions, material geopolitical events, and changes to a client's personal or financial situation (the birth of a child, preparing for a home purchase, plans to attend higher education, a job transition, impending retirement, death or disability among family members, etc.).
- C. The custodial broker-dealer will send account statements and reports directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their address of record or delivered electronically, depending on the client's election. We or a third-party report provider may also agree to make certain reports available to clients to assist them in understanding their account positions and performance, as well as the progress toward achieving financial goals.

## Item 14: Client Referrals and Other Compensation

---

- A. Only clients provide an economic benefit to us for providing investment advice or other advisory services to them, except as otherwise described in this brochure. However, as described above in Item 12, Schwab provides certain products and services that are intended to directly benefit us, clients, or both.
- B. Neither we nor a related person directly or indirectly compensates a person who is not our supervised person for client referrals.

## Item 15: Custody

---

For clients that do not have their fees deducted directly from their accounts, we will not have any custody of client funds or securities.

For clients that have their fees deducted directly from their accounts, we will generally be deemed to have custody over such clients' funds pursuant to applicable custody rules and guidance thereto. At no time will we accept custody of client funds or securities in the capacity of a custodial broker-dealer or other qualified custodian, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

With respect to custody that is triggered by fee-deduction authority, we:

1. Have obtained written authorization from the client to deduct advisory fees from an account held by a qualified custodian;
2. Send the qualified custodian written notice of the amount of the fee to be deducted from the client's accounts and verify that the qualified custodian sends invoices to the client;
3. Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based.

If a client receives account statements from both the custodial broker-dealer and us or a third-party report provider, such client is urged to compare such account statements and advise us of any discrepancies between them.

## Item 16: Investment Discretion

---

We accept discretionary trading authority to manage securities accounts on behalf of clients only pursuant to the mutual written agreement of us and the client through a power-of-attorney, which is typically contained in the advisory agreement signed by the client. This includes the authority to buy, sell, and otherwise transact in securities and other investment products in clients' accounts without necessarily consulting with clients in advance. Clients may place reasonable limitations on this discretionary authority so long as it is contained in a written agreement and/or power-of-attorney.

## Item 17: Voting Client Securities

---

- A. We do not have and will not accept authority to vote client securities.
- B. Clients will receive their proxies or other solicitations directly from their custodial broker-dealer or a transfer agent, as applicable, and should direct any inquiries regarding such proxies or other solicitations directly to the sender.

## Item 18: Financial Information

---

- A. We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.
- B. We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.
- C. We have not been the subject of a bankruptcy petition at any time during the past ten years.

## Item 19: Requirements for State-Registered Advisers

---

- A. Please refer to the ADV Part 2B Brochure Supplement for the formal education and business background of our principal executive officers and management persons.
- B. We are not actively engaged in any other businesses not otherwise described herein.
- C. Neither we nor any of our supervised persons are compensated for advisory services with performance-based fees.
- D. Neither we nor any of our management persons has been involved in any of the events required to be disclosed in this Item 19(D), including any award or liability as part of arbitration, civil proceeding, self-regulatory organization proceeding, or administrative proceeding.
- E. Neither we nor any of our management persons have any relationship or arrangement with any issuer of securities.