

Item 1: Cover Page  
Part 2A of Form ADV: Firm Brochure  
**March 2024**

Firm Contact: **Amy Stone**, Chief Compliance Officer

**Acumen Wealth Advisors, LLC®**

250 Forest Avenue  
Chattanooga, TN 37405  
[www.acumenwealth.com](http://www.acumenwealth.com)

This brochure provides information about the qualifications and business practices of Acumen Wealth Advisors, LLC®. If clients have any questions about the contents of this brochure, please contact us at [amy.stone@acumenwealth.com](mailto:amy.stone@acumenwealth.com) or (423) 825-4796. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #282565.

Please note the use of the term, "registered investment adviser" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements on our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

## ITEM 2: MATERIAL CHANGES

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Acumen Wealth Advisors, LLC® is required to make clients aware of information that has changed since the last annual update to the Firm Brochure ("Brochure") and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

Since our last annual amendment filing dated March 2023, we have made the following update:

- Item 5: Fees and Compensation – Updated language for our Financial Planning/Consulting agreement to better explain expected services and charges for those services.

## ITEM 3: TABLE OF CONTENTS

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- 01.** Item 1: Cover Page
- 02.** Item 2: Material Changes
- 03.** Item 3: Table of Contents
- 04.** Item 4: Advisory Business
- 07.** Item 5: Fees and Compensation
- 09.** Item 6: Performance-Based Fees and Side-by-Side Management
- 09.** Item 7: Types of Clients and Account Requirements
- 10.** Item 8: Methods of Analysis, Investment Strategies and Risk of Loss
- 11.** Item 9: Disciplinary Information
- 12.** Item 10: Other Financial Industry Activities and Affiliations
- 12.** Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading
- 13.** Item 12: Brokerage Practices
- 16.** Item 13: Review of Accounts or Financial Plans
- 17.** Item 14: Client Referrals and Other Compensation
- 18.** Item 15: Custody
- 18.** Item 16: Investment Discretion
- 18.** Item 17: Voting Client Securities
- 19.** Item 18: Financial Information

## ITEM 4: ADVISORY BUSINESS

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Our firm is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed under the laws of the State of Tennessee in 2012 and has been in business as an investment adviser since 2016. Our firm is principally owned by Marinus (Reese) Veltenaar.

Our firm provides asset management and investment consulting services for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and risk capacity. As a fiduciary, it is our duty to always act in the client's best interest. This action is accomplished in part by knowing the client. Our firm has established a service-oriented advisory practice with open lines of communication. We believe working with clients to understand their investment objectives, while educating them about our process, builds trust and strong client relationships. These principles are meant to allow our clients to feel informed, confident, and secure.

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.

### TYPES OF ADVISORY SERVICES OFFERED

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#### **Comprehensive Portfolio Management:**

As part of our Comprehensive Portfolio Management service, clients will be provided asset management and financial planning or consulting services. This service is designed to assist clients in meeting their financial goals using a financial plan or consultation. Our firm conducts client meetings to understand their current financial situation and existing resources (risk capacity) in conjunction with their financial goals and risk tolerance. Based on what is learned, an investment approach is presented to the client, which can consist of individual stocks, bonds, ETFs, mutual funds, and other public and private securities or investments. Once the investment objective is determined and agreed with the client, the portfolio is invested based on our investment strategies described in Section 8 of this brochure. Portfolios are continuously and regularly monitored and, if necessary, rebalanced based upon the client's individual needs, stated goals, and objectives. Upon client request, our firm provides a summary of observations and recommendations for the planning or consulting aspects of this service.

Our firm may utilize the sub-advisory services of a separate account manager or individual advisor to aid in the implementation of an investment portfolio designed by our firm. Before selecting a firm or individual, our firm will ensure the chosen party is properly licensed or registered.

#### **Private Investment Funds:**

Acumen Wealth Advisors (AWA) provides investment advice regarding both affiliated and unaffiliated private investment funds wherein AWA may recommend that qualified clients consider an investment in such private investment funds. If a client determines to become a private fund investor, the amount of assets invested in any unaffiliated fund(s) shall be included as part of "assets under management" for purposes of AWA calculating its investment advisory fee. If a client determines to become a private fund investor in an affiliated fund, the assets shall not be included as part of "assets under management" for purposes of AWA calculating its investment advisory fee. AWA's clients are under absolutely no obligation to consider or make an investment in any private investment fund(s).

## ITEM 4: ADVISORY BUSINESS

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### **Affiliated Funds:**

Affiliated members of AWA have formed and manage a private real estate fund. Fees for investing in this fund are separate from asset under management fees charged for comprehensive portfolio management and any funds invested in the real estate fund would not also be subject to the asset under management fee charged.

### **Unaffiliated Private Investments:**

AWA may provide recommendations to invest in other unaffiliated funds for certain clients. These investments shall be included as part of the "assets under management" for purposes of AWA calculating its investment advisory fee. These fees will be calculated using the most recent valuation reports provided by the investment manager or sponsor. The valuations may lag from month to month and may result in a higher or lower fee based on the current value of the fund.

### **Portfolio Accounting and Reporting:**

AWA uses a third-party provider, Envestnet/Tamarac Reporting, for portfolio accounting and client performance reporting. Clients have online access to view portfolio holdings, performance, and other portfolio attributes. Market values in Envestnet/Tamarac are updated daily and include accrued interest and accrued dividends. Client accounts are reconciled daily by Envestnet/Tamarac.

### **Financial Planning and Consulting:**

Our firm provides a variety of standalone financial planning and consulting services to clients for the management of financial resources based upon an analysis of their current situation, goals, and objectives. Financial planning services will typically involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, or Business and Personal Financial Planning.

Written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. Implementation of the recommendations will be at the discretion of the client. For standalone financial planning our firm may provide the client with a summary of their financial situation, and observations for financial planning engagements. Financial consultations are typically not accompanied by a written summary of observations and recommendations, as the process is less formal than the planning service.

### **Retirement Plan Consulting:**

Our firm provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring, and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include investment options, plan structure, and participant education.

Retirement Plan Consulting services typically include:

- Establishing an Investment Policy Statement – Our firm will assist in the development of a statement that summarizes the investment goals and objectives along with the broad strategies to be employed to meet the objectives.
- Investment Options – Our firm will work with the Plan Sponsor to evaluate existing investment options and make recommendations for appropriate changes.

## ITEM 4: ADVISORY BUSINESS

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- Asset Allocation and Portfolio Construction – Our firm may develop strategic asset allocation models to aid participants in developing strategies to meet their investment objectives, time horizon, financial situation, and tolerance for risk.
- Investment Monitoring – Our firm will monitor the performance of the investments.

In providing services for retirement plan consulting, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, “Excluded Assets”).

All retirement plan consulting services shall be in compliance with the applicable state laws regulating retirement consulting services. This plan applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and our firm accepts appointments to provide services to such accounts, our firm acknowledges its fiduciary standard within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

### **Tailoring of Advisory Services**

Our firm offers individualized investment advice to our Comprehensive Portfolio Management clients. General investment advice will be offered to our Financial Planning and Consulting, and Retirement Plan Consulting.

Each Comprehensive Portfolio Management client can place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

Clients may direct AWA to hold certain investments initially brought into their account, purchase additional investments outside of AWA’s portfolio model, or place restrictions to exclude certain types of investments from being included in their portfolio. When this occurs, clients should understand these investments or restrictions could result in the loss of investment capital or other unfavorable results. Further, clients should understand the performance of their account could differ from an account with the same investment objective. If we are holding certain assets due to tax implications, we may work with the clients to develop a strategy to slowly diversify these holdings.

### **Participation in Wrap Fee Programs**

Our firm does not offer or sponsor a wrap fee program.

### **Regulatory Assets Under Management**

Our firm manages \$385,745,049 on a discretionary basis and \$41,568,498 on a non-discretionary basis as of December 31, 2023.

## ITEM 5: FEES AND COMPENSATION

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### COMPENSATION FOR OUR ADVISORY SERVICES

#### Comprehensive Portfolio Management

AWA's current standard fee schedule for Comprehensive Portfolio Management Services is listed below. In some cases, there may be an agreed upon fixed periodic fee which would cause the total fees charged as a percentage of assets under management to exceed the tiered fee schedule below.

#### MANAGEMENT OF ASSETS FEE SCHEDULE

Assets Under Management	Annual Percentage of Assets Charge
• First \$1,000,000	• 1.50%
• Next \$1,000,000	• 1.30%
• Next \$3,000,000	• 1.20%
• Next \$5,000,000	• 1.00%
• Next \$10,000,000	• 0.80%
• Over \$20,000,000	• 0.75%

For the subadvisory services rendered to our clients, separate account managers will debit their fees directly, quarterly in advance, in addition to the annual percentage of assets charge published above. The advisory fee paid to sub-advisors can range from 0.10% and 0.75%. Some separate account managers operate via the Investnet platform. Those accounts would incur a platform fee of 0.04% per account, per year with a minimum annual fee of \$50. This platform also offers the option of tax overlay and impact services for 0.10% per account, per year. All fees will be on Schedule A of the client agreement.

Although AWA has established fee schedules, we retain the discretion to negotiate alternative fees on a client-by-client basis. Annualized fees are billed on a pro-rata basis monthly in advance based on the value of the account(s) on the last day of the previous month and pulled directly from account(s). AWA uses the Investnet/Tamarac billing system. The value used for billing could differ slightly from the custodian statement due to trade settlement and accrued income. Adjustments will be made for deposits and withdrawals in excess of \$25,000 during the month. Billing will begin once the agreement is signed, and all assets will be billed on unless specifically excluded in a separate written agreement. In rare cases, our firm will agree to direct bill clients. As part of this process, clients understand the following:

1. The client's independent custodian sends statements at least monthly showing the market values for each security included in the assets and all account disbursements including the amount of the advisory fees paid to our firm;
2. Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
3. If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

## ITEM 5: FEES AND COMPENSATION

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### **Financial Planning and Consulting:**

Our firm charges either on an hourly basis for our services, a flat fee, or a percentage of assets under advisement. The total estimated fee, as well as the ultimate fee we charge, is negotiable based on the scope and complexity of our engagement with you. For financial planning preparation, the maximum hourly fee to be charged will not exceed \$499. Fees will be agreed upon in advance of the engagement.

The fee to be charged and billing cycle will be outlined in the financial planning/consulting agreement for clients to sign. Payment for these fees is due within 30 days of invoicing.

### **Retirement Plan Consulting:**

Our Retirement Plan Consulting services are billed on hourly rate and/or fee based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client and are negotiable. The maximum hourly fee to be charged will not exceed \$400. Fees based on a percentage of managed Plan assets will not exceed 0.50% of the total plan assets. It should be noted that with certain custodians we do not have the ability to change fees until being added as the adviser to the plan.

Thus, if higher fees were agreed to with the previous adviser, these may carry over for up to six months after which point the above fee schedule shall be in place. The fee-paying arrangements for Retirement Plan Consulting service will be determined on a case-by-case basis and will be detailed in the signed consulting agreement.

### **Other Types of Fees and Expenses:**

Clients will incur transaction fees from the custodian for fixed income trades, some mutual fund trades placed in their accounts, and trades of foreign stock. Other custodian fees include wire fees and fees for overnight check requests. These transactions are separate from our firm's advisory fees and will be disclosed by the chosen custodian. Clients will incur internal charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, surrender charges, IRA and qualified retirement plan fees, and other fund expenses). Clients invested in unaffiliated private funds will also incur fees from the fund administrator and should refer to their subscription agreement for information on those fees as they vary. Our firm does not receive a portion of these fees. Clients invested in affiliated private funds should refer to their Private Placement Memorandum for a list of fees unique to this investment.



## ITEM 5: FEES AND COMPENSATION

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### Termination and Refunds

Either party may terminate the advisory agreement signed with our firm for Comprehensive Portfolio Management service in writing at any time. Upon notice of termination our firm will process a pro-rata refund of the unearned portion of the advisory fees charged in advance at the beginning of the month.

Financial Planning and Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated pro-rata based on the agreed upon fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

Either party to a Retirement Plan Consulting Agreement may terminate at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing an agreement. After five (5) business days from initial signing, either party must provide the other party thirty (30) days written notice to terminate billing. Billing will terminate 30 days after receipt of termination notice. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

### Commissionable Securities Sales

Our firm and representatives do not sell securities for a commission in advisory accounts.

## ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

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Our firm does not charge performance-based fees. However, it should be noted our affiliated private real estate fund does have a performance fee. As such, only qualified clients are allowed to invest in this fund. These qualified clients should refer to the funds Private Placement Memorandum for more information.

## ITEM 7: TYPES OF CLIENTS AND ACCOUNT REQUIREMENTS

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Our firm has the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Profit Sharing Plans;
- Corporations, Limited Liability Companies and/or Other Business Types; and
- Private Investment Funds

Our requirements for opening and maintaining accounts or otherwise engaging us:

- Our firm generally requires a minimum account balance of \$500,000 for our Comprehensive Portfolio Management. However, this minimum account balance requirement is negotiable.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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### METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

- **Cyclical Analysis:** Statistical analysis of specific events occurring at a sufficient number of regular intervals that they can be forecasted into the future.
- **Behavior Analysis:** Highlights inefficiencies such as under- or over-reactions to information as causes for market trends and in extreme cases bubbles and crashes. Such reactions have been attributed to limited investor attention, overconfidence, over optimism, mimicry, and noise trading.
- **Fundamental Analysis:** Considers the economic, financial, and other qualitative/quantitative factors that may impact the price of a security. Fundamental analysis attempts to measure its intrinsic value as compared to its current price. Risks may include using incorrect assumptions, financial misreporting and/or failure by management to disclose key, material events, and unforeseen micro/macroeconomic factors that may cause the price of a security to diverge from its intrinsic value.
- **Technical Analysis:** A method of evaluating securities by relying on the assumptions that market data, such as charts of price, volume, and open interest, can help predict future (usually short-term) market trends. Unlike fundamental analysis, the intrinsic value of the security is not considered. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a security will rise or fall.

### Investment Strategies We Use

AWA creates investment models to build custom portfolios based on the client's household risk tolerance and investment goals. Our investment objectives include Extremely Aggressive, Aggressive, Moderate, Moderately Conservative, Conservative, and Extremely Conservative. AWA primarily utilizes common or preferred stocks, mutual funds, ETFs, fixed income instruments and private investments. In addition, AWA may select one or more sub-advisors to manage all or a portion of a client's portfolio.

Acumen Wealth Advisors utilizes Envestnet Tamarac Advisor Rebalancing portfolio management software. Tamarac allows for the management of a household, a group of accounts, to be managed towards a single investment objective. The tax optimization feature allows AWA to code the type of assets which is most likely to be tax efficient for various account registrations. Asset purchases can be directed to taxable, tax deferred, and tax-free accounts. The resulting holdings may appear to be outside the suitability of the client on the account level. However, this is not the case when reviewed on the household level. This process is intended to optimize client accounts among multiple different registrations.

### Role of the Portfolio Management Committee

Acumen's Portfolio Management Committee (PMC) consists of at least three members of the team. The intent of the committee is to conduct appropriate due diligence of selected portfolio holdings on an ongoing basis. The goal of this committee is to meet monthly to discuss economic developments, current events, and investment strategies that may affect our portfolio investments. Further, Acumen Wealth Advisors conducts due diligence on our model holdings semi-annually at a minimum.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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### **Risk of Loss**

Investing in securities involves the risk of loss clients should be prepared to bear. While the stock market may increase and the account(s) could enjoy a gain, it is also possible the stock market may decrease, and the account(s) could suffer a loss. It is important clients understand the risks associated with investing in the stock market, are appropriately diversified in investments, and ask any questions.

### **Description of Material, Significant or Unusual Risks**

Our firm generally invests client cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, our firm tries to achieve the highest return on client cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so our firm may debit advisory fees for our services related to our Comprehensive Portfolio Management service.

Disease outbreaks that affect local economies or the global economy may materially and adversely impact our portfolios and/or our business. For example, uncertainties regarding the novel coronavirus (COVID-19) outbreak have resulted in serious economic disruptions throughout the world. These types of outbreaks can be expected to cause severe decreases in core business activities such as manufacturing, purchasing, tourism, business conferences and workplace participation, among others. These disruptions lead to instability in the marketplace, including stock market losses and overall volatility, as has occurred in connection with COVID-19. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses.

We have in place business continuity plans reasonably designed to ensure that we maintain normal business operations, and that our portfolios and client assets are protected, and we periodically test those plans. However, in the event of a pandemic or an outbreak, there can be no assurance we or our portfolios' service providers will be able to maintain normal business operations for an extended period of time or will not lose the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impacts of a pandemic or disease outbreaks are unknown, resulting in a high degree of uncertainty for potentially extended periods of time.

## **ITEM 9: DISCIPLINARY INFORMATION**

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There are no legal or disciplinary events material to the evaluation of our advisory business or the integrity of our management.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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Acumen Wealth Advisors, LLC is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Reese Veltenaar and Amy Stone are licensed and registered as insurance agents to sell life, health, long term care, and disability insurance. Therefore, Reese or Amy would be able to provide insurance products for any client in need of such services and would receive separate, yet typical compensation in the form of commissions for the purchase of insurance products.

Clients are not obligated to purchase insurance from Reese or Amy and a conflict of interest exists as these insurance sales create an incentive to recommend products based on the compensation the advisor may earn. To mitigate this potential conflict, our firm will act in the client's best interest.

AWA has formed a private investment real estate fund listed below in which certain qualified clients are solicited to invest. The Manager of the investment fund is a related company which is under common ownership and control of AWA. The Principals of AWA, including some select employees may also invest in the same private investment real estate fund as AWA clients. It is a conflict of interest to solicit clients to invest in AWA's affiliated funds as the fee charged may be more than a traditional AUM fee charged by AWA. To help mitigate this conflict, AWA discloses the fees for investment in the real estate fund up front and does not charge an additional AUM fee for investments placed into the affiliated fund.

Acumen Private Real Estate LLC, (APRE) is an affiliated company under common ownership and control with AWA. APRE, a Tennessee limited liability company formed in 2021, is owned by AWA Principals Marinus S. Veltenaar and Amy R. Stone, as well as AWA employee Paula Jill Green. APRE serves as General Partner to the fund listed below. APRE receives fees for its management services from the fund listed below. APRE is reimbursed the cost for various fund expenses first paid by APRE such as property acquisition expenses including travel, set up of property/furnishings, labor to workers for set up, initial property improvements, permit fees, inspections fees, etc.

Cumberland Laurel Fund I LLC, a Tennessee limited liability company was formed in 2022 as a vehicle for AWA clients, and others, to invest in diversified residential real estate assets to generate income, preserve and protect capital, and provide potential capital appreciation. The fund is open to new investors.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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As a fiduciary, it is always an investment adviser'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. Our fiduciary duty is the underlying principle for our firm's Code of Ethics which includes procedures for personal securities transactions and insider trading. Our firm always requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws. Upon employment with our firm and, at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding, and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics.

## ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

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Our firm recognizes the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes if investment goals are similar for clients and for our representatives, it is logical, and even desirable, there be common ownership of some securities.

To prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts<sup>1</sup>. For control purposes, these accounts are traded by our CCO, or Grant Allen in the CCO's absence. For transactions outside of the CCO's control there are pre-clearance requirements and employees attest on an annual basis to their adherence of the rules.

Neither our firm nor a related person recommends, buys, or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related people of our firm may buy or sell securities and other investments that are also recommended to clients. To minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics. Due to our firm's use of models, related person accounts can sometimes be traded in conjunction with client accounts if the same average price is received by all accounts involved, for example with a block trade.

The aforementioned policies and procedures are applicable only to self-managed accounts; those managed by a third party are not supervised due to the fact these accounts are traded alongside and in tandem with customer accounts by a third party. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

## ITEM 12: BROKERAGE PRACTICES

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### Selecting a Brokerage Firm:

Our firm does not maintain custody of client assets although our firm may be deemed to have custody of client assets when given the authority to withdraw assets from client accounts. (See Item 15 Custody, below.) Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Our firm recommends clients use Charles Schwab and Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. Our firm is independently owned and operated, and not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when instructed. While our firm recommends clients use Schwab as custodian/broker, clients will decide whether to do so and open an account with Schwab by entering into an account agreement directly with them with our assistance. Even though the account is maintained at Schwab, our firm can still use other brokers to execute trades, as described in the next paragraph.

## ITEM 12: BROKERAGE PRACTICES

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### How Brokers/Custodians are Selected

Our firm seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. A wide range of factors are considered, including, but not limited to:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for client accounts);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.);
- Availability of investment research and tools that assist in making investment decisions quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- Reputation, financial strength, and stability of the provider;
- Prior service to our firm and our other clients; and/or
- Availability of other products and services that benefit our firm, as discussed below. (See “Products and Services Available from Schwab”.)

### Custody and Brokerage Costs

For our clients’ accounts Schwab maintains, Schwab generally does not charge a separate fee for custody services but is compensated by charging commissions or other fees to clients on trades that are executed or that settle into the Schwab account. Certain trades may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in client accounts in Schwab’s Cash Features Program. Schwab’s commission rates applicable to client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10 million of their assets at Schwab. This commitment benefits clients because the overall commission rates paid are lower than they would be if our firm had not made the commitment. In addition to commissions Schwab charges a flat dollar amount as a “prime broker” or “trade away” fee for each trade our firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab account. These fees are in addition to the commissions or other compensation paid to the executing broker-dealer. Because of this, and to minimize client trading costs, our firm has Schwab execute most equity trades for the accounts. However, our firm does use resources from a third party to purchase bonds. To help ensure best execution, we will check other available options with Schwab. Further, our firm does not benefit from mark-ups or mark-downs when utilizing an outside bond dealer.

### Products and Services Available from Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like our firm. They provide our firm and clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our client accounts while others help manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (our firm does not have to request them) and at no charge as long as our firm keeps a minimum total of \$10 million of client assets in accounts at Schwab. If our firm has less than \$10 million in client assets at Schwab, our firm may be charged quarterly service fees. A more detailed description of Schwab’s support services follows:

## ITEM 12: BROKERAGE PRACTICES

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### Services that Benefit Clients

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. Schwab may also aid in the payment of fees associated with the custodial transfer. The investment products available through Schwab include some to which our firm might not otherwise have access to or that would require a significantly higher minimum initial investment by firm clients. Schwab's services described in this paragraph generally benefit clients and their accounts.

### Services that May Not Directly Benefit Clients

Schwab also makes available other products and services benefiting our firm but may not directly benefit clients or their accounts. These products and services assist in managing and administering our client accounts. They include investment research, both Schwab's and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provides access to client account data (such as duplicate trade confirmations and account statements);
- Facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- Provides pricing and other market data;
- Facilitates payment of our fees from our clients' accounts; and
- Assists with back-office functions, recordkeeping, and client reporting.

### Services that Generally Benefit Only Our Firm

Schwab also offers other services intended to help manage and further develop our business enterprise. These services include:

- Marketing, educational conferences, and events;
- Technology, compliance, legal, and business consulting;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, Schwab will arrange for third-party vendors to provide the services to our firm. Schwab may also discount or waive fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide our firm with other benefits such as occasional business entertainment for our personnel.

Regardless of direct or indirect benefits to our client through Schwab, our firm strives to enhance the client experience, help clients reach their goals, and put client interests before that of our firm or associated persons.

### Our Interest in Schwab's Services

The availability of these services from Schwab benefits our firm because our firm does not have to produce or purchase them. Our firm does not have to pay for Schwab's services so long as a total of at least \$10 million of client assets in accounts are kept at Schwab. Beyond that, these services are not contingent upon our firm committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may serve as an incentive to recommend clients maintain their account with Schwab based on our interest in receiving Schwab's services benefiting our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. Our firm believes, however, the selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services based on the factors discussed above (See How Brokers/Custodians Are Selected.) and not Schwab's services that benefit only our firm. Our firm does not believe maintaining at least \$10 million in assets at Schwab to avoid paying Schwab quarterly service fees presents a material conflict of interest.

## ITEM 12: BROKERAGE PRACTICES

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### **Aggregation of Purchase or Sale**

Our firm provides investment management services for various clients. There are occasions in which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when our firm believes that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation our firm attempts to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation.

Additionally, AWA will occasionally cross client bonds when one client holding bonds needs liquidity and another client has a need for a bond with similar characteristics. This action is completed to the direct benefit of both of our clients. We work with an independent fixed income specialist, most commonly Schwab's fixed income trading desk, to obtain a live bid quote on the position. When an impartial price is determined, we cross the bonds at a price above what was offered as the selling client's bid and below what we believe the acquiring client would pay otherwise.

## ITEM 13: REVIEW OF ACCOUNTS OR FINANCIAL PLANS

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Our Chief Compliance Officer, Amy Stone, randomly reviews client relationships to ensure client accounts are in line with their investment objectives and investment policies, if applicable. All portfolio management clients receive a performance report during review meetings.

### **Portfolio/Risk Monitoring**

Each Investment Objective Form, utilized by Acumen Wealth Advisors, states a Target Allocation and an Equity and Fixed Income Range. The ranges define the tolerance bands, and the asset classes may vary from the target. Variance may be attributable to market value fluctuation. The variance may also be a tactical asset allocation decision by the Portfolio Management Committee. Based on market and/or economic conditions, the Portfolio Manager may adjust the target allocation for each Investment Objective within the allowable ranges.

The tolerance bands are defined in the portfolio management software for each objective.

Portfolio Managers review a client's investment objective on at least an annual basis. Factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Financial Planning clients typically receive written plans. Our firm does not provide ongoing services to Financial Planning clients but is willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Consulting clients typically do not receive written reports regarding their financial consulting as the process is less formal than our planning service.

Retirement Plan Consulting clients receive reviews of their retirement plans for the duration of the service. Our firm also provides ongoing services when clients request a meeting to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting clients do not receive written or verbal updated reports regarding their plans unless they choose to engage our firm for ongoing services.



## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

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Our firm receives economic benefit from Schwab in the form of support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. Schwab also provides a benefit by covering any trading error resulting in \$100 or less. This benefit is standard procedure for Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above. (See Item 12 – Brokerage Practices.) The availability of Schwab’s products and services is not based on our firm giving particular investment advice such as buying particular securities for our clients.

We may co-sponsor educational seminars and events with fund companies, custodians, and other service providers to provide our firm and clients with information on various investment opportunities. These events do not obligate our firm or clients to make an investment in any particular opportunity and are typically for educational purposes.

Acumen Wealth Advisors may also compensate AWA employees for referring advisory clients to AWA through the sharing of a portion of applicable investment advisory fees. Advisory fees for referred clients are not greater than fees charged to other Acumen Wealth Advisor clients and all fees are fully disclosed to the client.

## ITEM 15: CUSTODY

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The SEC issued a no-action letter (“Letter”) with respect to Rule 206(4)-2 (“Custody Rule”) under the Investment Advisers Act of 1940 (“Advisers Act”). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of authorization (“SLOA”) is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian:

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

Our firm does not have custody of advisory client funds or securities except in the power to disburse client funds to a third party under a SLOA. Our firm has adopted and relies on the above safeguards in conjunction with our custodian to avoid surprise annual audits. All clients receive account statements directly from their qualified custodians at least quarterly upon opening an account. If our firm decides to also send account statements to clients, such notices and account statements include a legend recommending that the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety, or security of their assets and our custodial recommendations.

## ITEM 15: CUSTODY

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As described earlier in “Item 10 - Other Financial Industry Activities and Affiliation”, AWA is considered as having custody of client assets invested in the affiliated Private Real Estate fund. As such, the fund will have an independent public accountant annually audit the pooled investment vehicle and the audited financial statements will be distributed to the investors in the pool.

## ITEM 16: INVESTMENT DISCRETION

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Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm’s written acknowledgement.

## ITEM 17: VOTING CLIENT SECURITIES

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Separate account managers selected or recommended by our firm may vote proxies for clients. Except for proxies that may be voted by a separate account manager, our firm and/or the client shall instruct the qualified custodian to forward the copies of all proxies and shareholder communications relating to the client’s investment assets for submission to Broadridge Investor Communication Solutions, Inc. unless the client selects to vote for themselves (described below). SEC Rule 206(4)-6 requires investment advisers, who have voting authority with respect to securities held in their clients’ accounts, to monitor corporate actions and vote proxies in their clients’ interests.

Our firm is required by the SEC to adopt written policies and procedures, make those policies and procedures available to clients, and retain certain records with respect to proxy votes cast.

Our firm votes client proxies when authorized to do so in writing by a client. Our firm understands our duty to vote client proxies and to do so in the best interest of our clients. Furthermore, it is understood that any material conflicts between our interests and those of our clients regarding proxy voting must be resolved before proxies are voted. Our firm subscribes to a proxy monitor and voting agent service offered by Broadridge Investor Communication Solutions, Inc. (“Broadridge”), which includes access to proxy analyses with research and vote recommendations from Proxy Policies and Insights. Our firm will generally vote in accordance with Proxy Policies and Insights data if the data is available. If enough data is not available, we will vote with management.

However, we may vote in a different fashion on certain votes if our firm determines such actions are in the best interest of our clients. Where applicable, our firm will consider any specific voting guidelines designated in writing by a client. Clients may request a copy of our written policies and procedures regarding proxy voting and/or information on how particular proxies were voted by contacting our Chief Compliance Officer, Amy Stone, by phone at (423) 825-4796 or email at [amy.stone@acumenwealth.com](mailto:amy.stone@acumenwealth.com).

## **ITEM 17: VOTING CLIENT SECURITIES**

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In addition, our firm uses the class action services of Broadridge wherein Broadridge will monitor and file securities claims class action litigation paperwork with Claims Administrators on behalf of AWA clients. AWA may share client information such as name, tax ID, and account number with Broadridge as necessary to provide this service. AWA does not receive any fees or remuneration in connection with this service nor does it receive any fees from the third-party provider(s). Broadridge will earn a fee of 20% of all claims they collect on behalf of AWA Clients. This fee is retained by Broadridge out of the claims paid by the Claim Administrator except with respect to fair funds payouts. The SEC no longer allows third parties to retain a portion of those recovered amounts and in those cases the fee will be covered by AWA. Clients may opt out of this service at any time. If a client opts out, AWA has no obligation to advise or to take action on behalf of a client in any legal proceedings, including bankruptcies or class actions, involving investments held in or formerly held in the client's account. AWA will forward to the client or to the client's custodian any notices received relating to pending class actions involving a client's account.

## **ITEM 18: FINANCIAL INFORMATION**

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Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Acumen Wealth Advisor's financial condition. AWA 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.