

**Item 1: Cover Page**

**PART 2A OF FORM ADV: FIRM BROCHURE**

**February 2024**



**Peerless Wealth, LLC**  
**Investment Advisory Firm CRD# 305807**

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*This brochure provides information about the business practices and qualifications of Peerless Wealth, LLC. Any inquiries regarding the contents of this brochure should contact Peerless Wealth's President & CCO, Mr. Erik Thompson by phone at (614) 824-2824 or by email at: [ETHompson@Peerless-Wealth.com](mailto:ETHompson@Peerless-Wealth.com). 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 Peerless Wealth, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

*Registration does not imply a certain level of skill or training*

## Item 2: Material Changes

- Item 4: Updated the firm's Assets Under Management as of FYE2023

## Item 3: Table of Contents

### 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 .....	5
Item 6: Performance-Based Fees and Side-By-Side Management .....	8
Item 7: Types of Clients.....	8
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9: Disciplinary Information .....	12
Item 10: Other Financial Industry Activities and/or Affiliations .....	12
Item 11: Code of Ethics, Client Transactions and Personal Trading .....	13
Item 12: Brokerage Practices .....	13
Item 13: Review of Accounts .....	16
Item 14: Client Referrals and Other Compensation.....	17
Item 15: Custody .....	17
Item 16: Investment Discretion .....	18
Item 17: Voting Client Securities.....	19
Item 18: Financial Information.....	19
Item 19: Requirements for State-Registered Advisers .....	19
Item 20: Additional Information .....	20

## **Item 4: Advisory Business**

Peerless Wealth, LLC specializes in offering investment advisory services in the form of financial planning, discretionary investment management, qualified plan consulting, and financial consulting services to individuals, high net worth individuals, families, trusts, estates, businesses and charities. Our firm is a limited liability company founded, registered and headquartered in the State of OH. Mr. Erik Thompson is the Principal, President, and Chief Compliance Officer (CCO) of Peerless Wealth. As of 12/31/2023 Peerless Wealth had \$87,770,000 in assets under management (“AUM”) on a discretionary basis; there are no assets being managed on a non-discretionary basis.

### **Financial Planning**

At Peerless Wealth we take the time to listen and learn about each and every client’s current financial position, their goals, and dreams. We do this to help both the client and Peerless Wealth get a better understanding of where the client is currently and where they would like to be in the future. This information is then used as the cornerstone in developing a comprehensive investment strategy. Peerless Wealth believes that an investor should have a thorough understanding of their current financial condition in which to build a solid financial plan.

Peerless Wealth will then review each client’s current assets, income and expenses. We then look to the client’s future income needs & expenses. It is at this point that we start to create the financial plan. The information uncovered in the discovery process, such as risk tolerance and past financial behaviors and decisions, helps us to determine a target asset mix that is appropriate for the client’s goals and risk tolerance. Investment decisions are based on a client’s risk tolerance and time horizon. It is at this point the plan is agreed to and implemented. A client’s thorough understanding of the plan and the potential risks involved with various investments plays a big factor in the overall success of a financial plan.

Capital markets are complex and volatile, educated investors are in a much better position to stay focused on their specific financial plan. A client that understands how their investment strategy is strategically positioned to align with their financial plan has a greater chance of sticking to their financial plan, thus increasing their odds of reaching the desired goals. A clear picture and understanding of their time horizon and risk tolerance is vital to the success of each and every financial plan. At Peerless Wealth, we designed our financial planning process to help our clients stay focused on achieving their goals and objectives. Peerless Wealth’s financial plans are dynamic and will change over time based on changes in a client’s personal situation as well as external changes in their environment and life in general. Clients and Peerless Wealth should revisit a client’s financial plan at least annually to determine if any changes are warranted.

### **Investment Management Services**

Peerless Wealth offers investment management services to its clients that consist of ongoing financial advice and discretionary and/or non-discretionary investment management services.

Peerless Wealth provides financial planning and consulting services as part of Peerless Wealth’s investment management services. This would include the client’s necessary for Peerless Wealth to develop an investor profile and target asset mix.

Peerless Wealth assists clients with the management of their investments on a discretionary and/or non-discretionary basis. Account investment structure and supervision is guided by a client's objectives (i.e. conservative, moderate, and aggressive), investment experience, investment objectives, time horizon, liquidity needs, risk tolerance, tax circumstances, and other factors. Peerless Wealth's investment recommendations and decisions are not limited to any specific security or industry and may include investment advice regarding the following types of investment vehicles:

- Exchange Traded Funds (ETFs)
- Exchange Traded Notes (ETNs)
- 3<sup>rd</sup> Party Money Managers
- Unit Investment Trusts
- Certificates of Deposit
- Structured Products
- Domestic Equities
- Foreign Equities
- Corporate Bonds
- Preferred Stocks
- Municipal Bonds
- U.S. Treasuries
- Mutual Funds
- Hedge Funds
- Commodities
- Real Estate
- Options
- REITs

Because investments involve varying degrees of risk, they will only be utilized or recommended when consistent with a client's stated investment goals, risk tolerance, liquidity needs, and tax circumstances.

As part of Peerless Wealth's investment management services, and depending on a client's individual needs, Peerless Wealth has the ability to create custom portfolios or Peerless Wealth will invest client assets in one of three model portfolios developed by Peerless Wealth.

Once Peerless Wealth constructs an investment portfolio for a client, Peerless Wealth will monitor each client's investment strategy and performance on an ongoing basis and will rebalance the portfolio as Peerless Wealth finds appropriate. Clients are required to notify Peerless Wealth immediately if their financial circumstances and/or investment objectives change from what has already been disclosed to Peerless Wealth.

3<sup>rd</sup> Party money managers are available in the market place in various capacities and investment objectives. Peerless Wealth, in keeping with its fiduciary duty to its clients, may look to 3<sup>rd</sup> party money managers and the other investment vehicles mentioned above when they bring value and added diversification to a client's specific situation. All investments used by Peerless wealth will be vetted prior to their use to ensure that they are properly registered with the appropriate governing bodies.

## **Item 5: Fees and Compensation**

Peerless Wealth is a “Fee-Only” investment advisory firm and receives compensation based on the type of advisory services performed. Peerless Wealth reserves the right to negotiate fees and compensation with its clients. Negotiated fees between Peerless Wealth and the client will supersede Peerless Wealth’s existing fee structure. The Peerless Wealth investment advisory contract can be terminated by the client within five (5) business days of the signing of the investment advisory contract and the client will not be responsible for advisory fees incurred during that time. Please review the fee and compensation information below.

Lower fees for comparable services may be available from other sources.

**Financial Planning Fee Structure and Billing**

Unless negotiated otherwise, Peerless Wealth offers financial planning on an hourly basis. Peerless wealth charges \$250.00 per hour. These fees are invoiced at the delivery of the service and due 2 weeks after the delivery of the invoice. Any fees collected in advance will be refunded if the agreement is terminated.

**Investment Management Fee Structure**

Unless negotiated otherwise, Peerless Wealth investment management fees are charged quarterly in advance and based on the account balance at the end of the previous quarter. Any fees collected in advance will be refunded if the agreement is terminated.

<b>Assets Under Management</b>	<b>Annual Advisory Fee</b>
\$0 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
Over \$1,000,000	1.00%

<b>Option Trading</b>	<b>Annual Advisory Fee</b>
No Minimum and/or Maximum AUM	2.50%

**Investment Management Fee Billing**

Peerless Wealth receives written authorization from the client to deduct advisory fees from an account held by a qualified custodian. Peerless Wealth sends the qualified custodian an invoice of the amount of the fee to be deducted from the client’s advisory account(s) at the end of each quarter. The qualified custodian sends the client a statement, at least quarterly, that reflects the deduction of the investment advisory fee. Peerless Wealth invoices the client itemizing the fee, 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. Peerless Wealth investment management fees are billed quarterly in advance and based on the account balance at the end of the previous quarter.

Investment management fees may be negotiated, depending on the individual client(s) needs and circumstances. Unless Adviser and Client agree otherwise, payment is due within 30 days of the end of the quarter that is billed. Client may choose to have the custodian deduct the fees that are due directly from the Client account and paid to the Adviser account. The custodian will only be able to deduct the Advisory fee when the following requirements are met:

- Client provides Adviser with written authorization permitting and allowing the custodian to deduct fees due to Adviser directly from the Client account held by the custodian, and direct fees due to the Adviser.
- Adviser will send Client an invoice showing the amount of the fee due for services rendered, the value of the assets on which the fee is based, the period covered by the fee, and the specific manner in which the fee was calculated.
- The custodian agrees to send Client a statement indicating all amounts dispersed from the Client account to include the amount of the Advisory fee paid to the Adviser.

A Client has seven (7) calendar days from the execution date in which to terminate the investment management agreement upon written notice to Adviser in which the Client will not be responsible for the Advisory fee. After this seven (7) day grace period the Client will incur a pro-rata charge for services rendered prior to the termination of the investment management agreement, which means Client will incur Advisory fees only in proportion to the number of days in the quarter for which a Client is a Client of the Adviser.

### **Qualified plan Consulting Fees**

Peerless Wealth qualified plan/retirement plan consulting services are negotiated with the plan sponsor, administrator, or named fiduciary on a case-by-case basis. Negotiated fees do vary and can range up to 1.00% of plan assets on an annual basis. These fees are typically included within the funds available through the plan and then distributed to Peerless Wealth via the plan custodian. Qualified/retirement plans may have additional expenses charged by the plan administrator and/or the plan custodian which are separate from Peerless Wealth's fees.

Either party to the qualified plan consulting agreement can terminate the agreement upon written notice to the other party in accordance with the terms of the agreement for services. The qualified plan consulting fees will be prorated for the billing period in which the termination notice is given and any unearned fees will be refunded to the client, if applicable.

Peerless Wealth's fees for its qualified plan (retirement plan) consulting services are negotiated with the plan's administrator; and are typically administered through the retirement plan/qualified plan's mutual fund's internal fees and expenses.

### **Other Fees and Expenses**

- Peerless Wealth does not charge additional fees other than the fees listed above and/or fees negotiated separately and agreed to prior.
- Mutual funds and ETFs have internal fees and expenses, in which Peerless Wealth does not receive or share in these fees
- Peerless Wealth's clients may incur brokerage and other transaction costs by the custodian. Peerless Wealth does not receive these fees nor do we share in these fees; see Item 12 for additional information.
- In certain situations (i.e. High Net Worth), Peerless Wealth may refer clients to outside investment managers for added exposure to a particular asset class (i.e. Real Estate). In these situations Peerless Wealth may receive a referral fee from the 3<sup>rd</sup> party manager. If Peerless Wealth receives a fee from the 3<sup>rd</sup> party money manager, Peerless Wealth will not charge an advisory fee on these assets. Third

party advisors/money managers charge a separate fee that is not included in fees charged by Peerless Wealth.

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

Peerless Wealth does not charge performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in client advisory accounts.

Peerless Wealth receives no additional compensation other than the agreed upon management fees negotiated and Peerless Wealth does not share in any performance based fees.

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

Peerless Wealth clients can include: individuals, high net worth individuals, business entities, trusts, estates, charitable organizations, and qualified plans. Peerless Wealth does not require an annual minimum fee or asset level for investment advisory or investment planning services.

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

When appropriate, Peerless Wealth will use the following methods of analysis when providing investment advice to clients:

### **Methods of Analysis**

*Macroeconomic Analysis* - Macroeconomics is the study of the behavior of the economy as a whole and uses various economic indicators that tell us about the overall health of the economy. Macroeconomic analysis can help consumers, firms, and governments make better decisions: Consumers want to know how easy it will be to find work, how much it will cost to buy goods and services in the market, or how much it may cost to borrow money. Businesses use macroeconomic analysis to determine whether expanding production will be welcomed by the market. Governments and central banks turn to macroeconomics when determining budgets, creating taxes, deciding on interest rates, and making policy decisions. Within an investment portfolio, understanding how different asset classes respond to changes in the macroeconomic environment can help investment decision makers make more informed decisions with the goal of improving the overall effectiveness of the portfolio. Some of the macroeconomic factors that can influence macro risk include unemployment rates, interest rates, exchange rates, and commodity prices. Some macro risks will have a greater impact on a particular sector than on others.

*Fundamental Analysis* - Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and skill of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's equity and debt issuance compared to current market prices. The risk of fundamental analysis is that information obtained or conclusions drawn are incorrect and the analysis will not provide an accurate estimate of the company's performance and outlook which in turn, can affect the value of the company's stock and their creditworthiness, or ability to repay its debt. If securities



prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

*Quantitative Analysis* - Quantitative analysis is a technique that seeks to understand asset price behavior by using mathematical and statistical modeling, measurement, and research. Quantitative analysis aims to represent a given reality in terms of a numerical value. Quantitative analysis is employed for several reasons, including measurement, performance evaluation or valuation of a financial instrument, and predicting real-world events, such as changes in a country's gross domestic product (GDP). Quantitative analysis uses statistical techniques to examine and analyze past, current, and anticipated future events. Any subject involving numbers can be quantified; thus there are many fields in which quantitative analysis is used and can be beneficial. Quantitative analysis risk is present when the margin of error exceeds that of what was expected in the varying components without knowing of the discrepancy.

*Qualitative Analysis* - Qualitative analysis is a form of analysis that uses subjective judgment based on information that is difficult to quantify, such as management expertise, industry cycles, strength of research and development, and labor relations. Qualitative analysis contrasts with quantitative analysis and often the two investment techniques are used together to provide multiple perspectives in different investment opportunities. Qualitative analysis risk is present when the information obtained does not reflect the expectations. This is a common risk as the analysis used is based on subjective judgment.

*Technical Analysis* - Technical Analysis involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific investment securities. The risk of market timing based on technical analysis is that charts will not accurately predict future price movements. Current prices of securities often reflect all information known about that security and day to day changes in market prices of securities will follow random patterns and, in these cases, may not be predictable with any reliable degree of accuracy.

*Cyclical Analysis* - Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. The risks involved with cyclical analysis are always present as the lengths of economic cycles are difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

### **Investment Strategies**

Peerless Wealth believes that allocating capital across a diverse range of asset classes is critical to a Client's long-term investment success. Asset allocation portfolios are created to align with a client's specific investment objective and risk tolerance. Each portfolio is constructed using a strategic asset allocation methodology with prevailing long-term trends in mind. Short-term trends and trading strategies are not employed unless necessary in accordance with Client mandates. Peerless Wealth structures portfolios using a proprietary methodology. Peerless Wealth believes that Clients will benefit from having a portfolio of holdings invested in a variety of assets classes that respond differently to major market drivers, such as economic growth and inflation. To the extent that these asset classes are diversifying to each other the overall portfolio will experience lower volatility than the volatility of those asset classes individually. Peerless Wealth will not pursue strategies that are highly speculative in nature.

## **Risk of Loss**

Investing in securities involves risks, including the loss of capital. Securities will and do fluctuate in value. Clients should understand and be prepared for these fluctuations in value as well as for the potential of loss. Peerless Wealth assists clients in determining an appropriate asset allocation strategy based primarily on their risk tolerance and time horizon. Even with these methods in place, there is no guarantee that a client will meet or exceed their investment goals. Peerless Wealth will continually review a client's investment goals, financial situation, time horizon, tolerance for risk and other factors at least annually to determine if the current asset allocation is still appropriate for that client. A client's participation and understanding of the process, including full and accurate disclosure of any and all relevant information, is an essential piece to the client understanding the risks involved. Peerless Wealth relies heavily on the information provided by the client in determining the appropriateness of any investment portfolio. Therefore, the responsibility lies with the client to relay accurate and up to date information to Peerless Wealth. This information should include any material changes in the client's financial condition, goals or other factors that may affect this analysis. The risks associated with a particular strategy or investment is provided to and discussed with each client in advance of investing the client's assets.

*Margin* - With the client's approval Peerless Wealth may use margin as a tool in managing the allocation during the rebalancing of client accounts, if needed. With the use of margin comes with multiple risk factors, to include: interest payments as well as leverage risk and margin call risk.

*Options* - Peerless Wealth, with a client's approval and the appropriate options agreement on file will employ options strategies to hedge or gain additional exposure to a particular asset class or sector. Options trading comes with varying degrees of risk to include, risking Your Principal. Like other securities including stocks, bonds and mutual funds, options carry no guarantees. Keep in mind that it is possible to lose the entire principal invested. As an options holder, you risk the entire amount of the premium you pay. Also, as a writer/seller of options you also limit your upside on the underlying while still being at risk to the downside. The primary risk factor with options comes in the way of time value, the strike price of an option, the current underlying price, the time to expiration, the risk-free rate, and the volatility of the underlying, sector, industry and overall market volatility.

*Market Risk* - All securities are subject to market, economic, liquidity other risks. The success of a particular investment depends upon the accurate assessment of the future path of price movements of individual securities. While performance of individual securities is assessed, individual security performance should also be viewed within the context of the overall portfolio. There can be no assurance that Peerless Wealth will be able to predict price movements accurately.

Each and every investment has its own specific risk spectrum and these risks will vary by the specific investment. The following are some of the basic risks associated with the asset classes mentioned in Item 4 of this ADV Part 2.

*Capital risk* — Investment markets are subject to economic, regulatory, market sentiment, and other risks. All investors should consider the risks that may impact their capital, before investing. The value of your investment may become worth more or less than at the time of the original investment

*Commodity risk* — Commodities markets can be more volatile than traditional investments such as equity or fixed income securities. Commodities may be affected by changes in overall market movements, interest rate changes, and/or events affecting a specific commodity and/or industry.

*Counterparty risk*- risk that one party to a transaction might default on its contractual obligation. Counterparty risk can increase for those transactions not executed on a regulated exchange.

*Default risk* — is the risk that a company or an individual security will be unable to make the required payments on their debt obligation. Lenders and investors are exposed to default risk in virtually all forms of credit extensions.

*Company risk* — Common stocks of individual companies are subject to many risk factors including, but not limited to, economic conditions, government regulations, market risk, and industry risk. Equity security prices may decline as a result of adverse changes in these and other factors. Some equities are more volatile than others and may present higher risk of loss.

*Credit risk* — The value of fixed income securities may decline, and/or the issuer or guarantor of that security may fail to pay interest or principal when the payments are due. As a general rule, lower rated securities carry a greater degree of credit risk, and therefore have a greater risk of loss, than higher-rated securities.

*Currency risk* — Investments that are held or exposed to foreign currency, are exposed to fluctuations in a foreign exchange rate or rates in addition to the risks associated with the specific underlying investment.

*Derivative risk* — Derivatives involve various degrees of risk. The value of derivative investments can be affected by market movements, the underlying companies, changes in interest rates, and/or factors affecting the underlying security. Derivatives can also involve liquidity risk and expiration/time risk.

*Equity market risk* — Equity markets are subject to many risk factors, including economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues.

*Fixed Income risk* — risks associated with fixed income securities may include, but are not limited to, economic conditions, government regulations, credit worthiness, and fluctuations in interest rates. The secondary market value of fixed income securities will fluctuate with changes in interest rates, liquidity, and the creditworthiness of the specific issuer.

*Foreign Market risk* — Foreign investments present risks that include changes in currency exchange rates, liquidity, economic, and political uncertainty. These risks may be greater in emerging markets.

*Interest Rate risk* — Changes in interest rates will affect investment values. This volatility will typically be greater for long term fixed income securities than for short term fixed income securities. Changes in interest rates may also affect the value of other financial assets.

*Issuer risk* — A security issued by a particular issuer may be impacted by factors that are unique to that issuer and thus may cause that security's return to differ from that of the market.

*Liquidity risk* — Investments with low liquidity can have significant changes in market value, and there is no guarantee that these securities can be sold at fair market value.

*Management risk* — Investment strategies implemented by a management team of a specific investment fund that doesn't perform as expected may underperform or suffer significant losses. Management also risk includes personnel turnover of specific individuals hired to manage a fund.

*Tracking risk* — The volatility in the performance of an investment may create a deviation relative to its index/benchmark, because of various factors, which may include, but are not limited to, active management decisions associated with the underlying investments and fees.

Here is a list of the investments types listed in “Item 4” of this ADV Part 2A, with the 3 main risks most commonly associated with each:

- **Mutual Funds** - Market risk, Management risk, Tracking risk.
- **Exchange Traded Funds (ETFs)** - Market risk, Management risk, Tracking risk.
- **Exchange Traded Notes (ETNs)** - Market risk, Counterparty risk, Tracking risk.
- **Domestic Equities** - Market risk, Company risk, Liquidity risk.
- **Foreign Equities** - Currency risk, Foreign Market risk, Company risk.
- **Corporate Bonds** - Interest Rate risk, Issuer risk, Liquidity risk.
- **Certificates of Deposit** - Fixed Income risk, Interest Rate risk, Liquidity risk.
- **Municipal Bonds** - Fixed Income risk, Interest Rate risk, Credit risk.
- **U.S. Treasuries** - Fixed Income risk, Interest Rate risk, Credit risk.
- **Options** - Derivative risk, Issuer risk, Liquidity risk.
- **REITs** - Issuer risk, Liquidity risk, Management risk.
- **3<sup>rd</sup> Party Money Managers** - Market risk, Management risk, Tracking risk.
- **Commodities** - Commodity risk, Interest Rate risk, Liquidity risk.
- **Preferred Stocks** - Interest Rate risk, Issuer risk, Liquidity risk.

While Peerless Wealth has provided a comprehensive list of risks associated with investing in financial markets there may be additional risks that have not been listed above. Clients should consult with their Peerless Wealth representative about any additional risks with which they may be concerned.

## **Item 9: Disciplinary Information**

Peerless Wealth has not been the subject of any disciplinary action(s) and does not have any legal of disciplinary information to disclose. Any disciplinary information regarding Peerless Wealth Investment Advisor Representatives would be disclosed here as well as additional information being disclosed on the Peerless Wealth IAR’s ADV Part 2B.

### **Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **Administrative Proceedings**

There are no administrative proceedings to report.

### **Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

Neither Peerless Wealth, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Peerless Wealth, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

Peerless Wealth has no other relationship or arrangement with a related person that is material to its advisory business.

Peerless Wealth's President, CCO Mr. Erik Thompson has an active insurance license that was obtained while he was a Registered Representative prior to founding of Peerless Wealth. Mr. Erik Thompson and Peerless Wealth are not in the business of selling insurance at this time and has no plans to offer insurance products to clients for the foreseeable future.

In an effort to act in a "Fiduciary" capacity to our clients, Peerless Wealth may recommend a client invest with a 3<sup>rd</sup> party money manager for added exposure to asset classes and diversification. Peerless Wealth does not have an agreement with any 3<sup>rd</sup> party money managers as this would create a conflict of interest. If we were to recommend a 3<sup>rd</sup> party money manager all fees and compensation will be disclosed, discussed, and agreed to prior to implementation of such advice.

## **Item 11: Code of Ethics, Client Transactions and Personal Trading**

### **Code of Ethics**

Peerless Wealth and its employees are committed to a Code of Ethics that is available for review and will be provided to clients and prospective clients upon request. Peerless Wealth Financial Planning & Investment Management strives to comply with all applicable laws and regulations governing its practices. Therefore, Peerless Wealth has set forth guidelines for professional standards of conduct for its associated persons, the goal of which is to protect our client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith, and fair dealing with clients. All associated persons are expected to adhere strictly to these guidelines. Associated persons are also required to report any violations of the Firm's Code of Ethics. Additionally, Peerless Wealth maintains and enforces written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about clients or their account holdings by Peerless Wealth or any associated person.

### **Participation or Interest in Client Transactions**

Neither Peerless Wealth nor any of our associated persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

### **Personal Trading**

A conflict of interest exists in such cases because we have the ability to trade ahead of clients and potentially receive more favorable prices than clients will receive. To mitigate this conflict of interest, it is our policy that we shall not have priority over client accounts in the purchase or sale of securities.

## **Item 12: Brokerage Practices**

### **Selecting Brokerage Firms**

Peerless Wealth can and has the ability to work with multiple custodians, but prefers to use Charles Schwab as the preferred custodian. Therefore, Peerless Wealth will recommend that its clients work with Charles Schwab. Peerless Wealth does not receive fees or commissions from this or any arrangement. Peerless Wealth recommends and prefers Charles Schwab as the custodian based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

### **The custodian and brokers we use**

Peerless Wealth does not maintain custody of your assets that we manage/on which we advise, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian.” (broker-dealer or bank) We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we can assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

### **How we select brokers/custodians**

We seek to select and use a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (without separate custody fees for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us 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 the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

### **Best Execution**

We believe in using custodians that provide the best services at competitive rates. The reasonableness of commission rates is based on several factors, including the broker's ability to provide professional services, execution, the broker's reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in transactions. Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. The above mentioned custodian, Charles Schwab, has a history of best execution performance that is well documented in various publications and testing results.

### **Your brokerage and custody costs**

For our clients' accounts that Schwab maintains, Schwab does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and specific ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvited cash in your account in Schwab's Cash Features Program. This commitment benefits you because the overall commission rates you pay could be lower than they would be otherwise. In addition to commissions and asset-based fees, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

### **Products and services available to us from Schwab**

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (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 clients' accounts; while others help us manage and grow our business. Schwab's support services are available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

**Services that benefit you.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph benefit you and your account.

**Services that do not directly benefit a client.** Schwab also makes available to us, other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

**Services that benefit us.**

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

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

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

### **Our interest in Schwab's services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. This creates an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business and Schwab's payment for services for which we would otherwise have to pay rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

### **Order Aggregation**

It is Peerless Wealth practice to aggregate transactions across multiple client accounts if and when possible.

### **Directed Brokerage**

In limited circumstances, and at our discretion, clients can instruct Peerless Wealth to use one or more particular brokers for the transactions in their accounts. If clients choose to direct our firm to use a particular broker, clients should understand that this might prevent us from effectively negotiating brokerage commissions on a client's behalf. This practice can prevent Peerless Wealth from obtaining a favorable price and execution. Thus, when directing brokerage business, clients should consider whether the commission expenses, execution, clearance, and settlement capabilities that clients will obtain through a particular broker are adequately favorable in comparison to those that we would otherwise obtain for clients.

### **Trade Errors**

Trading errors can and do happen. If a trade error occurs when entering a trade on behalf of a client, Peerless Wealth policy is to restore a client's account to the position it should have been in had the trade error had not occurred. Depending on the circumstances, corrective actions can include canceling/busting said trade, adjusting the client account to reflect the appropriate asset allocation and/or the reimbursing of any fees to the client account.

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



### **Periodic Reviews**

Financial Plans are reviewed at least annually and updated by Peerless Wealth investment adviser representative (IAR) on a periodical basis as deemed necessary and reviewed by Peerless Wealth's CCO upon completion. Reviews are ongoing and are done quarterly, semiannually and/or annually as predetermined by Peerless Wealth's IAR and the client. Portfolio and financial plan reviews are and in most cases predetermined in advance with Peerless Wealth clients. Reviews can also be prompted by the client and/or Peerless Wealth at any given time. The reviews look at the clients' assets, liabilities, time horizon, goals, investment objectives, and how they correspond to the clients overall portfolio.

### **Review Triggers**

Other conditions triggering a review are changes in the portfolio allocation, new information affecting the specific client's situation, and changes in a client's own situation.

### **Regular Reports**

Peerless Wealth clients receive monthly and/or semi-annual portfolio performance statements from the custodian holding client assets. In addition, clients also receive transaction confirmations from the account custodian being used.

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

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Schwab reaches a certain amount. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

Peerless Wealth can and at times does use independent solicitors to provide client referrals. If a client is referred to Peerless Wealth by a solicitor, this practice is disclosed to the client in writing by the solicitor and the Advisor pays the solicitor out of the Advisor's own funds, specifically, the Advisor generally pays the solicitor a portion of the advisory fees earned for managing the capital of the client that was referred. The use of solicitors is strictly regulated under the applicable federal and state law. The Advisor's policy is to fully comply with the requirements of Rule 206(4)-3, UNDER The Investment Advisers Act of 1940, as amended and similar state rules, as applicable.

## **Item 15: Custody**

Peerless Wealth does not accept or maintain custody of any client accounts. All clients must place their assets with a qualified custodian. Clients can choose a qualified custodian of their own preference. If a client has no preference of a qualified custodian, Peerless Wealth will recommend a qualified custodian to clients based on their needs. (i.e. Charles Schwab) Qualified custodians often allow for direct debit of advisory fees. Therefore, if a custodian allows for direct debiting and the client chooses to have advisory fees direct debited from their accounts, Peerless Wealth directly debit clients account(s) for the payment of our advisory fees, unless a client directs us not to and chooses a different method of payment.

Clients, through the advisory agreement, give written authorization to have their advisory fees deducted directly from their account(s) at the applicable custodian; Peerless Wealth is deemed to have limited custody

of client's assets during this fee deduction process and, therefore, must have written authorization from the client to do so. Clients will receive all account statements and billing invoices from the custodian that are required in each jurisdiction, and they should carefully review all statements for precision and accuracy.

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account [or if you grant us authority to move your money to another person's account]. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them.

- I. Peerless Wealth possesses written authorization from the client to deduct advisory fees from an account held by a qualified custodian;
- II. Peerless Wealth sends the qualified custodian written notice of the amount of the fee to be deducted from the client's account and
- III. Peerless Wealth sends the client a written invoice itemizing the fee, including any formulae 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.

## **Item 16: Investment Discretion**

Peerless Wealth can provide both discretionary and non-discretionary investment management services to its clients. Custody options will be discussed and approved by both parties prior to the opening of the initial account. The client must approve of the custodian that will be used and the commission rates paid to the custodian by the client. Peerless Wealth does not receive any portion of the transaction fees and/or commissions paid by the client to the custodian on any given trade and/or transaction.

### **Discretionary Authority**

Peerless Wealth manages certain client's investments in a discretionary fashion. A signed investment management agreement/contract between the client and Peerless Wealth establishes the discretionary authority for trading in a client's account. Where investment discretion has been granted by the client, Peerless Wealth will manage the client's account and has the ability to make investment decisions without consulting with the client as to what securities are to be bought and/or sold, when the securities are to be bought and/or sold, the amount of securities to be bought and/or sold, and/or the price per share of said security. In some instances, Peerless Wealth discretionary authority will be limited; as a client can impose certain conditions and/or instructions that Peerless Wealth must adhere to.

### **Non-Discretionary Authority**

Peerless Wealth manages certain client's investments in a non-discretionary fashion. Peerless Wealth and its client must both agree to an investment decision prior to taking action in said investment. Because of this, all new investments must be agreed upon prior to taking an initial position in a client's account or portfolio. A client always has a right to decline to implement any new investment advice provided by Peerless Wealth.

### **Discretionary Authority for Sub-Manager(s)**

Peerless Wealth may use other money managers within a client's portfolio. Internally these investments have discretionary authority within the investment vehicle being used. Peerless Wealth will only use sub-managers

that have made a valid and up to date prospectus available to the public in which it describes the fund's investment objective, internal structure and investment guidelines. Sub-Manager(s) have the authority to buy, hold, and/or sell securities for a client's assets delegated to the Sub- Manager(s).

## **Item 17: Voting Client Securities**

### **Proxy Votes**

Peerless Wealth can and will assist clients with voting proxies if the client chooses. If client owns investments, clients are shareholders and can exercise their right to vote on proxies as a shareholder. In most cases, clients will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, the materials would be forwarded directly to clients by mail, unless clients have authorized the firm to contact clients by electronic mail, in which case, we would forward any electronic solicitation to vote proxies. Clients that would like assistance from Peerless Wealth in understanding the material within the proxy and/or would like assistance with the voting process can contact Peerless Wealth by phone or by email using the contact information on the front of this brochure.

### **Class Action Lawsuits**

Peerless Wealth is not responsible for determining if securities held by clients are the subject of a class action lawsuit or whether clients are eligible to participate in said class action settlement or litigation nor does Peerless Wealth initiate or participate in litigation to recover damages on a client's behalf for damages as a result of said actions, misconduct, or negligence of said party. Any and all inquiries regarding this should be initially directed to the custodian in which the assets are/were held.

## **Item 18: Financial Information**

### **Financial Condition**

Peerless Wealth does not have any financial situations that will result in Peerless Wealth from meeting contractual commitments to clients.

Peerless Wealth Firm does not collect more than \$500 six months in advance.

## **Item 19: Requirements for State-Registered Advisers**

- A. Mr. Erik Thompson is the President & CCO of Peerless Wealth. Mr. Erik Thompson' education and business background can be found on Peerless Wealth supplemental ADV Part 2B.
- B. Mr. Erik Thompson's other business activities can be found on ADV Part 2B.
- C. Peerless Wealth does not accept performance-based fees or other fees based on a share of capital gains on and/or capital appreciation of the assets of its clients.
- D. No management person at Peerless Wealth has been involved in an arbitration claim or been found liable in a civil or criminal court, self-regulatory organization, or administrative proceeding.
- E. Peerless Wealth and its management persons do not have a relationship and/or arrangement of any kind with any issuers of securities.

## **Item 20: Additional Information**

### **Privacy**

Peerless Wealth is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us by both prospects and clients. The categories of nonpublic information that we collect from clients includes information about a client's personal situation to the extent that it is needed for the financial planning process, information about transactions between clients and third parties, and information from consumer reporting agencies. (i.e. credit reports) Peerless Wealth uses this information to assist clients in the development and the implementation of a client's financial plan. With a client's permission, Peerless Wealth will disclose limited information to attorneys, accountants, and mortgage lenders and to whom ever a client has an established relationship with. Peerless Wealth shares limited amounts of information about clients with service providers, such as the custodian of clients account, so that we can enhance the service level provided to our clients. Peerless Wealth maintains a secure location for the storage of client information. Peerless Wealth employs a firewall, secure data encryption techniques and authentication procedures on our computer network and cloud providers. Peerless Wealth will never provide a client's personal information to mailing list vendors, solicitors and/or third parties of any kind. We require strict confidentiality in our agreements with unaffiliated third parties that require access to a client's personal information, including financial service firms, consultants and auditors. Federal and state securities regulators have the ability to review our company records and client's personal records as permitted by law. Personal information about clients will be maintained for the required period. Thereafter, records are required to be maintained by federal and state securities laws. After that time, information will be maintained, destroyed or returned to the client. Peerless Wealth will notify clients in advance if the Peerless Wealth privacy policy were to change. We are required by law to deliver a Privacy Policy/Notice to clients annually.

### **Business Continuity Plan (BCP)**

Peerless Wealth has created a written BCP that is available to clients and prospects upon request. A written BCP helps in identifying procedures relating to an emergency or significant business disruption, including death or incapacitation of the investment adviser or any of its representatives. Such procedures are in place to help Peerless Wealth IARs meet their existing fiduciary obligations to their clients.

### **Conflicts of Interest Disclosure**

Peerless Wealth discloses all material conflicts of interest prior to a client signing the Peerless Wealth Investment Advisory Agreement. This is done verbally and through Peerless Wealth ADV Brochures Part 2A & 2B, Peerless Wealth Conflict of Interest Disclosure document and the Peerless Wealth Advisory Agreement.