



## AMERICAN MONEY MANAGEMENT, LLC

SEC Registered Investment Advisor

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March 8, 2024

This Brochure provides information about the qualifications and business practices of American Money Management, LLC (“AMM”). If you have any questions about the contents of this Brochure, please contact us at (858) 755-0909 or [info@amminvest.com](mailto:info@amminvest.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.

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

Additional information about American Money Management, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 2 – Material Changes**

This brochure, dated March 8, 2024 includes no material changes from AMM’s last brochure, dated September 11, 2023.

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### Item 3 -Table of Contents

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

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## **Item 4 – Advisory Business**

American Money Management, LLC (“AMM”), established in 1999, is an SEC registered Investment Adviser based in Rancho Santa Fe, California. The principal owners are Gabriel B. Wisdom (a founder, 50% owner, and Managing Director of AMM) and Michael Moore (50% owner, Managing Director and Chief Investment Officer of AMM).

### **Investment Supervisory Services**

AMM’s primary business is providing investment supervisory services. In particular, AMM manages client funds and securities for a fee based on a percentage of the fluctuating value of the assets managed. AMM provides these services to individuals, investment companies, pension and profit-sharing plans, trusts, corporations and other business entities. Investment supervisory services include, but are not limited to, the following: Investment Strategy, Asset Allocation, Asset Selection and Regular Portfolio Monitoring.

AMM tailors its investment advice to the individual needs of its clients by evaluating their current investments with respect to their risk tolerance levels and investment time horizon. At the outset of a new client relationship, AMM collects this information from the client in the form of a Client Profile & Questionnaire and/or client interview. This information allows us to select a portfolio strategy that matches each client’s specific situation.

### **401-K Advisory Services**

In addition to ongoing discretionary portfolio management services, we provide non-discretionary advisory services to 401-K plans. These services include monitoring investment choices on the 401-K platform, recommending changes to investment choices on the 401-K platform, conducting periodic meetings at client’s location, and assisting with new plan enrollments, among other services. While providing general asset allocation guidance, we do not have the authority to buy or sell securities within the clients’ 401-K account. All investment and allocation decisions are ultimately the clients own.

### **Financial Planning Services**

In addition to our core investment supervisory business, AMM and our investment advisor representatives may periodically provide financial planning services. Financial planning services encompass a wide variety of client specific needs, including, but not limited to retirement planning, budget development, Social Security and Medicare analysis, divorce financial analysis and estate plan reviews.

As of March 4, 2024, AMM manages \$650,322,932 on a discretionary basis, and \$10,150,250 on a non-discretionary basis.

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## Item 5 – Fees and Compensation

The annual fee ranges from 0.25% to 1.50% of assets being managed (“asset management fee”) and may be negotiable depending on the size and complexity of the client’s account. Lower fees for comparable services may be available from other sources.

The specific manner in which fees are charged by AMM is established in a client’s written agreement with AMM. AMM collects its fees at the start of each quarter, in advance. AMM directly debits its fees from client accounts. Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Financial planning services are generally included in the asset management fee that a client pays AMM. For non-asset management clients, or in highly complex planning situations, AMM typically charges a separate fee for financial planning. This is composed of a fixed fee, and/or other hourly charges that may apply. Fees typically range between \$2500-\$5000. The specific fee arrangement will be determined at the outset of the planning relationship and must be agreed upon in writing by all parties.

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

To the extent that clients of AMM are invested in mutual funds, they will be paying two advisory fees – AMM’s fee and the fee of the adviser to the mutual funds (whose fees are described in the mutual fund prospectus). When investing in mutual funds AMM seeks to buy the lowest cost share class available. However, in many circumstances AMM may opt for a higher cost share class if that class is available to be traded free of any commissions or transaction costs at the broker dealer holding custody of the account. Since AMM periodically rebalances portfolios, we believe the flexibility of trading in no transaction fee funds may offer advantages over recommending a fund that is subject to transaction fees. Depending on how frequently we buy or sell a fund, the overall cost to the client may actually be lower utilizing the higher expense no transaction fee fund vs. the lower expense transaction fee fund. However, due to the uncertain timing of when a fund rebalance trade may occur (triggering factors include price change of underlying investments in the account, general market volatility, client deposits or withdrawals, and strategy adjustments by the portfolio manager) there is no guarantee that a client will pay lower fees by investing in the no transaction fee funds.

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

Item 12 further describes the factors that AMM considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

AMM may periodically recommend unaffiliated separate account managers for the management of a portion of the assets that we advise. In these circumstances the client will be paying two advisory fees – AMM's fee and the fee of the separate account manager (whose fees will be disclosed prior to the investment of funds with the separate account manager). At our discretion AMM may choose to reduce our advisory fee on any portion of a client's account being managed by a separate account manager.

AMM Principal Gabriel Wisdom has been a shareholder and Director of Monterey Holdings, LLC ("Monterey") since 1994. Where appropriate, AMM officers and/or representatives may recommend that qualified clients invest in interest bearing one-year notes that are issued by Monterey Receivables Funding (MRF), a Monterey company. AMM principals and associates will not receive any additional compensation or referral fees in consideration of recommending AMM client assets to MRF notes. AMM's compensation will continue to be based upon the total asset value of a client's account(s), including any portion invested in MRF notes. Clients who choose to invest in MRF notes will be required to sign an AMM disclosure form explaining Gabriel's role with the company and the aforementioned compensation arrangement.

AMM may periodically recommend clients invest in Private Funds. These Private Funds are unaffiliated with AMM. AMM's compensation will continue to be based upon the total asset value of the client's account(s), including any portion invested in Private Funds. Clients who choose to invest in private funds will be required to sign an AMM disclosure outlining AMMs compensation and affirming that they have received and read the fund's Private Placement Memorandum (PPM). For purposes of billing, Private Funds are valued at the most recent valuation provided by the fund. If the fund does not provide a post-purchase valuation then the investment will be carried at original cost for purposes of calculating the advisory fee.

ERISA Accounts: AMM is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

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

In some cases, AMM has entered into performance fee arrangements with qualified clients. Such fees are subject to individualized negotiation with each such client. AMM will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. Performance-based fee arrangements may create an incentive for AMM to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. AMM has procedures designed and implemented to ensure that all clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among clients.

## **Item 7 – Types of Clients**

AMM provides portfolio management services to individuals, high net worth individuals, investment companies, corporate pension and profit-sharing plans, trusts, estates or charitable organizations, corporations and other businesses. AMM's minimum account size is \$100,000; however, accounts under \$100,000 may be accepted on an individual basis at the discretion of AMM.

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

### **Methods of Analysis**

AMM employs the following methods of analysis in the investment selection process.

#### **Fundamental Analysis:**

Involves the analysis of financial statements and ratios, the general financial health of companies, and/or qualitative factors like management strength and competitive advantages.

#### **Cyclical Analysis:**

Involves the analysis of business and economic cycles to determine favorable conditions for buying and/or selling investments.

#### **Economic Analysis:**

Involves the analysis of economic trends, monetary and fiscal policy, etc.

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**Technical Analysis:**

Involves the analysis of past market data, primarily price and volume.

**Investment Strategies**

The first step in developing a client's investment strategy is to determine how much should be invested in stocks, bonds, and diversifying assets like commodities, real estate and/or other assets. This decision is made based on the client's financial condition and goals and in view of current and anticipated market conditions. Once the appropriate asset allocation is determined, suitable investments are selected within the desired asset classes.

**Asset Allocation Oriented Investment Strategies**

AMM's Asset Allocation Strategies are designed to meet the investment objectives and risk tolerance levels of our diverse range of clients. The target asset allocation (equity vs. fixed income) and the securities included in each strategy are determined at the periodic investment committee meeting. While equities and fixed income make up the majority of a typical asset allocation strategy, AMM may periodically incorporate diversifying assets (commodities, real-estate, etc.) as part of the overall portfolio strategy where appropriate. The investment committee and portfolio managers reserve the right to tilt heavily towards cash or overweight /underweight certain assets when they deem that it is appropriate to do so. The timing of purchases and sales in accounts within each strategy is determined by the account portfolio manager.

All strategies are customizable, so it is unlikely that all accounts within a certain strategy group will look identical to other accounts in the same group. For example, a taxable account with a low cost basis position may continue to hold the position even though it is not in the current strategy guidelines. Other reasons for strategy deviations may include social/ethical investing preferences, restricted stock positions, liquidity (cash) positions, etc.

**Aggressive Growth:**

The objective is to maximize long-term capital appreciation. Under normal circumstances an Aggressive Growth portfolio will be invested primarily in stocks and stock oriented mutual funds and ETFs and may include larger than normal commitments to a single asset class or security. An Aggressive Growth portfolio has a substantially high level of risk.

**Long-Term Growth:**

The objective is capital appreciation. A Long-Term Growth portfolio will be primarily invested in stocks and/or stock oriented mutual funds, along with some modest exposure to fixed-income instruments for diversification and volatility control. A Growth portfolio has a high level of risk.



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**Balanced:**

The objectives are moderate capital appreciation and income. A Balanced portfolio will be invested in a mixture of stocks and/or stock oriented mutual funds and fixed-income oriented securities. The portfolio will generally have a larger weighting in stocks than fixed income. A Balanced portfolio has a moderately high level of risk.

**Moderate Balanced:**

The objectives are limited to moderate capital appreciation and income. A Moderate Balanced portfolio will invest in a mixture of stocks and/or stock oriented mutual funds and fixed-income oriented securities. The portfolio will generally have no more than a half of the portfolio allocated to stock investments. A Moderate Balanced portfolio has a moderate level of risk.

**Conservative Balanced:**

The primary objectives are conservative long-term capital appreciation and income. A Conservative Balanced portfolio will be invested in a mixture of stocks and/or stock oriented mutual funds and fixed-income oriented securities. The majority of the portfolio will be tilted towards fixed income instruments for income generation and volatility control. A Conservative Balanced portfolio has a moderately low level of risk.

**Conservative Income: (Tax-Free Municipal & Taxable Bond Strategies)**

The primary objectives are income and capital preservation. A Conservative Income portfolio will be invested primarily in fixed-income oriented securities. A modest allocation to stocks and/or stock oriented mutual funds may be included where appropriate. An Income portfolio has a low degree of risk.

**Retirement Income:**

The Retirement Income strategy is designed for clients wishing to achieve a high level of current income who are willing to withstand portfolio volatility and risk of loss of principal in return for higher current cash flow than a Conservative Income strategy.

**Modified Asset Allocation Strategies:**

On request, and depending on the client situation, AMM may develop modified asset allocation strategies to meet a specific client request. For example, a client may desire a significantly different asset mix than that of our primary asset allocation strategies. At our discretion, we may choose to create a separate modified strategy to accommodate the client.

**AMM Dividend Strategy:**

The primary objective of the AMM Dividend Strategy is to generate a high level of cash flow from a portfolio of high quality, dividend paying stocks, which will be selected on the basis of both dividend payout and the investment team's assessment of underlying business quality.

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Additionally, companies selected will generally have a proven history of increasing dividends paid to shareholders. The portfolio manager will seek to purchase stocks when they are trading at a discount to fair value, providing an additional margin of safety along with upside potential.

The AMM Dividend Strategy is offered as a standalone portfolio or may be included as a “sleeve” in an investor’s broader portfolio allocation (including bonds and other diversifying assets). Investors in this strategy must be willing to accept the risks associated with stock investing, including periods of downside portfolio volatility.

### **Alternative Investments**

AMM may periodically recommend alternative investments to clients as part of their overall asset allocation strategy. These investments are typically only available to accredited investors and AMM associates will seek to determine a client’s accredited status before making any recommendation related to these offerings. Below we outline the most common Alternative Investments recommended by AMM.

#### **Collateralized Notes:**

AMM may periodically recommend 1-year collateralized notes issued by Monterey Receivables Funding (MRF) as part of the client’s overall asset allocation. The notes are income producing instruments and are typically used as part of a client’s overall fixed income allocation.

These notes are private offerings and are only available to accredited investors. The minimum investment in the notes is \$50,000; however, the supply of notes is limited. The issuer of the notes commonly closes the offering to new investors so AMM maintains a wait list of clients for whom it feels are suitable candidates for investment. This is generally based on a client’s accreditation status; along with their stated desire for income and/or a client with an asset allocation strategy that includes a reasonable weighting in fixed income instruments. While AMM will do its best to determine those clients for which the notes are suitable, there is no guarantee that all clients that want notes will be able to invest in them.

Collateralized notes have their own set of risks which are outlined in the private placement memorandum (PPM). Accredited clients interested in the notes may request a copy of the PPM by calling American Money Management at 858-755-0909.

#### **Unaffiliated Private Funds:**

AMM may periodically recommend that clients invest in unaffiliated Private Funds. These recommendations are only made to qualified investors where a recommendation would be consistent with the investor’s goals and risk tolerance. To qualify investors must meet the accredited investor standard, which AMM will assess before making any recommendation.

AMM will perform due diligence before recommending these funds. However, it is important to note that Private Funds contain unique risks which are outlined in the fund’s offering documents or private placement memorandum (PPM). These risks include, but are not limited to, the potential for complete loss of principal, liquidity constraints and lack of transparency. Unlike

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liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

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

### **Item 9 – Disciplinary Information**

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

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

AMM may receive fees from investment advisers which it recommends.

AMM officers and representatives may hold state insurance licenses. Associates of AMM do not transact insurance business through AMM, and in fact, may never transact any insurance business. AMM believes that holding insurance licenses and staying current with the continuing education requirement of licensees allows representatives that hold the license to speak more knowledgably about a client's insurance situation in the context of the client's overall financial picture.

Some of AMM's investment advisor representatives, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate commission compensation resulting from implementing insurance product transactions on behalf of advisory clients. Insurance product transactions are not done through and are in no way affiliated with AMM. Insurance transactions are regulated by the appropriate state insurance regulations. Further information about whether a specific investment advisor representative may be involved in insurance related or other outside business activities can be found in the Part 2B Brochure Supplement portion of this brochure.

AMM Principal Gabriel Wisdom has been a shareholder and Director of Monterey Holdings, LLC since 1994.

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## Item 11 – Code of Ethics

AMM has adopted a Code of Ethics (the Code) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, and personal securities trading procedures, among other things. All supervised persons at AMM must acknowledge the terms of the Code annually, or as amended.

AMM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which AMM has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which AMM, its affiliates and/or clients, directly or indirectly, have a position of interest. AMM's employees and persons associated with AMM are required to follow AMM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of AMM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for AMM's clients. The Code is designed to assure that the personal securities transactions, activities and interests of the employees of AMM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions based upon a determination that these would materially not interfere with the best interest of AMM's clients. In addition, the Code requires pre-clearance of many transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between AMM and its clients.

AMM may place some orders with brokers that, at the time of the transaction, include orders for both clients and personnel of AMM. Although the orders may be bunched, the price per share will be allocated equally as an average price per share. Employee trades will be periodically reviewed for any potential insider trading. AMM trades primarily in exchange listed securities, and its trading volume is generally insufficient to affect market prices. There is generally no material financial impact to the employee or to the client.

AMM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting AMM at 858-755-0909.

It is AMM's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. AMM will also not cross trade between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross

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transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser or any person controlled by or under common control with the investment adviser acts as broker for both the advisory client and for another person on the other side of the transaction.

## **Item 12 – Brokerage Practices**

### **Factors Used to Select Custodians and/or Broker/Dealers**

AMM generally recommends and/or selects (with the written consent of the client in each instance) the Institutional Division of Charles Schwab & Co., Inc. (“Schwab”) as the custodian for client accounts. AMM may also suggest other broker-dealers. Clients may pay commissions in addition to a markup/markdown on over-the-counter trades. Although clients trading through a particular broker-dealer may pay commissions which are higher than those obtainable from other brokers, AMM evaluates the reasonableness of the commissions in light of the full range and quality of a broker’s services, including, among other things, the value of research provided as well as execution capability, commission rates, financial responsibility, and responsiveness to AMM’s needs.

### **Soft Dollar Practices**

“Soft dollar” practices are arrangements under which products or services other than execution of securities transactions are obtained by an investment adviser (such as AMM) from or through a broker-dealer in exchange for the direction by the adviser of client brokerage transactions to the broker-dealer. As indicated above, most of the accounts managed by AMM are held in custody with Schwab, and most of the client trades directed by AMM are placed through Schwab. Below are important disclosures related to AMMs business relationship with Schwab.

### **Schwab Advisor Services**

Schwab provides AMM with access to its institutional trading and operations services, which are typically not available to retail investors. These services generally are available to independent investment advisers (such as AMM) at no charge to them so long as a total of at least \$10 million of the clients’ account assets are maintained at Schwab. Schwab’s services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available to institutional investors or would require a significantly higher minimum initial investment.

Schwab also makes available to AMM (and to other advisers) other products and services that benefit AMM but may not benefit its clients’ accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements) facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of AMM’s fees from its clients’ accounts, and assist with back-office support, record keeping and client reporting. Schwab may also provide AMM with other services intended to help AMM

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manage and further develop its business enterprise including consulting, publications, and presentations on practice management, information technology and regulatory compliance. Schwab makes available or provides those products and services to AMM at no additional cost to AMM, except for AMM's agreement to, on a best effort basis consistent with AMM's duty to obtain best execution, place security transactions with Schwab. The advisory fees paid to AMM by its clients are not reduced because of AMM's receipt of such services. The availability to AMM of those products and services is not contingent upon AMM committing to Schwab any specific amount of business; but, as a result of receiving such products and services, AMM has an incentive to continue to use Schwab as a custodian of the clients' accounts and to effect transactions in securities for accounts held at Schwab.

### **Aggregate and Block Trading**

In placing its orders to purchase or sell securities in accounts, principals of the firm may elect to aggregate orders, sometimes called “block trading”. Trades may be aggregated so that all the participating clients may receive a better average price for their securities, whether bought or sold. In the execution of aggregate trades, AMM will adhere to the following general guidelines.

1. AMM will not aggregate transactions unless aggregation is consistent with its duty to seek best execution and the terms of the investment advisory agreement with each client for which trades are being aggregated.
2. No advisory client will be favored over any other client. Each client that participates in an aggregated order will participate at the average share price for all adviser's transactions in that security on a given business day with transaction costs shared pro-rata based on each client's participation in the transaction.
3. AMM will prepare, before entering an aggregated order, a written statement (“Allocation Statement”) specifying the participating client accounts and how it intends to allocate the order among those clients.
4. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will be allocated pro-rata based on the Allocation Statement. Every effort will be made by AMM trade personnel to place trades such that the possibility of a partial fill is minimized.
5. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved in writing by adviser's compliance officer no later than one hour after the opening of the markets on the trading day following the day the order was executed.
6. AMM books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account.

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7. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the client's cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis. Cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement.
  8. AMM will receive no additional compensation of any kind as a result of the proposed aggregation.
  9. Individual investment advice and treatment will be accorded to each advisory client.

### **Item 13 – Review of Accounts**

**REVIEWS:** The securities in every client's account will be monitored on a continuous basis. Managed accounts are reviewed weekly on a deviation analysis basis. Accounts deviating from their investment strategy will be flagged for further review. Accounts flagged for review will be reviewed by a portfolio manager to determine what, if any, action should be taken in the account.

In addition to weekly deviation reviews accounts may be reviewed for a variety of reasons including, but not limited to, events relevant to underlying investments, periodic suitability reviews, client strategy reviews and reviews related to capital flows in to or out of an account.

**REVIEWERS:** The investment committee members review accounts on a portfolio analysis basis. Although accounts may be assigned as the primary responsibility of one of the investment committee members, typically the lead advisor on the account, the members share responsibility for reviewing all accounts and for making investment decisions.

Clients receive monthly statements of their accounts from the broker(s) having custody of their accounts. Additionally, AMM may provide periodic (quarterly, or per client request) reports to clients including, but not limited to, asset allocation reports, performance analysis reports and portfolio statements.

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

AMM may compensate unrelated third parties for client referrals in accordance with Rule 206 (4)-3 under the Investment Adviser's Act of 1940. The compensation paid to any such third party will typically consist of a cash payment stated as a percentage of AMM's advisory fee.



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In the event a client is seeking to buy or otherwise transact insurance business, AMM officers and/or representatives may refer the client to an outside insurance agent. AMM officers and/or representatives may receive a referral fee which will be disclosed to the client at the time of the referral.

### **Item 15 – Custody**

AMM does not take *physical* custody of client accounts at any time; however, the independent custodians will directly debit client account(s) for the payment of AMM advisory fees. Additionally, authorized AMM associates may be granted permission from the client to periodically process money movement transactions, including checks, wires and electronic transfers, on their behalf. AMM is generally granted authorization to process first party (like registration) check and journal requests at the time the account at the custodian is opened. For first party wires and all third-party money movement requests, the client must explicitly grant AMM the authority (either one time or via standing instructions) in writing. This ability to deduct AMM's advisory fees and periodically process money movement transactions from client accounts causes AMM to exercise *limited* custody over client funds and/or securities. *However, this ability to debit fees and process money movement transactions does not constitute physical custody of any client funds and/or securities.*

Clients will receive monthly or quarterly account statements directly from their custodian. AMM urges clients to carefully review such statements and compare such official custodial records to the account statements that may be provided to clients by AMM. AMM statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 – Investment Discretion**

AMM usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, AMM observes the investment policies, limitations and restrictions of the clients for which it advises.

Clients may place specific restrictions on this authority. Investment guidelines and restrictions must be provided to AMM in writing. AMM reserves the right to accept or refuse such restrictions.



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

AMM votes proxies for private client accounts. Clients may retain such duties upon request.

AMM outsources proxy voting to ISS Governance. Clients may obtain a copy of ISS Governance's complete proxy voting policies and procedures upon request. Clients may also obtain information from AMM about how any proxies were voted on behalf of their account(s).

### **Item 18 – Financial Information**

AMM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and, therefore, does not need to include a balance sheet with this brochure. AMM has never been the subject of a bankruptcy petition.