WESPAC Advisors SoCal, LLC
d/b/a: Stonemark Wealth Management

201 S. Lake Avenue
Suite 509
Pasadena, CA 91101

Telephone: 626-304-9888
Facsimile: 626-467-4322

www.stonemarkwealth.com

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FORM ADV PART 2A
BROCHURE

This brochure provides information about the qualifications and business practices of Stonemark Wealth Management. If you have any questions about the contents of this brochure, contact us at 626-304-9888. 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 Stonemark Wealth Management is available on the SEC's website at www.adviserinfo.sec.gov.

Stonemark Wealth Management is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 3, 2023, we have made the following material change:

- We have amended Item 11, *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*, to reflect our firm's current policies for personal securities transactions. We have also updated this Item to indicate that Stonemark Wealth Management does not engage in principal or agency cross transactions.

Item 3 Table Of Contents

Item 4 Advisory Business

Description of Services and Fees
WESPAC Advisors SoCal, LLC dba Stonemark Wealth Management is a federally registered investment adviser headquartered in Pasadena, California. We are organized as a limited liability company under the laws of the State of California. Peter P. Chen and Wade S. Perry are the firm's principal owners. Currently, we offer investment management services which are personalized to each individual client.

Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Stonemark Wealth Management and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

Investment Management Services
Stonemark Wealth Management provides continuous and regular investment supervisory services on a discretionary basis. We work with clients and have the ongoing responsibility to select and/or make recommendations, based upon the objectives of the client, as to specific securities or other investments.

Stonemark Wealth Management will primarily utilize the following investment types when making investment purchases in client accounts:

- Equity securities, such as stocks and foreign securities listed on US exchanges (ADRs) and/or foreign exchanges (ordinaries)
- Fixed income securities, such as U.S. government securities, municipal securities, corporate bonds, commercial paper, and certificates of deposit (CDs)
- Securities with equity and debt characteristics, including convertible bonds, preferred stocks or other preferred securities
- Mutual funds
- Exchange traded funds (ETFs)
- Covered call options

Stonemark Wealth Management primarily utilizes model portfolios that are customized for clients through allocation changes. Our firm may occasionally utilize additional types of investments, other than those listed above, if they are appropriate to address the individual needs, goals, and objectives of the client or in response to client inquiry. Stonemark Wealth Management may offer investment advice on any investment held by the client at the start of the advisory relationship. We describe the material investment risks for many of the securities that we utilize under the heading *Specific Security Risks* in *Item 8* below.

We discuss our discretionary authority below under *Item 16 - Investment Discretion*. For more information about the restrictions clients can put on their accounts, see *Tailored Services and Client Imposed Restrictions* in this item below.

We describe the fees charged for investment management services below under *Item 5 - Fees and Compensation*.

As part of our Investment Management Services, we may, in our sole discretion, provide clients with financial planning and/or general consulting services at no additional fee.

We may also offer, on a limited basis and depending on client circumstances, non-discretionary portfolio management services. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Limitations on Investments
In some circumstances, Stonemark Wealth Management's advice may be limited to certain types of securities.

- *Limitation by Plan Sponsor/Employer* -In the event Stonemark Wealth Management is managing assets within a retirement plan such as 401(k), 403(b), or other employer plan, Stonemark Wealth Management is limited to those investment providers and investment options chosen by the plan administrator. Similarly, when we provide services to participants in an employer-sponsored plan, the participant may be limited to investing in securities included in the plan's investment options. Therefore, Stonemark Wealth Management can only make recommendations to the client from among the available options, and will not recommend or invest the client's account in other securities, even if there may be better options elsewhere.
- *Limitation by Issuer* - In the event Stonemark Wealth Management is managing assets within an annuity, Stonemark Wealth Management is limited to those investment options made available by the insurance company.
- *Limitation by Client* - Stonemark Wealth Management may also limit advice based on certain client-imposed restrictions. For more information about the restrictions clients can put on their accounts, see *Tailored Services and Client Imposed Restrictions* in this Item below.

Selection of Other Advisers
In some circumstances, we may recommend that you use the services of a third party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The TPMM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. If you've engaged us for discretionary portfolio management services, we will assume discretionary authority to hire and fire TPMM(s) and/or reallocate your assets to other TPMM(s) where we deem such action appropriate.

Non-Managed Assets
With respect to investment management services, Stonemark Wealth Management will only be responsible for the supervision and management of securities or third-party money manager we recommend. Stonemark Wealth Management will not be responsible for the supervision or management of non-managed assets. Non-managed assets may include securities held in a client's account that is under management with Stonemark Wealth Management that were:

- Delivered into the account by the client;
- Purchased by the client;
- Purchased by Stonemark Wealth Management at the request of the client as an accommodation; or
- Designated by the client to be non-managed securities by written notification.

Tailored Services and Client Imposed Restrictions
Stonemark Wealth Management manages client accounts based on the investment strategy the client chooses, as discussed below under *Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss*. Stonemark Wealth Management applies the selected strategy for each client, based on the client’s individual circumstances and financial situation. We make investment decisions for clients based on information the client supplies about their financial situation, goals, and risk tolerance. Our investment selections may not be suitable if the client does not provide us with accurate and complete information. It is the client’s responsibility to keep Stonemark Wealth Management informed of any changes to their investment objectives or restrictions.

Clients may also request other restrictions on the account, such as when a client needs to keep a minimum level of cash in the account or does not want Stonemark Wealth Management to buy or sell certain specific securities or security types in the account. Stonemark Wealth Management reserves the right to not accept and/or terminate management of a client’s account if we feel that the client-imposed restrictions would limit or prevent us from meeting or maintaining the client’s investment strategy.

Consulting Services
In limited circumstances, Stonemark Wealth Management may provide financial consulting services that involve advising clients on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation. Financial consulting services may be offered as either one-time or ongoing services, as indicated in the Financial Consulting Agreement you execute with our firm.

Financial Planning Services
Stonemark Wealth Management offers financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a plan to you, designed to help you achieve your stated financial goals and objectives.

With respect to clients who have engaged our firm's portfolio management services, we may provide consultative or modular financial planning on specific topics selected by the client. This service is provided at the client's request and the fee for such services is included in the client's portfolio management fee.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

If you have not engaged us for discretionary portfolio management services, you are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

General - Advisory Services to Retirement Plans and Plan Participants
As disclosed above, we offer various levels of advisory and consulting services to employee benefit plans ("Plan") and to the participants of such plans ("Participants"). Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a description of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan and the compensation that we receive for such services are described above, and in the service agreement that you sign with our firm. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants unless we are retained under a separate engagement. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

In providing services to the Plan and Participants, our status is that of an investment adviser registered under the Investment Advisers Act of 1940, and we are not subject to any disqualifications under Section 411 of ERISA. To the extent we perform fiduciary services, we are acting as a fiduciary of the Plan as defined in Section 3(21) and/or Section 3(38) under ERISA. The agreement you sign with our firm will clearly identify our firm's fiduciary status.

Sub-Advisory Services to Registered Investment Advisers
Stonemark Wealth Management offers sub-advisory services to another investment adviser (the "Primary Investment Adviser"). As part of these services, Stonemark Wealth Management will manage assets for select clients of the Primary Investment Adviser on a discretionary basis. The Primary Investment Adviser is responsible for selecting the clients for whom Stonemark Wealth Management

manages assets, and for managing the client relationships for the clients for which Stonemark Wealth Management provides sub-advisory services. Stonemark Wealth Management charges a sub-advisory fee to the Primary Investment Adviser and the Primary Investment Adviser is responsible for billing the clients.

Wrap Fee Programs
Stonemark Wealth Management does not manage accounts as part of a wrap or bundled fee program.

Assets Under Management
As of December 31, 2022, we provide continuous management services for $365,812,474 in client assets on a discretionary basis, and $140,815 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Investment Management Services
Stonemark Wealth Management charges advisory fees for investment management services. Stonemark Wealth Management's advisory fees for Discretionary investment management services are charged based on a percentage of the market value of the portfolio, per the following schedule:

Assets Under Management	Annual Fee
First $1MM	1.25%
Next $1MM	1.15%
Next $1MM	1.05%
Next $2MM	0.95%
$5MM +	0.85%

Stonemark Wealth Management's annual fee for Non-discretionary investment management services is 1.50% based on a percentage of the market value of the portfolio.

Some accounts may be under different fee schedules honoring prior agreements. Our standard fee schedule may be negotiable based on a number of factors, which include but are not limited to "grandfathered" accounts, related accounts, and other structures that we may consider in special situations. We may also enter into arrangements where we receive compensation in the form of fixed and/or hourly fees, rather than a percentage of assets under management. All terms of the advisory engagement will be evidenced in a written agreement.

Billing
Stonemark Wealth Management's advisory fees are payable quarterly in advance at the beginning of each calendar quarter. We charge one fourth of the annual fee each quarter based on the market value of the client's portfolio as of the last day of the prior calendar quarter. The formula used for the calculation is as follows: (Annual Rate) x (Total Assets Under Management at Quarter-End) / 4. In some limited cases, clients may be subject to a different fee methodology and/or billing cycle, as specified in the agreement signed by the client.

For new client accounts, only the first deposit is a pro-rata calculation that takes into consideration the number of days remaining in the quarter and the initial value of the portfolio. For advisory fee calculation purposes, a calendar quarter is a period beginning on January 1, April 1, July 1, or October

1 and ending on the day before the next quarter. For new accounts, the initial fee is prorated from the date of acceptance by Stonemark Wealth Management through the end of the quarter. The first prorated billing will depend on the date of acceptance and the number of days remaining in the quarter. Please refer to your investment advisory agreement for additional information regarding your first prorated billing.

Valuations are provided to Stonemark Wealth Management from the underlying custodian by direct download from the custodian and/or client statements. In the event that Stonemark Wealth Management does not receive a price from the client's custodian, we will value the security in a manner determined in good faith by us to reflect its fair market value.

It is up to the client whether they wish to have the advisory fees withdrawn directly from their custodian account or pay by check. With client authorization, Stonemark Wealth Management will automatically withdraw Stonemark Wealth Management's advisory fee from the client's account held by an independent custodian. Typically, the custodian withdraws advisory fees from the client's account during the first month of each quarter based on Stonemark Wealth Management's instruction. All clients will receive brokerage statements from the custodian no less frequently than quarterly. The custodian statement will show the deduction of the advisory fee for those clients who authorize the advisory fees to be withdrawn directly from their custodian account. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

Stonemark Wealth Management will send an invoice to all clients who choose not to have advisory fees withdrawn directly from their custodian account. The invoice is payable upon receipt and will include the fee calculation and amount due.

Other Fees and Expenses
Stonemark Wealth Management's fees do not include custodian fees. Clients pay all brokerage commissions and other transactional charges from the assets in the account. These charges are in addition to the fees client pays to Stonemark Wealth Management. See *Item 12 - Brokerage Practices* below for more information on the factors that Stonemark Wealth Management considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Mutual Fund Share Classes

Mutual funds are sold with different share classes. Share classes are described in the mutual fund's prospectus. Generally, mutual funds will only be purchased at net asset value when that fund is available at net asset value to the client. Stonemark Wealth Management will conduct an initial assessment prior to purchase to determine whether clients are purchasing the most beneficial mutual fund share classes available. As a fiduciary, Stonemark Wealth Management will conduct an initial share class assessment when a mutual fund is purchased, a new advised account is opened with mutual funds in the account, or upon receipt of mutual funds into the client's advised account. Stonemark Wealth Management will convert mutual fund share classes to more beneficial share classes, when available and if such conversion is in the client's best interest. Note: due to contingent deferred sale charges (CDSC), also known as back-end sales loads, it may not be in the client's best interest to liquidate mutual funds with such charges. Conversely, from time to time, some mutual fund companies may allow for the free exchange of one share class to another less expensive share class.

In addition, any mutual fund shares held in a client's account may be subject to deferred sales charges, 12b-1 fees, early redemption fees, and other fund-related expenses. The fund's prospectus fully describes the fees and expenses. All fees paid to Stonemark Wealth Management for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds.

Mutual funds pay advisory fees to their managers, which are indirectly charged to all holders of the mutual fund shares. Consequently, clients with mutual funds in their portfolios are effectively paying both Stonemark Wealth Management and the mutual fund manager for the management of their assets.

A client could invest in a mutual fund directly, without using our services. In that case, the client would not receive the services we provide, which include assisting the client in determining which mutual fund or funds we feel are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the advisory fees we charge to understand the total amount of fees the client will pay and evaluate the advisory services we provide accordingly.

Selection of Other Advisers

Advisory fees charged by TPMMs are separate and apart from our advisory fees. Assets managed by TPMMs will be included in calculating our advisory fee, which is based on the fee schedule set forth above. Advisory fees that you pay to the TPMM, if applicable, are established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure and take into consideration the TPMM's fees along with our fees to determine the total amount of fees associated with this program.

You may be required to sign an agreement directly with the recommended TPMM(s). You may terminate your advisory relationship with the TPMM according to the terms of your agreement with the TPMM. You should review each TPMM's brochure for specific information related to the TPMM's fees and how you may terminate your advisory relationship with the TPMM and how you may receive a refund, if applicable. You should contact the TPMM directly for questions regarding your advisory agreement with the TPMM. Fees paid to a TPMM are separate and apart from fees paid to us.

Consulting Services

Stonemark Wealth Management's consulting services, if offered, are billed on an hourly or fixed-fee basis, as detailed in the agreement a client signs with Stonemark Wealth Management.

Financial Planning Services

Stonemark Wealth Management charges an hourly or fixed fee for financial planning services, which depends on the complexity and scope of the plan, the client's financial situation, and objectives. The specific fee to which a client is subject will be identified on the agreement the client signs with our firm. Fees are payable as invoiced. Stonemark Wealth Management does not require you to pay fees six or more months in advance. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to the client, less a pro rata charge for bona fide financial planning services rendered to date.

Sub-Advisory Services

Stonemark Wealth Management charges a fixed fee of 30 basis points for its sub-advisory services. Stonemark Wealth Management provides an invoice to the Primary Investment Adviser, who pays Stonemark Wealth Management directly.

Termination

Either party may terminate the advisory agreement at any time by providing written notice to the other party. The client may terminate the agreement at any time by writing Stonemark Wealth Management at our office; however, termination will only be effective when a properly executed notice of termination is actually received by Stonemark Wealth Management.

Stonemark Wealth Management will refund any prepaid, unearned advisory fees based on the effective date of termination, using the following formula: *(Fees Paid) / (Total number of Days in Quarter) X (Days Remaining in Quarter).*

Other Compensation
Stonemark Wealth Management does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Stonemark Wealth Management and/or Associated Persons of Stonemark Wealth Management may receive commissions from the recommendation and sale of insurance products. This practice does present a conflict of interest and gives Stonemark Wealth Management and its Associated Persons an incentive to recommend such products based on the compensation received rather than on a client's needs. Clients are under no obligation to use such insurance products and have the option to purchase the same products through unaffiliated firms or agents. Commissions do not provide primary or exclusive compensation as Stonemark Wealth Management is paid primarily by its investment advisory fees. Our advisory fees are not reduced or offset by such commissions.

Additional Fees and Expenses
As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this brochure.

Compensation for the Sale of Securities or Other Investment Products
Persons providing investment advice on behalf of our firm may be registered representatives with The Leaders Group, Inc., a non-affiliated registered broker-dealer and member of the Financial Industry Regulation Authority ("FINRA"). Additionally, persons providing investment advice on behalf of our firm may be licensed as independent insurance agents.

In these capacities as registered representatives and/or insurance agents, these persons will receive commission-based compensation in connection with the purchase and sale of securities and/or insurance products. Compensation earned by these persons in their capacities as registered representatives and/or insurance agents is separate and in addition to our advisory fees. These outside business activities present a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives and/or insurance agents may have an incentive to effect securities and/or insurance transactions for the purpose of generating commissions. However, you are under no obligation, contractually or otherwise, to purchase securities and/or insurance products through any person affiliated with our firm.

Item 6 Performance-Based Fees and Side-By-Side Management

Stonemark Wealth Management does not charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 Types of Clients

Stonemark Wealth Management provides discretionary investment advisory services to individuals, high net worth individuals, trusts and estates, pension and profit sharing plans, and individual participants of retirement plans.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

General Investment Strategies
Stonemark Wealth Management engages in various types of analysis and research to assist in formulating investment advice for clients through the strategies that Stonemark Wealth Management manages. We utilize fundamental research obtained through Standard & Poor's, William O'Neil, Argus, and Schwab, among others. We also use technical research obtained through Dorsey, Wright & Associates, one of the primary proponents of point & figure charting, a type of technical analysis that looks at the movements of security prices on charts. The synthesis of these types of analysis help us decide in which securities we want to invest based on their overall valuation levels and growth stories. In addition, it also helps us to determine price targets, good entry points for various securities, areas of relative strength in the financial markets, and proper price levels to set stop loss points in portfolios where we may to engage in risk management.

Methods of Analysis for Selecting Securities
Stonemark Wealth Management uses a combination of fundamental and technical analysis in the selection of individual securities. Additionally, Stonemark Wealth Management may occasionally employ a covered call strategy with existing equity holdings.

- **Fundamental Analysis**- Fundamental analysis typically involves analysis of corporate financial statements, management presentations, specialized research publications, and general news sources. *Risk:* The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- **Technical Analysis**-Stonemark Wealth Management may utilize technical analysis that involves the use of patterns in performance charts. Stonemark Wealth Management uses this technique to search for patterns in an effort to predict favorable conditions for buying and/or selling a security. *Risk:* The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.
- **Covered Call Strategy** - A covered call is an option strategy whereby the investor holds a position in a stock and writes (sells) call options on that same stock in an attempt to generate increased income from the stock. Stonemark Wealth Management sometimes employs covered calls when we have a short-term neutral view on the stock, and for this reason hold the stock long, and simultaneously hold a short position via the option to generate income from the option premium. *Risk:* Options are complex investments and can be very risky; however, we utilize the least risky option strategy since our clients own the underlying stock.
- **Put Writing Strategy** - Writing puts is an option strategy whereby the investor writes (sells) put

options on stocks in an attempt to generate additional income. Stonemark Wealth Management sometimes employs writing puts when we have a short-term neutral to bullish view on the stock, and simultaneously hold a short position via the option to generate income from the option premium. *Risk:* Options are complex investments and can be very risky; however, there may be room for the strategy in more conservative portfolios.

Investing Involves Risk
Investing in securities always involves the risk that you will lose money. Before investing in the securities markets, clients should be prepared to bear that risk. Over time, a client's account value will fluctuate. At any time, your assets may be worth more or less than the amount you invested. As with any investment strategy, there is no guarantee that our strategies will be successful. Stonemark Wealth Management makes no guarantees or promises that our market analysis will be accurate or the investment strategies we use will be successful.

Stonemark Wealth Management exercises our discretionary authority to invest in securities that we believe are appropriate for the client, based on our understanding of the client's risk tolerance and investment objectives. We have generally summarized below what we feel are relevant risks broadly relating to the types of securities we primarily invest in for client accounts; however, securities may be subject to additional risks that are specific to that security or issuer, and we cannot and do not attempt to cover all risks that clients may be exposed to within their portfolios.

Specific Security Risks
<u>General Risks of Owning Securities</u>
The prices of securities held in client accounts and the income they generate may decline in response to certain events taking place around the world. These include events directly involving the issuers of securities in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations may also affect security prices and income.

Mutual Funds (Open-end Investment Company)
A mutual fund is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase.

The benefits of investing through mutual funds include:

- **Professionally Managed** - Mutual funds are professionally managed by investment advisers who research, select, and monitor the performance of the securities the fund purchases.
- **Diversification** - Mutual funds typically have the benefit of diversification, which is an investing strategy that generally sums up as "Don't put all your eggs in one basket." Spreading investments across a wide range of companies and industry sectors can help lower the risk if a company or sector fails. Some investors find it easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds.
- **Affordability** - Some mutual funds accommodate investors who do not have a lot of money to invest by setting relatively low dollar amounts for initial purchases, subsequent monthly purchases, or both.
- **Liquidity** - Generally, mutual fund investors can readily redeem their shares at the current NAV, less any fees and charges assessed on redemption. Less frequently, some mutual funds

have the option to redeem shares using the underlying stocks in the fund's portfolio, or may delay redemption for a defined period.

Mutual funds also have features that some investors might view as disadvantages:

- **Costs Despite Negative Returns** - Mutual funds pay operating and other expenses from fund assets regardless of how the fund performs, which are indirectly charged to all holders of the mutual fund shares. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive. This includes instances where the fund went on to perform poorly after purchasing shares.
- **Lack of Control** - Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.
- **Price Uncertainty** - With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

When it comes to investing in mutual funds, investors have literally thousands of choices. Most mutual funds fall into one of three main categories; money market funds, bond funds (also called "fixed income" funds), and stock funds (also called "equity" funds). Each type has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss.

<u>Money Market Funds</u> - Money market funds have relatively low risks, compared to other mutual funds (and most other investments). By law, they can invest in only certain high quality, short-term investments issued by the U.S. Government, U.S. and foreign corporations, state and local governments, and bank issued certificates of deposit. Money market funds try to keep their net asset value (NAV), which represents the value of one share in a fund, at a stable $1.00 per share. However, the NAV may fall below $1.00 if the fund's investments perform poorly. Investor losses have been rare, but they are possible. Money market funds pay dividends that generally reflect short-term interest rates, and historically the returns for money market funds have been lower than for either bond or stock funds. That is why "inflation risk," the risk that inflation will outpace and erode investment returns over time, can be a potential concern for investors in money market funds.

<u>Bond Funds</u> **-** Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields. Unlike money market funds, the SEC's rules do not restrict bond funds to high quality or short-term investments. Because there are many different types of bonds, bond funds can vary dramatically in their risks and rewards. Some of the risks associated with bond funds include:

- Credit Risk - There is a possibility that companies or other issuers may fail to pay their debts (including the debt owed to holders of their bonds). Consequently, this affects mutual funds that hold these bonds. Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury Bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- Interest Rate Risk - There is a risk that the market value of the bonds will go down when interest rates go up. Because of this, investors can lose money in any bond fund, including those that invest only in insured bonds or U.S. Treasury Bonds. Funds that invest in longer-term

bonds tend to have higher interest rate risk.

- Prepayment Risk -Issuers may choose to pay off debt earlier than the stated maturity date on a bond. For example, if interest rates fall, a bond issuer may decide to “retire” its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

Stock Funds - A stock fund’s value can rise and fall quickly (and dramatically) over the short term. Overall “market risk” poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services. Not all stock funds are the same.

Tax Consequences of Mutual Funds - When investors buy and hold an individual stock or bond, the investor must pay income tax each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax until the investor actually sells and makes a profit. Mutual funds are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund’s capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit that cannot be offset by a loss.

Exchange-Traded Funds (ETFs)
An ETF is a type of Investment Company (usually, an open-end fund or unit investment trust) containing a basket of stocks. Typically, the objective of an ETF is to achieve returns similar to a particular market index, including sector indexes. An ETF is similar to an index fund in that it will primarily invest in securities of companies that are included in a selected market. Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETFs trade throughout the day on an exchange. Like stock mutual funds, the prices of the underlying securities and the overall market may affect ETF prices. Similarly, factors affecting a particular industry segment may affect ETF prices that track that particular sector.

Leveraged & Inverse ETFs **-** Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark they track. Some leveraged ETFs are “inverse” or “short” funds, meaning that they seek to deliver the opposite of the performance of the index or benchmark they track. Some funds are both short and leveraged, meaning that they seek to achieve a return that is a multiple of the inverse performance of the underlying index. Most leveraged and inverse ETFs “reset” daily, meaning that they are designed to achieve their stated objectives on a daily basis. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. This effect is magnified by the use of leverage. Therefore, inverse and leveraged ETFs that are reset daily typically are unsuitable for retail investors who plan to hold them for longer than one trading session, particularly in volatile markets. Stonemark Wealth Management may make use of leveraged inverse ETFs as a hedge for clients with significant exposure to a particular asset class, such as equities, and may hold these securities for longer than a few days at a time. We may choose a leveraged inverse ETF rather than an unleveraged inverse ETF because it allows us to allocate less capital to the hedge. There is uncertainty about the effectiveness of using a leveraged inverse ETF as a hedge over a long holding period.

Equity Securities
Equity securities represent an ownership position in a company. Equity securities typically consist of common stocks. The prices of stocks and the income they generate (such as dividends) may fluctuate based on events specific to the company that issued the shares, conditions affecting the general economy and overall market changes, changes or weakness in the business sector the company does business in, and other factors. Further, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices.

There may be little trading in the secondary market for particular equity securities, which may adversely affect the ability to dispose of those equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of equity securities.

<u>Small Capitalization Equity Securities</u> - Investing in smaller companies may pose additional risks as it is often more difficult to dispose of small company stocks, more difficult to obtain information about smaller companies, and the prices of their stocks may be more volatile than stocks of larger, more established companies. Clients should have a long-term perspective and, for example, be able to tolerate potentially sharp declines in value.

<u>Options</u> - Options may involve certain costs and risk such as liquidity, interest rate, market, credit, and the risk that a position could not be closed when most favorable. Stonemark Wealth Management does not invest in “naked” options, which can cause the investor to lose more than the amount invested. Stonemark Wealth Management may sell “covered” options in an effort to produce income for the client’s account. Selling covered call options may place a limit on upside gains, while selling put options may result in the purchase of a security at a price higher than the current market price.

Debt Securities (Bonds)
Issuers use debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond’s maturity, the greater its interest rate risk. Certain additional risk factors relating to debt securities include:

- Reinvestment Risk - When interest rates are declining, investors have to reinvest their interest income and any return of principal, whether scheduled or unscheduled, at lower prevailing rates.
- Inflation Risk - Inflation causes tomorrow’s dollar to be worth less than today’s; in other words, it reduces the purchasing power of a bond investor’s future interest payments and principal, collectively known as “cash flows.” Inflation also leads to higher interest rates, which in turn leads to lower bond prices.
- Interest Rate and Market Risk -Debt securities may be sensitive to economic changes, political and corporate developments, and interest rate changes. Investors can also expect periods of economic change and uncertainty, which can result in increased volatility of market prices and yields of certain debt securities. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices.
- Call Risk - Debt securities may contain redemption or call provisions entitling their issuers to

redeem them at a specified price on a date prior to maturity. If an issuer exercised these provisions in a lower interest rate market, the account would have to replace the security with a lower yielding security, resulting in decreased income to investors. Usually, a bond is called at or close to par value. This subjects investors that paid a premium for their bond to a risk of lost principal. In reality, prices of callable bonds are unlikely to move much above the call price if lower interest rates make the bond likely to be called.

- Credit Risk - If the issuer of a debt security defaults on its obligations to pay interest or principal or is the subject of bankruptcy proceedings, the account may incur losses or expenses in seeking recovery of amounts owed to it.
- Liquidity and Valuation Risk - There may be little trading in the secondary market for particular debt securities, which may affect adversely the account's ability to value accurately or dispose of such debt securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of debt securities.

It may be possible to reduce the risks described above through diversification of the client's portfolio and by credit analysis of each issuer, as well as by monitoring broad economic trends and corporate and legislative developments, but there can be no assurance that we will be successful in doing so. Credit ratings for debt securities provided by rating agencies reflect an evaluation of the safety of principal and interest payments, not market value risk. The rating of an issuer is a rating agency's view of past and future potential developments related to the issuer and may not necessarily reflect actual outcomes. There can be a lag between the time of developments relating to an issuer and the time a rating is assigned and updated.

Bond rating agencies may assign modifiers (such as +/-) to ratings categories to signify the relative position of a credit within the rating category. Unless we state otherwise, clients should include any security within that category without considering the modifier when reading their investment policies based on ratings categories.

Obligations Backed by the "Full Faith and Credit" of the U.S. Government - U.S. government obligations include the following types of securities:

- U.S. Treasury Securities - U.S. Treasury securities include direct obligations of the U.S. Treasury, such as Treasury bills, notes, and bonds. For these securities, the U.S. government unconditionally guarantees the payment of principal and interest, resulting in the highest possible credit quality. Fluctuations in interest rates subject U.S. Treasury securities to variations in market value. However, they are paid in full when held to maturity.
- Federal Agency Securities - Certain U.S. government agencies and government-sponsored entities guarantee the timely payment of principal and interest with the backing of the full faith and credit of the U.S. government. Such agencies and entities include The Federal Financing Bank (FFB), the Government National Mortgage Association (Ginnie Mae), the Veterans Administration (VA), the Federal Housing Administration (FHA), the Export-Import Bank (Exim Bank), the Overseas Private Investment Corporation (OPIC), the Commodity Credit Corporation (CCC) and the Small Business Administration (SBA).

<u>Municipal Bonds - </u>Municipal bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk. Investing in municipal bonds carries risk unique to these types of bonds, which may include:

- Legislative Risk - Legislative risk includes the risk that a change in the tax code could affect the value of taxable or tax-exempt interest income.
- Tax-Bracket Changes - Municipal bonds generate tax-free income, and therefore pay lower interest rates than taxable bonds. Investors who anticipate a significant drop in their marginal income tax rate may benefit from the higher yield available from taxable bonds.
- Liquidity Risk - The risk that investors may have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit rating downgraded or bonds sold by an infrequent issuer. Municipal bonds may be less liquid than other bonds.
- Credit Risk - Credit risk includes the risk that a borrower will be unable to make interest or principal payments when they are due and therefore default. To reduce investor concern, insurance policies that guarantee repayment in the event of default back many municipal bonds.

Inflation-indexed Bonds and Interest Rate-indexed Bonds **-** Stonemark Wealth Management may invest for client accounts in inflation-indexed bonds issued by governments, their agencies or instrumentalities and corporations. The principal amount of an inflation-indexed bond adjusts to changes in the level of the consumer price index. In the case of U.S. Treasury inflation-indexed bonds, the U.S. Government guarantees the repayment of the original bond principal upon maturity (as adjusted for inflation). Therefore, the principal amount of such bonds cannot fall below par even during a period of deflation. However, the current market value of these bonds is not guaranteed and will fluctuate, reflecting the rise and fall of yields.

In certain jurisdictions outside the United States, there is no guarantee on the repayment of the original bond principal upon the maturity of an inflation-indexed bond. This causes the amount of the bond repaid at maturity to be less than par. The interest rate for inflation-indexed bonds is fixed at issuance as a percentage of this adjustable principal. Accordingly, the actual interest income may both rise and fall as the principal amount of the bonds adjusts in response to movements of the consumer price index. For example, typically interest income would rise during a period of inflation and fall during a period of deflation.

Treasury Inflation Protected Securities (TIPS) **-** Treasury Inflation Protected Securities (TIPS) are inflation-indexed securities structured to remove inflation risk. TIPS principal increases with inflation and decreases with deflation, as measured by the Consumer Price Index. Upon maturity, the TIPS investor receives the adjusted principal or original principal, whichever is greater. TIPS pay fixed-rate interest twice per year, applied to the adjusted principal. Consequently, interest payments also rise with inflation and fall with deflation.

Securities with Equity and Debt Characteristics
Some securities have a combination of equity and debt characteristics. These securities may at times behave more like equity than debt or vice versa. Some types of convertible bonds, preferred stocks or other preferred securities automatically convert into common stocks or other securities at a stated conversion ratio and some may be subject to redemption at the option of the issuer at a predetermined price. These securities, prior to conversion, may pay a fixed rate of interest or a dividend. Because convertible securities have both debt and equity characteristics, their values vary in response to many factors, including the values of the securities into which they are convertible, general market and economic conditions, and convertible market valuations, as well as changes in interest rates, credit spreads and the credit quality of the issuer.

These securities may include hybrid securities, which also have equity and debt characteristics. Such securities are normally at the bottom of an issuer's debt capital structure. As such, they may be more sensitive to economic changes than more senior debt securities. Investors may also view these securities as more equity-like by the market when the issuer or its parent company experience financial problems.

The prices and yields of nonconvertible preferred securities or preferred stocks generally move with changes in interest rates and the issuer's credit quality, similar to the factors affecting debt securities. Nonconvertible preferred securities may be treated as debt for account investment limit or asset allocation purposes.

Preferred Stocks - Preferred stock is a class of ownership in a corporation that has a higher claim on the assets and earnings than common stock. Preferred stock generally has a dividend that must be paid out before dividends to common stockholders. In addition, preferred shares usually do not have voting rights. Each preferred offering is structured specific to the issuing corporation's needs. Preferred shareholders have priority over common stockholders on earnings and assets in the event of liquidation and they have a fixed dividend (paid before common stockholders), but investors must weigh these positives against the negatives, including giving up their voting rights and less potential for appreciation.

Convertible Bonds - Convertible securities generally offer lower interest or dividend yields than non-convertible fixed-income securities of similar credit quality because of the potential for capital appreciation. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, the market value of a convertible security also tends to reflect the market price of the common stock of the issuing company, particularly when that stock price is greater than the convertible security's "conversion price." The conversion price is the predetermined price or exchange ratio at which the convertible security can be converted or exchanged for the underlying common stock.

Real Estate Investment Trusts (REIT)

Securities issued by real estate investment trusts (REITs) primarily invest in real estate or real estate-related loans. Equity REITs own real estate properties, while mortgage REITs hold construction, development and/or long-term mortgage loans. Changes in the value of the underlying property of the trusts, the creditworthiness of the issuer, property taxes, interest rates, tax laws, and regulatory requirements, such as those relating to the environment all can affect the values and liquidity of REITs. Both types of REITs are dependent upon management skill, the cash flows generated by their holdings, the real estate market in general, and the possibility of failing to qualify for any applicable pass-through tax treatment or failing to maintain any applicable exemptive status afforded under relevant laws.

Investing Outside the U.S.

Although we limit foreign investments to mutual funds and ETFs that hold foreign securities, the risks of foreign investing still apply to the underlying portfolios of funds. Investing outside the United States may involve additional risks of foreign investing. These risks may include currency controls and fluctuating currency values, and different accounting, auditing, financial reporting, disclosure, and regulatory and legal standards and practices. Additional factors may include changing local, regional, and global economic, political, and social conditions. Further, expropriation, changes in tax policy, greater market volatility, different securities market structures, and higher transaction costs can be contributors to greater risk. Finally, various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends can also lead to additional risk.

Investments in developing countries can further heighten the risks described above. A developing country may be in the earlier stages of its industrialization cycle with a low per capita gross domestic product ("GDP") and a low market capitalization to GDP ratio relative to those in the United States and the European Union. Historically, the markets of developing countries have been more volatile than the markets of developed countries. Stonemark Wealth Management may invest client accounts in securities of issuers in developing countries only to a limited extent.

Developing countries may have less developed legal and accounting systems. The governments of these countries may be more unstable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or impose punitive taxes that could adversely affect security prices. In addition, the economies of these countries may be dependent on relatively few industries that are more susceptible to local and global changes. Securities markets in these countries are also relatively small and have substantially lower trading volumes. As a result, securities issued in these countries may be more volatile and less liquid than securities issued in countries with more developed economies or markets.

An account's investment activities outside the United States could lead to additional costs. Brokerage commissions may be higher outside the United States, and the account will bear certain expenses in connection with its currency transactions. Furthermore, increased custodian costs may be associated with maintaining assets in certain jurisdictions.

In determining the domicile of an issuer, Stonemark Wealth Management will consider the domicile determination of a leading provider of global indexes, such as Morgan Stanley Capital International, and may take into account such factors as where the company lists its securities, where the company is legally organized, and where it maintains principal corporate offices, and/or conducts its principal operations. The account may purchase and sell currencies to facilitate securities transactions.

American Depository Receipts (ADR) **-** An ADR is a security that trades on U.S. exchanges but represents a specified number of shares in a foreign corporation. Investors buy and sell ADRs on American markets just like regular stocks. Some banks and brokerage firms issue/sponsor ADRs. ADRs are subject to additional risks of investing in foreign securities, including, but not limited to, less complete financial information available about foreign issuers, less market liquidity, more market volatility, and political instability. In addition, currency exchange-rate fluctuations affect the U.S. dollar-value of foreign holdings.

Some ADRs and ordinary shares of foreign securities pay dividends, and many foreign countries impose dividend withholding taxes up to 30%. Depending on a custodian's ability to reclaim any withheld foreign taxes on dividends, taxable accounts may be able to recoup a portion of these taxes by use of the foreign tax credit. However, tax-exempt accounts, to the extent they pay any foreign withholding taxes, may not be able to utilize the foreign tax credit. Therefore, investors may be unable to recover any foreign taxes withheld on dividends of foreign securities or ADRs.

Global Depositary Receipt (GDR) **-** A GDR is a certificate that represents an ownership interest in the ordinary shares of the stock of a company, but marketed outside of the company's home country to increase its visibility in the world market and to access a greater amount of investment capital in other countries. Depositary receipts are structured to resemble typical stocks on the exchanges that they trade so that foreigners can buy an interest in the company without worrying about differences in currency, accounting practices, or language barriers, or be concerned about the other risks in investing in foreign stock directly.

Cash and Cash Equivalents
Cash and cash equivalents are the most liquid of investments. Cash and cash equivalents are considered very low-risk investments, meaning there is little risk of losing the principal investment.

Typically, low risk also means low return and the interest an investor can earn on this type of investment is low relative to other types of investing vehicles.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers may begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Item 9 Disciplinary Information

As a registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Stonemark Wealth Management or the integrity of Stonemark Wealth Management's management. Stonemark Wealth Management and our personnel seek to maintain the highest level of business professionalism, integrity, and ethics. Stonemark Wealth Management does not have any disciplinary information to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Registered Representatives of Unaffiliated Broker-Dealer

Persons providing investment advice on behalf of our firm may be registered representatives of The Leaders Group, Inc., a non-affiliated registered broker-dealer and member of the Financial Industry Regulation Authority ("FINRA"). In their capacity as registered representatives, these persons may receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives may have a financial incentive to effect securities transactions. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Dual Registration as Insurance Agency
Stonemark Wealth Management is also licensed as an insurance broker or agency in California, doing business as WSPC Insurance Services, LLC. Associated Persons of Stonemark Wealth Management may be licensed as insurance agents of WSPC Insurance Services, LLC. WSPC Insurance Services, LLC and its agents may sell insurance products to advisory clients of Stonemark Wealth Management and receive commissions on the sale of insurance products. The insurance commissions are separate from, and in addition to, any advisory fees that a client may pay to Stonemark Wealth Management for investment advisory services. This presents a conflict of interest because Stonemark Wealth Management/Associated Persons may have an incentive to recommend insurance products as a result of the commission. Clients are under no obligation to act on any insurance recommendations or place any transactions through these insurance agents if they decide to follow their recommendations.

Third-Party Advisers
Stonemark Wealth Management may recommend other investment advisers based on the client's investment objectives and financial situation, and the other investment adviser's management style. The third-party investment advisers we refer to clients must maintain proper and current licensing/registration, as applicable to each adviser. Depending on our agreement with the third-party manager, Stonemark Wealth Management may receive a percentage of the management fees they charge to the clients we refer.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Description of Our Code of Ethics
Stonemark Wealth Management believes that we owe clients the highest level of trust and fair dealing. As part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. Stonemark Wealth Management has adopted a Code of Ethics that emphasizes the high standards of conduct that Stonemark Wealth Management seeks to observe. Stonemark Wealth Management's personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in our Code of Ethics.

Stonemark Wealth Management's Code of Ethics attempts to address specific conflicts of interest that either we have identified or that could likely arise. Stonemark Wealth Management's personnel are required to follow clear guidelines from the Code of Ethics in areas such as gifts and entertainment, other business activities, prohibitions of insider trading, and adherence to applicable federal securities laws. Additionally, individuals who formulate investment advice for clients, or who have access to nonpublic information regarding any clients' purchase or sale of securities (all considered "Access Persons"), are subject to personal trading policies governed by the Code of Ethics. We also maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, nonpublic information about you or your account holdings by persons associated with our firm.

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

Aggregation with Client Orders
Stonemark Wealth Management may aggregate orders for clients in the same securities in an effort to seek best execution, negotiate more favorable commission rates, and/or allocate differences in prices, commissions, and other transaction costs equitably among our clients. These are benefits of aggregating orders that we might not obtain if we placed those orders independently.

Stonemark Wealth Management may aggregate trades in like securities among client accounts as well as with accounts of Stonemark Wealth Management and Access Persons, as described in the policies below. Aggregation presents a conflict of interest as we may have an incentive to allocate more favorable executions to our own accounts or the accounts of our Access Persons. Our policies to address this conflict are as follows:

1. We will disclose our aggregation policies in this brochure;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for our clients. The trade also needs to be consistent with the terms of our investment advisory agreement with each client that has an account included in the aggregation;
3. We will not favor any account over any other account. This includes accounts of Stonemark Wealth Management or any of our personnel. Each account in the aggregated order will participate at the average share price for all of our transactions in a given security on a given business day (per custodian). All accounts will pay their individual transaction costs;
4. Before entering an aggregated order, we will prepare a written statement (the "Allocation Statement") specifying the participating accounts and how we intend to allocate the order among those accounts;
5. If the aggregated order is filled entirely, we will allocate shares among clients according to the Allocation Statement; if the order is partially filled, we will allocate it pro-rata according to the Allocation Statement.
6. However, we may allocate the order differently than specified in the Allocation Statement if all client accounts receive fair and equitable treatment. (See also *Item 12 – Brokerage Practices* below) In this case, we will explain the reasons for a different allocation in writing, which the CCO must approve no later than one hour after the opening of the markets on the trading day following the day the order was executed;
7. Our books and records will separately reflect each aggregated order and the securities held by, bought, and sold for each client account;
8. Funds and securities of clients participating in an aggregated order will be deposited with one or more qualified custodians. Clients' cash and securities will not be held collectively any longer than is necessary to settle the trade on a delivery versus payment basis. Following settlement, cash or securities held collectively for clients will be delivered out to the qualified custodian as soon as practical;
9. We do not receive additional compensation or remuneration of any kind as a result of aggregating orders; and
10. We will provide individual investment advice and treatment to each client's account.

Personal Trading Practices
Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Participation or Interest in Client Transactions
Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Item 12 Brokerage Practices

Factors Considered in Selecting Broker-Dealers for Client Transactions
Stonemark Wealth Management requires clients to open one or more custodian accounts in their own name at a qualified custodian. For clients in need of brokerage or custodial services, Stonemark Wealth Management recommends the use of Schwab Advisor Services™, a division of Charles Schwab & Co., Inc. (“Schwab”), TD Ameritrade Institutional, a division of TD Ameritrade, Inc. (“TD Ameritrade”), or Fidelity Clearing & Custody Solutions, a division of Fidelity Brokerage Services, LLC ("Fidelity"), registered broker-dealer(s), Members SIPC.

The Charles Schwab Corporation completed an acquisition of TD Ameritrade Holding Corporation in the fall of 2020, but TD Ameritrade is currently continuing to operate separately and is expected to do so until some time in late 2023. At this time the benefits and disadvantages of this business combination for our clients remain uncertain. Changes in the breadth and quality of services offered as the businesses are integrated could lead us to change our recommendation to current and/or prospective clients as to which firm to use for brokerage and custodial services if we believe it is in a client’s best interest to use a different firm in the future. Any transition could involve additional paperwork for existing clients.

Stonemark Wealth Management also requires that clients grant us limited power of attorney to execute client transactions through their custodian. Stonemark Wealth Management is independently owned and operated, and unaffiliated with any broker-dealer/custodian.

Stonemark Wealth Management considers several factors in recommending a broker-dealer/custodian to a client. Factors that Stonemark Wealth Management may consider when recommending a broker-dealer/custodian may include ease of use, reputation, service execution, pricing and financial strength. Stonemark Wealth Management may also take into consideration the availability of the products and services received or offered (detailed below) by Fidelity, TD Ameritrade or Schwab.

Research and Soft Dollar Benefits
Stonemark Wealth Management does not have any soft dollar arrangements.

Economic Benefits
Through Fidelity, Schwab and TD Ameritrade, Stonemark Wealth Management has access to tools and research that may benefit our clients, including Fidelity and Schwab’s equity research, Credit Suisse, Standard & Poor’s, First Call, Argus, and Ned Davis. All three custodians provide access to various investment products, such as mutual funds and mutual fund families, as well as their own in-house mutual fund research. Due to our relationships with Fidelity, Schwab and TD Ameritrade, we are often able to qualify for third party discounts to various products and services, including discounts on Zephyr Style Advisor and Morningstar products.

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge. The custodians we recommend do not make client brokerage commissions generated by client transactions available for our firm's use. The research and brokerage services mentioned above are used for all accounts managed by our firm.

As part of our fiduciary duty to our clients, we endeavor at all times to put the interests of clients first. Clients should be aware, however, that the receipt of economic benefits by our firm is a conflict of interest and may indirectly influence our firm's choice of the custodian we recommend to our clients. Stonemark Wealth Management believes the custodial firms we recommend serve our clients' best interests based on the services provided, despite this conflict of interest, and we believe we meet our duty to seek best execution. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although Stonemark Wealth Management seeks competitive rates to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client accounts.

Products & Services Available to Us From Fidelity
We have entered into an agreement with Fidelity to provide clearing and custody services for our clients. As part of this relationship, Stonemark Wealth Management receives access to a full array of proprietary and third-party investment offerings from Fidelity, spanning alternatives, structured products, separately managed accounts and mutual funds. We also receive comprehensive technology integration, training and support. We believe these services generally benefit all of our clients who custody their assets at Fidelity. In addition, we receive access to investment research provided by Fidelity, which we use to service all or a substantial number of our client accounts, including those accounts not maintained at Fidelity.

Based on Stonemark Wealth Management's commitment to custody a certain level of client assets at Fidelity, Fidelity has agreed to provide additional economic benefits to our firm which may or may not be available to other independent advisors who engage Fidelity for custodial services. This additional economic support includes reimbursement to clients for a certain amount of account termination fees they may incur at a current custodian in order to transfer their accounts to Fidelity. In addition, we will be reimbursed for a certain amount of transition expenses we incur to move client accounts to Fidelity during the first 12 months of our relationship with Fidelity. Fidelity has also agreed to waive commissions for our client accounts, under certain circumstances, for 90 calendar days from the start of our relationship with them. Given these additional economic benefits provided to us by Fidelity, Stonemark Wealth Management has an incentive to recommend the custodial services of Fidelity to clients. This is a conflict of interest. As part of its fiduciary duties to clients, Stonemark Wealth Management endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Stonemark Wealth Management or its related persons in and of itself creates a conflict of interest and may indirectly influence Stonemark Wealth Management’s choice of Fidelity for custody and brokerage services.

Products & Services Available to Us From Schwab
Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like ours. They provide Stonemark Wealth Management and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis and at no charge to us as long as we maintain a total of at least $10 million of our clients’ assets in accounts at Schwab.

Services that Benefit Client
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 generally benefit clients or their account(s).

Services that May Not Directly Benefit Clients
Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). 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 may use this research to service all or some 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:

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

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

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Products & Services Available to Us From TD Ameritrade
As disclosed above, Stonemark Wealth Management participates in TD Ameritrade's institutional customer program and Stonemark Wealth Management may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Stonemark Wealth Management's participation in the program and the investment advice it gives to its Clients, although Stonemark Wealth Management receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Stonemark Wealth Management participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Stonemark Wealth Management by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Stonemark Wealth Management's related persons. Some of the products and services made available by TD Ameritrade through the program

may benefit Stonemark Wealth Management but may not benefit its Client accounts. These products or services may assist Stonemark Wealth Management in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Stonemark Wealth Management manage and further develop its business enterprise. The benefits received by Stonemark Wealth Management or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Stonemark Wealth Management endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Stonemark Wealth Management or its related persons in and of itself creates a conflict of interest and may indirectly influence the Stonemark Wealth Management's choice of TD Ameritrade for custody and brokerage services.

Directed Brokerage
Clients who direct Stonemark Wealth Management to use a particular broker-dealer for all trading may pay higher commission charges. Under these circumstances, Stonemark Wealth Management may not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. Clients should further understand that when they direct Stonemark Wealth Management to use a specific broker disparity in transaction charges might exist between the transaction costs charged to other clients. Stonemark Wealth Management may not be able to aggregate orders to reduce transaction costs and clients who direct Stonemark Wealth Management to use a particular broker-dealer may receive less favorable prices.

Aggregation and Allocation of Transactions
We describe our aggregation practices in detail under *Item 11 - Aggregation with Client Orders* above.

Trade Errors
In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade correction results in a gain, proceeds may be donated to charity, consistent with applicable procedures implemented by your account custodian.

Item 13 Review of Accounts

Managed Account Reviews
We manage portfolios on a continuous basis and generally review all positions in client accounts at least quarterly. We offer account reviews to clients on a quarterly/semiannual/ an annual basis. Clients may choose to receive reviews in person, by telephone, or in writing. A Portfolio Manager conducts all reviews based on a variety of factors. These factors may include but are not limited to stated investment objectives, economic environment, outlook for the securities markets, and the merits of the securities in the accounts.

In addition, we may conduct a special review of an account based on one or more of the following:

1. A change in the client's investment objectives, guidelines and/or financial situation;
2. Changes in federal or state legislation or regulation;
3. Political events; or
4. Mergers, rating agency changes or corporate restructurings.

Account Reporting
Each client receives a written statement from the custodian that includes an accounting of all holdings and transactions in the account for the reporting period. In addition, Stonemark Wealth Management

provides quarterly written reports, which typically include the following information: portfolio value at the beginning and end of the quarter, contributions, withdrawals, realized capital gains and losses, interest, dividends, management fees, and time-weighted rates of return for the quarter and year to date.

Item 14 Client Referrals and Other Compensation

Schwab/TD Ameritrade/Fidelity Support Products and Services

We receive an economic benefit from Schwab/TD Ameritrade in the form of the support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at Schwab/TD Ameritrade/Fidelity. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*). We do not base particular investment advice, such as buying particular securities for our clients, on the availability of Schwab's/TD Ameritrade's products and services to us.

TD Ameritrade AdvisorDirect Program

Stonemark Wealth Management previously participated in the TD Ameritrade AdvisorDirect program, whereby we received client referrals from TD Ameritrade, Inc.. While we no longer participate in the program and no longer receive new client referrals, we continue to compensate TD Ameritrade pursuant to the terms of the program, for existing clients who were originally referred to us as part of the AdvisorDirect program. Such compensation is a portion of the advisory fees received by Stonemark Wealth Management for referred clients, not to exceed 25% of the total fee.

Referrals

From time to time, Stonemark Wealth Management enters into written agreements with certain individuals and entities who will act as solicitors (or will provide compensated endorsements or testimonials under SEC Rule 206(4)-1), collectively "Referrers", for Stonemark Wealth Management. The individual or entity who refers the client account will receive a portion of the total fee paid to Stonemark Wealth Management for managing the account. If an unaffiliated Referrer introduces a client to Stonemark Wealth Management, that Referrer will disclose the nature of their relationship with Stonemark Wealth Management at the time of the referral. In addition, the Referrer will provide each prospective client with disclosure disclosing the terms and conditions of the arrangement between Stonemark Wealth Management and the Referrer, including any applicable compensation the Referrer will receive from Stonemark Wealth Management. Any affiliated Referrer of Stonemark Wealth Management will disclose the nature of the relationship to prospective clients at the time of the referral and will provide all prospective clients with a copy of this brochure.

Other Referrals

Stonemark Wealth Management may refer clients to unaffiliated professionals for a variety of services such as mortgage brokerage, real estate sales, estate planning, legal, and/or tax/accounting services. In turn, these professionals may refer clients to Stonemark Wealth Management. Stonemark Wealth Management does not receive any monetary compensation for referring our clients to unaffiliated professionals. However, it could be concluded that Stonemark Wealth Management is receiving an indirect economic benefit from this practice as the relationships are mutually beneficial and there could be incentive to recommend services of those who refer clients to Stonemark Wealth Management. Clients are under no obligation to purchase any products or services through these professionals.

Item 15 Custody

Stonemark Wealth Management has limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities. Clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of our fee.

Clients should carefully review the account statements they receive from the qualified custodian. When clients receive statements from Stonemark Wealth Management as well as from the qualified custodian, they should compare these two reports carefully. Clients with any questions about their statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us.

Asset Transfer and/or Standing Letter of Authorization

Stonemark Wealth Management, or persons associated with the firm, may affect asset/fund transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization ("SLOA"). An adviser with authority to conduct such third party asset/fund transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

Based on an SEC no-action letter, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. Client provides a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. Client authorizes us, in writing, to direct transfers to the third party either on a specified schedule or from time to time;
3. Client's qualified custodian verifies the authorization (e.g., signature review) and provides a transfer of funds notice to client promptly after each transfer;
4. Client can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Client's qualified custodian sends client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

Item 16 Investment Discretion

Stonemark Wealth Management has full discretion to decide the specific security to trade, the quantity, and the timing of transactions for client accounts. Stonemark Wealth Management will not contact clients before placing trades in their account, but clients will receive confirmations directly from the broker for any trades placed. Clients grant us discretionary authority in the contracts they sign with us. Clients also give us trading authority over their accounts when they sign the custodian paperwork.

However, certain client-imposed conditions may limit our discretionary authority, such as where the client prohibits transactions in specific security types or directs Stonemark Wealth Management to execute transactions through specific broker-dealers. See also *Tailored Services and Client Imposed Restrictions* under *Item 4* and *Item 12 – Brokerage Practices*, above.

In limited circumstances, we may allow clients to establish a non-discretionary relationship with us. If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

Proxy Voting

Stonemark Wealth Management generally votes client securities (proxies) on behalf of our clients. When Stonemark Wealth Management accepts such responsibility, we will only cast proxy votes in a manner consistent with the best interest of our clients. Absent special circumstances, which we fully describe in our Proxy Voting Policies and Procedures, we will vote all proxies within the guidelines we established and describe in our Proxy Voting Policies and Procedures, as we may amend from time-to-time. Clients may contact us at any time, at the principal office and place of business indicated on the cover page of this brochure, to request information about how we voted your proxies for your securities or to get a copy of our Proxy Voting Policies and Procedures.

A brief summary of our Proxy Voting Policies and Procedures is as follows:

1. We make every effort to vote shares in the best interests of clients and the value of their investment.
2. Absent special circumstances, our policy is to exercise our proxy voting discretion according to written pre-determined proxy voting guidelines ("Proxy Voting Guidelines"). The Proxy Voting Guidelines are applicable to the voting of domestic and global proxies.
3. For securities purchased for clients by third-party advisers, Stonemark Wealth Management typically delegates proxy voting responsibility to the asset managers, in which case the asset manager's proxy voting policy will usually govern the voting of those securities.
4. Stonemark Wealth Management may subscribe to the services of unaffiliated third party proxy vendors that provide written vote recommendations/guidelines, proxy voting, and administrative and record-keeping assistance.
5. Clients typically may not direct our vote for a particular solicitation in cases where Stonemark Wealth Management has proxy voting responsibility.
6. In cases where sole proxy voting authority rests with Stonemark Wealth Management for plans governed by ERISA, Stonemark Wealth Management will vote proxies in accordance with our Proxy Voting Guidelines unless the plan's governing documents outline otherwise, subject to the fiduciary responsibility standards of ERISA.
7. If Stonemark Wealth Management becomes aware of any type of potential or actual conflict of interest relating to a proxy proposal, Stonemark Wealth Management will promptly document the conflict and may handle the conflict in a number of ways depending on the type and materiality. The method selected by Stonemark Wealth Management will depend upon the facts and circumstances of each situation, and the requirements of applicable laws, and will always be handled in the client's best interests.
8. Stonemark Wealth Management may also choose not to vote proxies in certain situations or for certain accounts; for example, (1) where a client has retained the right to vote the proxies; (2) where Stonemark Wealth Management deems that the cost of voting the proxy would exceed any anticipated benefit to the client, or (3) where a proxy is received for a client account that has been terminated.

Class Actions

Stonemark Wealth Management does not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies us that they wish to participate in a class action, we will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

Item 18 Financial Information

Registered investment advisers are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition. Stonemark Wealth Management does not require the prepayment of more than $1,200 in fees per client, six months or more in advance, does not have or foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 Requirements for State-Registered Advisers

This item is not applicable; Stonemark Wealth Management is a federally registered firm.