

**SEMUS WEALTH PARTNERS, LLC**

**PART 2A - APPENDIX 1**

**WRAP FEE PROGRAM BROCHURE**

**March 24, 2024**

**Item 1 – Cover Page**

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This wrap fee program brochure provides information about the qualifications and business practices of Semus Wealth Partners, LLC. If you have any questions regarding the contents of this brochure, please do not hesitate to contact our Chief Compliance Officer Helen J. Semus by phone at 561.465.7550 or by email at [helen@semuswp.com](mailto:helen@semuswp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Semus Wealth Partners, LLC is a registered investment advisor. Registration with the United States Securities and Exchange Commission (“SEC”) or any state securities authority does not imply a certain level of skill or training. Additional information about Semus Wealth Partners, LLC (CRD#305758) and its advisory person, is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**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 the client and provide the client with a description of the material changes.

Since the last update of this document, which was dated March 7, 2023, we have no material change to report.

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## Item 4 Services, Fees, and Compensation

The Semus Wealth Wrap Program (the “Program”) is an investment advisory program sponsored by Semus Wealth Partners, LLC (“Semus Wealth” or the “Firm”). Semus Wealth is owned by Helen J. Semus.

This Brochure describes the Program offered by Semus Wealth as defined under Rule 204-3(g)(4) of the Investment Advisers Act of 1940. Certain sections also discuss the activities of the Firm’s Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Semus Wealth’s behalf and is subject to the Firm’s supervision or control.

In addition to the Program, the Firm offers a variety of advisory services, which include financial planning, consulting, and investment management services under different arrangements than those described herein. Information about these services is contained in the Firm’s Disclosure Brochure, which appears as Part 2A of the Firm’s Form ADV.

### Description of the Program

The Program is offered as a wrap fee program, which provides clients with portfolio management services of Semus Wealth with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered as any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts.

Prior to receiving services through the Program, clients are required to enter into a written agreement with Semus Wealth setting forth the relevant terms and conditions of the advisory relationship (the “Agreement”). Clients must also open a new securities brokerage account and complete a new account agreement with Schwab Advisor Services (“Schwab”), or another broker-dealer that Semus Wealth approves under the Program (collectively “Financial Institutions”).

At the onset of the Program, clients complete an investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, Semus Wealth assists its clients in developing an appropriate strategy for managing their assets. Clients’ investment portfolios are generally managed on a discretionary basis by either Semus Wealth’s investment advisor representatives or an independent investment manager (“Independent Managers”), as recommended or selected by Semus Wealth. Semus Wealth and/or the Independent Managers generally allocate clients’ assets among the various investment products available under the Program, as described further in Item 6 (below).

Semus Wealth will recommend clients engage the Firm for additional related services or its Supervised Persons in their individual capacities as insurance agents and/or other professionals to implement its recommendations. A conflict of interest exists if clients engage Semus Wealth to provide additional services for compensation. Clients retain discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Semus Wealth under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify Semus Wealth of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, and revising Semus Wealth’s recommendations and/or services.

**Fees**

Investment management services are offered through the Program on a fee basis, meaning that clients pay a single annualized fee based upon the value of the assets under management (the “Program Fee”). The annual Program Fee is up to 2% of the assets under management that is agreed upon with each client and set forth in a written agreement executed by Semus Wealth and the client. The Program Fee is prorated and charged monthly (or quarterly if an Independent Manager is used), in advance, based upon the value of the assets under management (including cash and cash equivalents) on the last day of the previous month or quarter. Factors to determine the annual fee may be based on, shall include, but not limited to, the size and nature of the relationship, the services rendered, the nature and complexity of the investments involved, time commitments, travel requirements, and utilization of Independent Managers.

A portion of the Program Fee paid to Semus Wealth is used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients’ portfolios, as well as the fees charged by the Independent Managers engaged to provide services under the Program. Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients’ accounts, the size of the accounts, and the securities used to construct a portfolio, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs. Semus Wealth does not charge its clients higher advisory fees based on their trading activity, but clients should be aware that Semus Wealth may have an incentive to limit its trading activities in client accounts because Semus Wealth is charged for executed trades.

**Other Charges**

Clients may incur certain charges imposed by third parties in addition to the Program Fee such as charges imposed directly by a mutual fund, exchange-traded fund (“ETF”) or close end fund (“CEF”) in the account, which is disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), ticket charges associated with certain client-directed accommodations trades, fees for alternative assets, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, fees for trades executed away from the custodian, and other fees and taxes on brokerage accounts and securities transactions.

**Payment of Fees**

Semus Wealth generally deducts its Program Fee from a client’s investment account(s) held at his/her custodian. Upon engaging Semus Wealth to manage such account(s), a client grants Semus Wealth this limited authority through a written instruction to the custodian of his/her account(s). The fee generally is billed in advance on a monthly (or quarterly if an Independent Manager is used) basis, except that certain 401k plans generally are billed in arrears.

**Compensation for Recommending the Program**

Semus Wealth is the sponsor and portfolio manager of the Program. Semus Wealth has no internal arrangements in place whereby Supervised Persons recommending the Program are entitled to receive additional compensation as a result of clients’ participation in the Program.

**Item 5 Account Requirements and Types of Clients**

Semus Wealth offers investment advisory services to individuals, high net worth individuals, families, family offices, estates, trusts, businesses, charitable foundations, and retirement/profit-sharing plans.

Accounts in the Program may be subject to a minimum annual Program Fee at the discretion of Semus Wealth management. Additionally, certain Independent Managers may impose more restrictive account requirements and varying billing practices than Semus Wealth. In such instances, Semus Wealth may alter its corresponding account requirements and/or billings practices to accommodate those of the Independent Managers. Accounts in the Program may be subject to a minimum annual advisory fee at the discretion of Semus Wealth management.

## **Item 6 Portfolio Manager Selection and Evaluation**

### **A. Methods of Analysis, Investment Strategies, and Risk of Loss**

#### **Methods of Analysis and Risk of Loss**

The first step in Semus Wealth's investment strategy is getting to know the clients – to understand their financial condition, risk profile, investment goals, tax situation, liquidity constraints – and assemble a complete picture of their financial situation. To aid in this understanding, Semus Wealth typically offers clients financial planning that is highly customized and tailored. This comprehensive approach is integral to the way that Semus Wealth does business. Once Semus Wealth has a true understanding of its clients' needs and goals, the investment strategy development process can begin, and the Firm can recommend strategies and investments that it believes are aligned with the clients' goals and risk profile.

Overall investment strategies recommended to each client emphasize long term ownership of a diversified portfolio of marketable and non-marketable investments intended to provide superior after-tax, inflation-adjusted, economic returns. At times, Semus Wealth may also buy and sell positions that are more short-term in nature, depending on the goals of the client and/or the fundamentals of the security, sector or asset class. Client portfolios with similar investment objectives and asset allocation goals may own different securities and investments. The client's portfolio size, tax sensitivity, desire for simplicity, income needs, long-term wealth transfer objectives, time horizon and choice of custodian are all factors that influence Semus Wealth's investment recommendations.

Client wealth advisors may invest client assets in mutual funds, ETFs, CEFs, individual stocks and bonds, options, alternative investment and Independent Managers offered by custodians and platform managers. Any mutual funds, ETFs, CEFs, alternative investments and Independent Managers not offered by a custodian or platform manager must be approved by the Semus Wealth Investment Committee.

As noted in Item 5 above, Semus Wealth's investment advisory fees generally are paid in advance. Upon the termination of a client's investment advisory relationship, Semus Wealth will issue a refund equal to any unearned management fee for the remainder of the billing period. The client may specify how he/she would like such refund issued (i.e., a check sent directly to the client or a check sent to the client's custodian for deposit into his/her account).

#### **Material Risks Involved**

The mutual funds, ETFs, CEFs and Independent Managers that the Firm frequently invests client assets with or recommends to clients generally own securities and therefore also involve the risk of loss that is inherent in investing in securities. The extent of the risk of ownership of fund shares generally depends on the type and number of securities held by the fund. Mutual funds invested in fixed income securities are subject to the same interest rate, inflation, and credit risks associated with the fund's underlying bond holdings. Fixed income securities may decrease in value as a result of many factors, for example, increases in interest rates or adverse developments with respect to the creditworthiness of the issuer. Risks also may be significantly increased if a mutual fund pursues an alternative investment strategy. An investment in an alternative mutual fund involves special risks such as risk associated with short sales, leveraging the investment, potential adverse market forces, regulatory changes, and potential illiquidity. Investing in alternative strategies presents the opportunity for

significant losses. Returns on mutual fund investments are reduced by management costs and expenses.

An ETF's risks include declining value of the securities held by the ETF, adverse developments in the specific industry or sector that the ETF tracks, capital loss in geographically focused funds because of unfavorable fluctuation in currency exchange rates, differences in generally accepted accounting principles, or economic or political instability, tracking error, which is the difference between the return of the ETF and the return of its benchmark and trading at a premium or discount, meaning the difference between the ETF's market price and net asset value ("NAV"). ETFs also are subject to the individual risks described in their prospectus. Although many mutual funds and ETFs may provide diversification, risks can be significantly increased if a mutual fund or ETF is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage to a significant degree, or concentrates in a particular type of security. One of the main advantages of mutual funds and ETFs is that they give individual investors access to professionally managed, diversified portfolios of equities, bonds and other securities.

Although the goal of diversification is to combine investments with different characteristics so that the risks inherent in any one investment can be balanced by assets that move in different cycles or respond to different market factors, diversification does not eliminate the risk of loss. In some circumstances, price movements may be highly correlated across securities and funds. A specific fund may not be diversified, and a client portfolio may not be diversified. Additionally, when diversification is a client objective, there is risk that the strategies that the Firm uses may not be successful in achieving the desired level of diversification. There is also risk that the strategies, resources, and analytical methods that the Firm uses to identify mutual funds and ETFs will not be successful in identifying investment opportunities.

Past performance of a security or a fund is not necessarily indicative of future performance or risk of loss. The following events also could cause mutual funds, ETFs, CEFs and other investments managed for clients, as well as those managed by external managers, to decrease in value:

- Market Risk: The price of an equity security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's or fund's underlying circumstances. For example, changes in political, economic and social conditions may trigger adverse market events.
- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Event Risk: An adverse event affecting a company or that company's industry could depress the price of a client's investments in that company's stocks or bonds. The company, government or other entity that issued bonds in a client's portfolio could become less able to, or fail to, repay, service or refinance its debts, or the issuer's credit rating could be downgraded by a rating agency. Adverse events affecting a country, including political and economic instability, could depress the value of investments in issuers headquartered or doing business in that country.
- Liquidity Risk: Securities that are normally liquid may become difficult or impossible to sell at an acceptable price during periods of economic instability or other emergency conditions. Some securities may be infrequently or thinly traded even under normal market conditions.
- Domestic and/or Foreign Political Risk: The events that occur in the U.S. relating to politics, government, and elections can affect the U.S. markets. Political events occurring in the home country of a foreign company such as revolutions, nationalization, and currency collapse can have an impact on the security.
- Inflation Risk: Countries around the globe may be more, or less, prone to inflation than the U.S. economy at any given time. Companies operating in countries with higher inflation rates may find it more difficult to post profits reflecting their underlying health.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the U.S. dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- **Reinvestment Risk:** This risk is that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Operational Risk:** Fund advisors and other ETF service providers may experience disruptions or operating errors such as processing errors or human errors, inadequate or failed internal or external processes, or systems or technology failures, that could negatively impact the ETF.
- **Regulatory/Legislative Developments Risk:** Regulators and/or legislators may promulgate rules or pass legislation that places restrictions on, adds procedural hurdles to, affects the liquidity of, and/or alters the risks associated with certain investment transactions or the securities underlying such investment transactions. Such rules/legislation could affect the value associated with such investment transactions or underlying securities.
- **Leverage:** Clients may borrow funds from brokerage firms, banks and other available sources in order to be able to increase the amount available for investment. In addition, clients may in effect borrow funds through entering into repurchase agreements, and may purchase or sell options, forwards and other derivative instruments. The amount of borrowings which clients may have outstanding at any time may be large in relation to their actual capital. Consequently, the rates at which clients can borrow will affect the profitability of the client's account. Leverage has the effect of magnifying both profits and losses compared with unleveraged positions.
- **Short-term borrowings:** In the event that the securities pledged to brokers to secure a client's margin account declines in value, the client could be subject to a "margin call" pursuant to which the client would either have to deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of a client's assets, the client may not be able to liquidate assets quickly enough to pay off its margin debt and the client may therefore also suffer additional significant losses as a result of its default.
- **Concentration of Investments:** From time to time, a significant portion of a client's account assets may be concentrated in a particular security, industry, or market. Should such security, industry, market or country become subject to adverse financial conditions, account assets shall not be afforded the protection otherwise available through greater diversification of investments.
- **Illiquid Securities:** Investments in hedge funds and other private investment funds may underperform publicly offered and traded securities because such investments:
  - Typically require investors to lock-up their assets for a period and may be unable to meet redemption requests during adverse economic conditions;
  - Have limited or no liquidity because of restrictions on the transfer of, and the absence of a market for, interests in these funds;
  - Are more difficult for to monitor and value due to a lack of transparency and publicly available information about these funds;
  - May have higher expense ratios and involve more inherent conflicts of interest than publicly traded investments; and
  - Involve different risks than investing in registered funds and other publicly offered and traded securities. These risks may include those associated with more concentrated, less diversified investment portfolios, investment leverage and investments in less liquid and non- traditional asset classes.

The discussion of risks above is not meant to be a complete description of all risks that clients may face. Clients should be prepared to bear the risks of their investments.

### **Unusual Risks of Specific Securities**

#### **Risk Associated with Initial Public Offerings**

Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of



the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of the company's shares.

### **Risks Associated with Closed-End Funds**

Closed-end funds typically use a high degree of leverage. There may be diversified or non-diversified. Risks associated with closed-end fund investments include liquidity risk, credit risk, volatility and the risk of magnified losses resulting from the use of leverage. Additionally, closed-end funds may trade below their net asset value.

### **Risks Associated with Structured Notes**

Complexity. Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied on the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with us.

Market risk. Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, or market volatility.

Issuance price and note value. The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold daily and thus may be difficult to value given their complexity.

Liquidity. The ability to trade or sell structured notes in a secondary market is often very limited as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on security exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note.

In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date, or risk selling the note at a discount to its value at the time of sale.

Credit risk. Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as

the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

### **Risks Associated with Options**

There are several risks that are unique to options trading that the client must be fully aware of before engaging SWP on options strategies. Options involve additional risk and are not suitable for all investors. The following is a list of some specific common risks to options trading but it is by no means intended to be an exhaustive list. Prior to adding an option strategy to an account, clients are required to understand the risks associated with the purchase or sale of options by reviewing the Options Clearing Corporation Publication: “The Characteristics & Risks of Standardized Options,” (<https://www.theocc.com/about/publications/publication-listing.jsp>).

Writing and buying options are speculative activities and entail investment exposures that are greater than their cost would suggest, meaning that a small investment in an option could have a substantial impact on performance. SWP’s use of call and put options can lead to losses because of adverse movements in the price or value of the underlying stock, index, or other asset, which may be magnified by certain features of the options. These risks are heightened when SWP uses options to enhance a client’s return or income. When selling a call or put option, a client will receive a premium; however, this premium may not be enough to offset a loss incurred by the client if the price of the underlying asset is above or below, respectively, the strike price by an amount equal to or greater than the premium. The value of an option may be adversely affected if the market for the option becomes less liquid or smaller, and will be affected by changes in the value or yield of the option’s underlying asset, an increase in interest rates, a change in the actual or perceived volatility of the stock market or the underlying asset and the remaining time to expiration. Additionally, the value of an option does not increase or decrease at the same rate as the underlying asset(s).

### **Assignment**

Writing a call or put in a position can lead to an assignment and involuntary transaction (i.e., “called away”), which cannot otherwise be avoided, upon an exercise of a call or put in the client account. In the case of a short call, an assignment can lead to a forced sale of the underlying security being held as collateral for the options trading, whether the security is held long in the portfolio (covered) or not (uncovered). Being short a put can lead to a forced purchase of the underlying security for which additional capital may have to be contributed to the account by the accountholder (i.e., “margin call”). Such involuntary sale and purchase transaction may occur at inopportune market times, which could result in losses to an account.

### **Losses and Limited Gains**

In the case of an option purchase (long call or long put), a client’s entire initial investment of premium can be lost. In the case of a covered option short sale (short call or short put), upside gains can be limited by the sale of a short call against an underlying stock position (see also Assignment risk above) and a forced purchase of stock can occur in the case of a short cash covered put sale. In the case of a naked call or put sale (a call with no underlying stock position and a put with no cash to cover the possibility of a forced stock purchase) there is the risk of unlimited loss in the call position and substantial loss in the put position.

### **Lack of Liquidity**

Some option markets are very thinly traded and highly illiquid, resulting in wide markets and limited trading opportunities. Should it be determined that an option trade will be attempted in such a market, there is the risk of a fill price that is either substantially higher (purchase) or substantially lower (sale) than mid-market. In addition, in such illiquid markets and despite best efforts there is the risk that no fill will occur at all for the intended order.

### **Other Options Risks**

There are various other risks associated with option positions. Options are complex derivative securities and should not be traded without full knowledge of all the factors affecting their value. These factors include changes

in implied volatility in the market that can cause an increase/decrease in the value of an option with no concurrent change in the underlying price of the stock. In addition, changes in the underlying stock dividend, time to expiration, market interest rates and other factors can affect the value of an option position.

### **Option Investment Strategy and Portfolio Management Risk**

There can be no assurance that an investment strategy will produce an intended result, which would result in losses to a client. It is generally recommended that the client only invest in options with risk capital.

### **Hedging with Options**

Hedging techniques involve one or more of the following risks: (i) imperfect correlation between the performance and value of the hedging instrument and the position being hedged; (ii) possible lack of a secondary market for closing out a position in such instruments; (iii) losses resulting from interest rate, spread or other market movements not anticipated by SWP; and (iv) the possible obligation to meet additional margin or other payment requirements, all of which could worsen the client's position. Furthermore, to the extent that any hedging strategy involves the use of derivatives instruments, such a strategy will be subject to the risks applicable to such instruments, including the effects of the implementation of the various regulations adopted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The Dodd-Frank Act has initiated a dramatic revision of the U.S. financial regulatory framework and consumer credit markets that is expected to continue to unfold over several years.

### **Use of Independent Managers**

Semus Wealth may select certain Independent Managers to manage a portion of its clients' assets. In these situations, Semus Wealth may conduct its own due diligence of such managers or rely on the diligence performed by platform managers or other service providers. The success of such recommendations relies to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Semus Wealth generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

### **Cybersecurity**

The computer systems, networks and devices used by Semus Wealth and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, human error, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

### **B. Voting Client Securities**

If authorized by clients, Semus Wealth does vote proxies and makes decisions with regard to corporate actions from applicable securities on behalf of the clients' advisory accounts. Clients can choose whether they want to receive informational copies of the proxy materials or corporation actions.

We will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for you. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from you, we will not base votes on social considerations.

In the event you wish to direct our firm on voting a particular proxy, you should contact our main office at the phone number on the cover page of this brochure with your instruction.

Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and nature of the conflict to you, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

We keep certain records required by applicable law in connection with our proxy voting activities. You may obtain information on how we voted proxies and/or obtain a full copy of our proxy voting policies and procedures by making a written or oral request to our firm.

If clients choose not to authorize Semus Wealth to vote proxies and take action on corporate actions, then Clients retain the responsibility for receiving and voting proxies for all and any securities maintained in a client portfolio. In most cases, the client will receive proxy materials directly from the account custodian. However, in the event Semus Wealth was to receive any written or electronic proxy materials, Semus Wealth would forward them directly to the client by mail or electronic mail.

### **C. Recommendation of Independent Managers**

Semus Wealth may recommend that clients use Independent Managers based on the client's needs and suitability. Semus Wealth does not receive separate compensation, directly or indirectly, from such external managers for recommending that clients use their services.

### **D. Performance-Based Fees and Side-by-Side Management**

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

### **Item 7 Client Information Provided to Portfolio Managers**

Semus Wealth may directly provide the portfolio management services for the Program. As such, Semus Wealth communicates with its portfolio managers on a regular basis as needed (daily, weekly, monthly, etc.) to ensure that each client's most current investment goals and objectives are communicated to and understood by the portfolio manager(s). Semus Wealth will communicate all relevant information as part of the Firm's regular investment management duties in order to ensure that clients' portfolio manager is aware of the

clients' particular objectives and act accordingly.

For clients participating in the Program where an Independent Manager is used, clients generally grant Semus Wealth the authority to discuss certain non-public information with the Independent Manager engaged to manage their accounts. Depending on the specific arrangement, the Firm may be authorized to disclose various personal information including, but not limited to: names, phone numbers, addresses, social security numbers, tax identification numbers, and account numbers. Semus Wealth may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the Independent Managers' investment decisions remain aligned with the Firm's clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

## **Item 8 Client Contact with Portfolio Managers**

There are no restrictions on clients' ability to correspond with Semus Wealth. For clients participating in the Program where an Independent Manager is used, clients can generally contact the Independent Manager(s) who manage their portfolios through Semus Wealth by providing the Firm with written request and identification of the questions or issues to be discussed with the Independent Manager(s). After receiving the client's written request, Semus Wealth, at its sole discretion, may contact the Independent Manager(s) for the client or arrange for the Independent Manager(s) and the client to communicate directly.

## **Item 9 Additional Information**

### **A. Disciplinary Information**

Registered investment advisors are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of the Firm advisory business or the integrity of the Firm's management. Semus Wealth has no information applicable to this item.

### **B. Other Financial Industry Activities and Affiliations**

#### **Registrations with Broker-Dealer**

Persons providing investment advice on behalf of our firm are registered representatives with Purshe Kaplan Sterling Investments ("PKS"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC). A Firm advisory person will implement securities transactions on a commission basis through PKS. In such instances, the advisory person will receive commission-based compensation in connection with the purchase and sale of securities, as well as a share of any ongoing distribution or service (trail) fees, including 12b-1 fees for the sale of investment company products. Compensation earned by the advisory person in his or her capacity as a registered representative is separate and independent from Semus Wealth's advisory fee. The receipt of such compensation by an advisory person presents a conflict of interest as an advisory person who is a registered representative will have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on client needs. To mitigate these conflicts, clients are under no obligation to purchase securities products through PKS or Firm advisory persons or otherwise engage such persons and may choose brokers or agents not affiliated with Semus Wealth or PKS. Moreover, these conflicts of interest are mitigated through this disclosure and the Firm's determination that any such recommendations made by advisory persons acting in their capacity as a registered representative with PKS are in the clients' best interests.

#### **Recommendation of Independent Managers**

Semus Wealth may recommend that clients use Independent Managers based on the client's needs and suitability.

Semus Wealth does not receive separate compensation, directly or indirectly, from such external managers for recommending that clients use their services. Semus Wealth does not have any other business relationships with the recommended Independent Managers.

### **License Insurance Agents**

A number of the Firm's advisory persons will be licensed insurance agents and will offer certain insurance products on a fully disclosed commissionable basis. A conflict of interest exists to the extent that Semus Wealth recommends the purchase of insurance products where its advisory persons will be entitled to insurance commissions or other additional compensation. Clients are under no obligation to purchase insurance products through any person affiliated with Semus Wealth. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

### **C. Code of Ethics, Participation or Interest in Client Transactions**

Semus Wealth has a Code of Ethics (the "Code") which requires Semus Wealth's employees ("supervised persons") to comply with their legal obligations and fulfill the fiduciary duties owed to the Firm's clients. Among other things, the Code of Ethics sets forth policies and procedures related to conflicts of interest, outside business activities, gifts and entertainment, compliance with insider trading laws and policies and procedures governing personal securities trading by supervised persons.

Personal securities transactions of supervised persons present potential conflicts of interest with the price obtained in client securities transactions or the investment opportunity available to clients. The Code addresses these potential conflicts by prohibiting securities trades that would breach a fiduciary duty to a client and requiring, with certain exceptions, supervised persons to report their personal securities holdings and transactions to Semus Wealth for review by the Firm's Chief Compliance Officer. The Code also requires supervised persons to obtain pre-approval of certain investments, including initial public offerings and limited offerings.

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

### **D. Brokerage Practices**

Semus Wealth generally recommends that its investment management clients custody their accounts/assets at unaffiliated broker/dealer custodians (a "BD/Custodian") with which Semus Wealth has an institutional relationship. Currently, this includes Schwab Advisor Services, a division of Charles Schwab & Co., Inc. ("Schwab"), which is a "Qualified Custodian" as that term is described in Rule 206(4)-2 of the Investment Advisers Act of 1940. Each BD/Custodian provides custody of securities, trade execution, and clearance and settlement of transactions placed by Semus Wealth. If your accounts are custodied at Schwab, Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to.

In deciding to recommend Schwab, some of the factors that Semus Wealth considers include:

- Trade order execution and the ability to provide accurate and timely execution of trades;
- The reasonableness and competitiveness of commissions and other transaction costs;
- Access to a broad range of investment products;
- Access to trading desks;
- Technology that integrates within Semus Wealth's environment, including interfacing with Semus Wealth's portfolio management system;
- A dedicated service or back office team and its ability to process requests from Semus Wealth on behalf of its clients;
- Ability to provide Semus Wealth with access to client account information through an institutional

website; and

- Ability to provide clients with electronic access to account information and investment and research tools.

Effective October 7, 2019, Schwab has eliminated commissions for online trades of U.S. equities, ETFs and options (subject to \$0.65 per contract fee). Semus Wealth encourages the client to review Schwab's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap arrangement. The client will still incur commissions and fees for certain types of transactions in a non-wrap fee arrangement. Please refer to Schwab's most recent pricing schedules available at [www.schwab.com/aspricingguide](http://www.schwab.com/aspricingguide).

Semus Wealth may place portfolio transactions through the BD/Custodian where the clients' accounts are custodied. In exchange for using the services of the BD/Custodian, Semus Wealth may receive, without cost, computer software and related systems support that allows Semus Wealth to monitor and service its clients' accounts maintained with such BD/Custodian.

Schwab also makes available to the Firm products and services that benefit the Firm but may not directly benefit the client or the client's account. These products and services assist us in managing and administering client accounts. They include investment research, both Schwab's own and that of third parties. Semus Wealth may use this research to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist 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 the Firm. 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. Schwab may also provide the Firm with other benefits such as occasional business entertainment of Firm personnel.

Semus Wealth will periodically review its arrangements with the BD/Custodian and other broker-dealers against other possible arrangements in the marketplace as it strives to achieve best execution on behalf of its clients. 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, but not limited to, the following:

- a broker-dealer's trading expertise, including its ability to complete trades, execute and settle difficult trades, obtain liquidity to minimize market impact and accommodate unusual market conditions, maintain anonymity, and account for its trade errors and correct them in a satisfactory manner;
- a broker-dealer's infrastructure, including order-entry systems, adequate lines of communication, timely order execution reports, an efficient and accurate clearance and settlement process, and capacity to

- accommodate unusual trading volume;
- a broker-dealer's ability to minimize total trading costs while maintaining its financial health, such as whether a broker-dealer can maintain and commit adequate capital when necessary to complete trades, respond during volatile market periods, and minimize the number of incomplete trades;
- a broker-dealer's ability to provide research and execution services, including advice as to the value or advisability of investing in or selling securities, analyses and reports concerning such matters as companies, industries, economic trends and political factors, or services incidental to executing securities trades, including clearance, settlement and custody; and
- a broker-dealer's ability to provide services to accommodate special transaction needs, such as the broker-dealer's ability to execute and account for client-directed arrangements and soft dollar arrangements, participate in underwriting syndicates, and obtain initial public offering shares.

As described above, Schwab provides to Semus Wealth, without cost, research and trade execution services. Semus Wealth has not entered into any formal "soft dollar" arrangements with broker-dealers.

Semus Wealth's clients may utilize qualified custodians other than Schwab for certain accounts and assets.

## **E. Review of Accounts**

### **Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Semus Wealth monitors investment advisory portfolios as part of a continuous and ongoing process. Semus Wealth client advisors have at least one annual meeting with each client to review the clients' accounts. These reviews may include the following:

- compare the account's allocation with stated goals and client cash-flows at time of review;
- review holdings and consider alternatives;
- monitor the size of individual securities relevant to their sectors, asset classes, and overall account size;
- analyze an account's composition and performance, income, appreciation, gains/losses, and asset allocation.

Accounts are also reviewed upon the occurrence of certain triggering events such as, but not limited to, receipt of additional assets, change in a client's financial condition, a significant change in the market environment, upon request by a client, or upon a request to liquidate or distribute a significant portion of the portfolio. Clients are encouraged to notify Semus Wealth if changes occur in the client's personal financial situation that might adversely affect the client's investment plan.

### **Other Reviews**

Semus Wealth may perform compliance and/or supervisory reviews of a sampling of client accounts. These reviews may include comparing an account's strategy and/or allocation to the account's stated objectives, reviewing commission and transaction costs borne by the account, and reviewing the billing rate and charges.

### **Content and Frequency of Regular Reports Provided to Clients**

Clients will receive brokerage statements no less than quarterly from the qualified custodian directly. Clients will also receive written confirmation of every securities transaction in their respective accounts from their custodian directly. The client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the client's account(s). The client advisor may also provide clients with periodic reports regarding their holdings, allocations, and performance.



## **F. Client Referrals and Other Compensation**

### **Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

Semus Wealth does not receive benefits from third parties for providing investment advice to clients.

### **Compensation to non-Supervised Persons for Client Referrals**

Semus Wealth has entered into referral arrangements in place with certain unaffiliated individuals that act as solicitors and may from time-to-time refer potential investors to Semus Wealth for investment management services. Each arrangement must be following Rule 206(4)-3 of the Investment Advisers Act. For each successful referral, Semus Wealth will pay to the solicitor a fee which represents a percentage of the investment management revenue that Semus Wealth charges and collects from the client. The length of each arrangement may vary. In all cases, Semus Wealth requires that potential clients be provided a copy of Semus Wealth's ADV 2A as well as the terms of the specific referral arrangement. The client is not charged the cost of the solicitation of his/her account(s), i.e. Semus Wealth does not charge a referred client investment advisory fees that are higher than its standard rates.

## **G. Financial Information**

### **Balance Sheet**

Semus Wealth does not require prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore does not need to include a balance sheet with this wrap fee program brochure.

### **Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Semus Wealth nor its management have any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to clients.

### **Bankruptcy Petitions in Previous Years**

Semus Wealth has not been the subject of a bankruptcy petition.

### **Item 10 Requirements for State-Registered Advisers**

Semus Wealth is a federally registered investment adviser; therefore, Semus Wealth is not required to respond to this item.