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## **Form ADV, Part 2A Firm Brochure**

**March 19, 2026**

This Firm Brochure (Brochure) provides information about the qualifications and business practices of Meritas Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (415) 300-4560, or by email at [Kacy@MeritasWealth.com](mailto:Kacy@MeritasWealth.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.

Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply that Meritas Wealth Management, LLC, or any person associated with Meritas Wealth Management, LLC has achieved a certain level of skill or training. Additional information about Meritas Wealth Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Meritas Wealth Management, LLC is 148565.

## ITEM 2: MATERIAL CHANGES

The purpose of this page is to inform you of material changes to our brochure. If you are receiving this brochure for the first time, this section may not be relevant to you.

Meritas Wealth Management, LLC (“Meritas”) reviews and updates our brochure at least annually to make sure that it remains current. Since our previous annual update in March 2025, we updated Item 5 to reflect that we have raised our annual minimum fee to \$10,000 from \$7,500. We have raised our maximum hourly rate to \$500 from \$350.

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## **Summary: About Meritas Wealth Management, LLC**

Meritas provides personalized, confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, and small businesses. Advice is provided through consultation with the client and may include determination of financial objectives and life goals, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Meritas is strictly a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. Meritas is not affiliated with entities that sell financial products or securities. No commissions or finder’s fees in any form are accepted.

Meritas does not act as a custodian of client assets. The client always maintains asset control. Meritas places trades for clients under a limited power of attorney. Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Known actual and potential conflicts of interest will be disclosed to the client.

More information regarding Meritas is found in the pages that follow. Additional information, including articles and newsletters prepared by Meritas advisors, as well as “Frequently Asked Questions,” can be found at [www.MeritasWealth.com](http://www.MeritasWealth.com).

## ITEM 4: ADVISORY BUSINESS

### Firm Description

Meritas Wealth Management, LLC, (“Meritas”) was founded in December 2008. Gregg E. Clarke, CFP® and Kenneth C. “Kacy” Gott, CFP® are the principal owners of the firm. Additionally, Tiffani R. Clarke holds a minority ownership interest.

### Fiduciary Duty

Registered investment advisers are considered fiduciaries under federal law. Our fiduciary duty carries with it an obligation to act in the best interest of our clients pursuant to a relationship of trust and confidence. It encompasses a *duty of care* and a *duty of loyalty*.

### *Duty of Care*

The duty of care includes, among other things:

1. the duty to provide advice that is in the best interest of the client;
2. the duty to seek best execution of a client’s transactions where the adviser has the responsibility to select broker-dealers to execute client trades; and
3. the duty to provide advice and monitoring over the course of the relationship.

The duty to provide advice suitable to each client based on a reasonable understanding of the client’s objectives is a critical component of the duty of care. Providing suitable advice includes making a reasonable inquiry into the client’s financial situation, investment experience, and financial goals and then updating this information as necessary throughout the course of the relationship to reflect the client’s changing objectives over time and adjusting the advice we provide to reflect any changed circumstances.

When Meritas has the responsibility to select broker-dealers to execute client trades in discretionary accounts, we seek to trade such that the client’s total cost or proceeds in each transaction are the most favorable under the circumstances. In doing so, we consider the full range and quality of a broker’s services and so the determinative factor is not necessarily the lowest possible commission cost but whether the transaction represents the best qualitative execution. Moreover, we periodically and systematically evaluate the execution we receive on behalf of our clients.

Our duty of care includes an obligation to provide advice and monitoring at a frequency that is in the best interest of the client, taking into account the scope of the agreed relationship. This scope is indicated by the duration and nature of the services as outlined in each client’s advisory arrangement and extends to all personalized advice provided to clients.

### *Duty of Loyalty*

Meritas adheres to a duty of loyalty where we seek to serve the best interests of our clients and never subordinate the interests of our clients to our own. Simply put, Meritas cannot place its own interests ahead of the interests of our clients. In observance of this duty, we must make full and fair disclosure to clients of all material facts relating to the advisory relationship. Further, we also seek to eliminate or at least expose through full and fair disclosure all conflicts

of interest which might incline Meritas, consciously or unconsciously, to render advice that is not disinterested. We believe that in order for disclosure to be full and fair, it should be sufficiently specific so that each client is able to understand the material fact or conflict of interest and make an informed decision whether to provide consent. Consequently, we provide this ADV 2A brochure to all prospective clients at or before entering into a contract so that they can use the information within to decide whether or not to enter into an advisory relationship.

## **Types of Advisory Services**

### **Asset Management**

Meritas creates an Investment Policy Statement (“IPS”) for each client. The IPS includes a ‘target’ model portfolio designed to reach the financial goals of the client within the acceptable risk tolerance and investment time frame established by the client. The creation of the IPS will be based upon the client’s stated investment objectives, risk tolerance, and financial circumstances. A model portfolio includes the percentage of each asset class allocation within the account, and the individual asset selection representing each asset class. To implement the client’s IPS, the asset allocation program will focus on investing client assets primarily in mutual funds, including index funds. Investments may also include exchange-traded funds (ETFs), and some individual equities and/or fixed-income positions, all subject to any client-imposed investment restrictions.

The percentage allocation in each asset class will be maintained through rebalancing the account when any asset classes become out of balance with the ‘target’ model portfolio by approximately 20 percent. This 20 percent rebalance ‘trigger’ is not automatic, however, and is subject to the discretion of Meritas based on the following circumstances: current market forces, client cash flow needs, client-directed positions/restrictions, and client tax situation. At no time will Meritas change the allocation percentage of asset classes in a client model portfolio without prior approval of the client. Meritas does retain the discretion, however, to change the individual asset selections when Meritas feels that an alternative asset would be a better choice for the client. This decision can be based on asset administration fees, performance, tax efficiency, or change in asset management personnel or style, or other circumstances.

### **Financial Planning**

Meritas provides advice in the form of a Financial Plan. Generally, clients purchase financial planning services in tandem with our asset management services. Clients receive a written financial plan providing the client with detailed analyses and recommendations designed in an effort to help them achieve their stated financial goals and objectives. In general, we seek to address all or part of the following areas in the financial plan:

- Goals and objectives
- Net worth
- Cash flow planning
- Tax planning review
- College funding

- Risk management and insurance planning
- Retirement planning
- Investment planning
- Estate planning

Meritas gathers information through in-depth personal interviews. Information gathered generally includes a client’s current financial status, future life goals, and attitudes towards risk. Related documents supplied by the client, including a questionnaire completed by the client, are carefully reviewed by Meritas, and a written report is prepared. Should a client choose to implement the recommendations contained in the plan, Meritas suggests the client work closely with his/her attorney, accountant, insurance agent, mortgage broker, and/or investment advisor. Implementation of financial plan recommendations is entirely at the client’s discretion. Clients may choose but are not required to have Meritas assist with financial plan implementation, including investment management services, for which Meritas receives additional compensation, as described below in ***Item 5 – Fees and Compensation***.

### Consulting

Additionally, Meritas provides advice on non-securities matters. This advice may include analysis of the insurance needs of the client, analysis of real estate currently owned or to be acquired by the client, and analysis of feasibility regarding the sale or the purchase of business concerns and other tangible assets.

### Tailored Relationships

In general, advisory services are tailored to meet the needs of individual clients. The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities. Agreements cannot be assigned without client consent.

## **Wrap Fee Programs**

Meritas does not manage accounts as part of a wrap fee or bundled program.

## **Assets Under Management**

Meritas manages client assets in discretionary accounts on a continuous and regular basis. As of December 31, 2025, the total amount of assets under our management was \$618,946,502.

## **ITEM 5: FEES AND COMPENSATION**

### **Types of Compensation**

#### Asset Management Fees

Meritas bases its asset management fees on a percentage of the client’s assets under management. The portfolio value of the assets is based on the market value of all securities and cash in the client’s accounts as of the last trading day of each calendar quarter. Meritas, in its

sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.) Meritas generally requires a minimum annual fee of \$10,000 per client, which we may waive at our discretion.

<b>Assets Under Management</b>	<b>Annual Fee %</b>
The first \$2,000,000	1.00%
The next \$3,000,000	0.75%
The next \$5,000,000	0.50%
On amount over \$10,000,000	0.40%

### *Family Plan Fee Schedule*

Accounts for the benefit of clients who are part of the same family may be aggregated for the purpose of calculating the advisory fee. The determination of ‘same’ family will be determined at the discretion of Meritas.

All fees described above are negotiable. Some accounts are under different fee schedules honoring prior agreements.

### Financial Planning Fees

Fixed fees for financial planning services are negotiated on an individual basis between Meritas and the client. Factors used in determining the cost of a financial plan include the complexity and nature of the client’s circumstances and the overall scope of the plan. We structure financial plans using hourly and/or fixed fees, which typically total between \$4,000 and \$7,000 for a comprehensive financial plan. Our hourly rate ranges between \$175 - \$500/hr. depending on the personnel we deem necessary to complete the client’s project(s). We quote all estimated rates and/or fees after the complimentary initial client meeting.

## **Method of Billing**

### Asset Management Fee Billing

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 business day of the prior calendar quarter. For new clients, the first payment is a combination of (1) the following quarter’s payment in advance, as described above, and (2) a pro-rata calculation based on all deposits made during the initial partial quarter. To accommodate historical fee arrangements of an acquired RIA, Meritas also bills some accounts in arrears. Such accounts are generally billed using an average daily balance methodology. Advisory fees are generally deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

### Financial Plan Billing

Half of the agreed-upon fee is customarily due when the draft financial plan is delivered. The remainder of the fee is due when the final financial plan is presented to the client.

### Consulting/Retainer

Fees for consulting services are generally billed on retainer. We also utilize a retainer for some accounts that do not meet our minimum annual fee, as described under **Asset Management Fees** in this item, above.

## **Other Fees and Costs**

In addition to the management fees set forth above, clients are subject to some or all of the following costs and expenses:

### *Assets Transferred into Account(s)*

Clients are charged transaction costs associated with the sale of any securities, which are transferred into their accounts. Investments subject to charges include, but are not limited to, exchange listed securities, individual bonds, mutual funds (including ETFs), limited partnerships, and employee stock options.

### *Account Costs*

All fees charged by Meritas are separate and distinct from any fees and expenses charged by any mutual funds or exchange-traded fund to their shareholders. These fees and expenses are described in each such fund's prospectus.

### *Custodial Fees*

All costs and expenses of maintaining custody of client assets with qualified custodians are charged to the account.

### *Trading Costs*

Client pays transaction fees (ticket charges), which are typically charged by the custodian on a transaction-by-transaction basis.

### *Transaction Costs*

Client pays all commissions, bid-ask spreads, mark-ups, and similar transaction costs incurred in connection with the purchase and sale of individual securities.

### Refund of Prepaid Advisory Fees

A client agreement can be canceled by either party, for any reason, upon receipt of written notice and will be effective thirty (30) days after receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

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

Meritas does not use a performance-based fee structure because of the potential conflict of interest. Performance-based fees are fees based on a share of capital gains on or capital

appreciation of the assets of a client. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## **ITEM 7: TYPES OF CLIENTS**

Meritas generally provides investment advice to individuals, pension and profit-sharing plans, trusts, and small businesses.

### **Account Minimum**

There is no investment account minimum to secure the services of Meritas. However, Meritas generally requires a minimum annual fee, as described above in ***Item 5 – Fees and Compensation***.

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

### **Methods of Analysis and Investment Strategies**

#### *General Investment Strategies*

Meritas provides each client's chosen investment strategy and its implementation utilizing a variety of security types: primarily mutual funds. Clients of Meritas receive the benefit of Meritas' developed investment philosophies and strategies, research and due diligence, account monitoring, and personal financial planning recommendations. Meritas' Investment Committee establishes the overall investment strategies employed by the firm, reviews the brokerage firms we recommend to our clients, and approves the particular investments used by advisors of our firm. Academic research, investment information, and certain proprietary analyses are drawn upon by Meritas, in order to provide investment advisory services.

Each of Meritas' asset management clients receives a written Investment Policy Statement (IPS), which sets forth a recommended strategic asset allocation. Specific no-load (no commissions or 12b-1 fees) mutual funds and other investment products and securities consistent with the IPS are then recommended to the client. Clients' portfolios are then periodically monitored, and changes to investment portfolios are implemented at our discretion, when appropriate. A disciplined approach to rebalancing is employed in order to maintain asset class exposures within desired risk tolerance ranges, subject to variances permitted for market fluctuations, tax reduction, tax planning, or other variables.

In designing investment plans for clients, Meritas relies upon the information supplied by the client and the client's other professional advisors. Such information generally pertains to the client's financial situation, estate planning, tax planning, risk management planning, short-term and long-term lifetime financial goals and objectives, investment time horizon, and perceived current tolerance for risk. This information becomes the basis for the strategic asset allocation plan, which we believe will meet the client's stated long-term personal financial goals.

The strategic asset allocation provides for investments in those asset classes, which Meritas believes (based on historical data and Meritas' proprietary analysis) could potentially possess attractive combinations of return, risk, and correlation over the long-term. A substantial amount of academic research has revealed to Meritas that strategic asset allocation is determinative of the majority of the expected long-term gross returns of investors' portfolios. Meritas' selection of asset classes is driven by research on global asset classes by academics at the University of Chicago Booth Graduate School of Business, the Center for Research in Security Prices, Dartmouth College, and other academic and research institutions.

The investment advice that Meritas provides is based upon long-term investment strategies, which incorporate the principles of Modern Portfolio Theory. The utilization of several different asset classes as part of an investor's portfolio is emphasized. Meritas allocates and diversifies the client's assets among various asset classes and then among individual investments, following the IPS approved by the client.

Meritas' investment approach is firmly rooted in our belief that markets are fairly efficient (although not always rational), and that investors' gross returns are determined principally by asset allocation decisions. A focus is provided on developing and implementing globally diversified portfolios, principally through the use of low-expense and tax-efficient passively managed stock mutual funds that are generally available only to institutional investors and clients of advisers who are granted access to such funds.

Investment policy and overall portfolio weightings as between equities and fixed income investments are based upon each client's needs and desires, perceived risk tolerance, the need to assume various risks, and investment time horizon. The portfolios of clients then generally follow models designed by Meritas to fit the overall weightings of equities (stocks, stock mutual funds, etc.) and fixed income investments (notes, bonds, bond funds, CDs, etc.) in an investor's portfolio. For other clients, the investment portfolio's strategic asset class allocation is customized to meet the specific circumstances of a client, the presence of investments in 401(k) or other accounts, as well as a perception of the client's understanding of the fundamental forces affecting risk and return in the capital markets.

## **Methods of Analysis; Sources of Information**

Our security analysis is based upon a number of factors including those derived from commercially available software technology, securities rating services, general economic and market and financial information, due diligence reviews, and specific investment analyses that clients may request. The main sources of information include commercially available investment information and evaluation services, financial newspapers and journals, academic white papers, and periodicals. Prospectuses, statements of additional information, other issuer-prepared information, and data aggregation services (Morningstar Advisor, etc.) are also utilized.

Investment Committee members and advisors also attend various investment and financial planning conferences.

Research is also received from consultants, including financial economists affiliated with Dimensional Funds Advisors (DFA) and other firms. DFA provides historical market analysis, risk/return analysis, and continuing education services.

## **Types of Investments**

Each client typically receives an investment portfolio, which consists mainly of no-load stock and bond mutual funds. The passively managed stock mutual funds offered by Dimensional Funds Advisors (DFA) are generally recommended. DFA mutual funds offer broad diversification, and most are structured for low turnover, so as to substantially lessen the transaction costs incurred by mutual funds and ETFs as they trade securities within the fund. Consequently, we believe the DFA stock mutual funds' total fees and costs to be generally lower than the total fees and expenses incurred by most other stock mutual funds (including many ETFs and index funds) when comparing funds in the same asset classes.

Some investment portfolios also include individual fixed income investments (bonds, CDs, etc.) and/or bond funds. For clients with a substantial fixed income allocation, Meritas generally recommends a combination of bond funds and individual fixed income investments, with recommended actual investments dependent upon Meritas' views of the risk/return relationship for various forms of fixed income investments or bond funds. Meritas also relies on the assistance of a third-party service provider for input regarding individual bond selections. Some client portfolios also include individual equity securities, but these are generally part of clients' investment holdings prior to becoming a client of Meritas.

New clients' existing investments are evaluated in light of the desired investment policy objectives. We work with new clients to develop a plan to transition from a client's existing portfolio to the desired portfolio. Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Each client's portfolio holdings and strategic asset allocation are then monitored periodically, taking into account the cash flow needs of the client. Review meetings with clients are held periodically regarding their investment assets under advisement and other personal financial planning issues, as described in **Item 13 – Review of Accounts**, below.

## **Risk of Loss**

### General Risks

Investing in securities involves a risk of loss that clients should be prepared to bear. The investment recommendations seek to limit risk through broad global diversification in equities (through broadly diversified stock mutual funds) and investment in high quality fixed income securities or diversified bond funds. However, the investment methodology will still subject the client to declines in the value of their portfolios, which can at times be dramatic.

Given the long-term nature of the expected equity premium (i.e., the additional expected return for investing in the overall stock market, relative to less "risky" U.S. Treasury bills), we believe that Meritas' investment philosophy is best suited for investors who desire a buy and rebalance strategy for a substantial portion of their funds. Meritas' stock mutual fund strategies

are usually appropriate for clients possessing an investment time horizon of a minimum of ten years, and preferably even longer. Even then, investing is inherently uncertain as to future returns. While both macro-economic and microeconomic risks are evaluated, for the purpose of weighing risks and returns and for the computation of the expected returns of various asset classes (for use in financial planning decision-making), Meritas does not generally engage in market-timing activities.

## **Risk of Loss, Certain Higher-Risk Securities**

Certain securities recommended, such as U.S. and International small cap value and mid cap value stock mutual funds, U.S. small cap and micro-cap mutual funds, Emerging Market stock funds and similar pooled investment vehicles inside variable annuities, possess higher levels of volatility (as individual asset classes within a portfolio). Meritas may employ these securities as part of an overall strategic asset allocation for a client, and when such is undertaken, Meritas possesses a reasonable belief that the risk-return relationship for these securities will likely be beneficial for the investor over the long-term.

### Cash Balances in Client Accounts

Cash in clients' investment accounts is typically swept into the bank or money market mutual fund accounts of the custodial broker (i.e., TD Ameritrade Institutional) daily. Meritas discusses with each client, during review conferences and at other times, upcoming cash flow needs and seeks to plan with the client accordingly to meet those needs. While it is not the practice to encourage clients to maintain a large amount of cash in their accounts, such may be undertaken at the request of the client, to facilitate billing of Meritas' periodic fees, or for other reasons. Upon request of a client, cash balances will be maintained for temporary or short-term purposes.

Should the client desire a "cash reserve account," Meritas will assist the client to establish a separate, non-managed cash reserve account, which is typically not monitored thereafter by Meritas. Meritas then seeks to review with the client, during periodic conferences, whether any funds are needed to restore cash reserves. Meritas excludes separate accounts established for cash reserve purposes in the calculation of Meritas' assets under advisement and excludes the value of cash reserve accounts from a client's fee calculations.

### Financial Planning Risk

The financial planning tools Meritas uses to create financial plans for clients rely on various assumptions, such as estimates of inflation, risk, economic conditions, and rates of return on security asset classes. All return assumptions use asset class returns, not returns of actual investments, and do not include fees or expenses that clients would pay if they invested in specific products.

Financial planning software is only a tool used to help guide Meritas and the client in developing an appropriate plan, and we cannot guarantee that clients will achieve the results shown in the plan. Results will vary based on the information provided by the client regarding the client's assets, risk tolerance, and personal information. Changes to the program's

underlying assumptions or differences in actual personal, economic, or market outcomes generally result in different results for the client.

Clients should carefully consider the assumptions and limitations of the financial planning software as disclosed on the financial planning reports and should discuss the results of the plan with us before making any changes in their investment or financial planning program. If the financial plan includes recommendations for investing in securities, you should understand that investing in securities involves risk of loss, and you should be prepared to bear that risk.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events of their firm or certain management personnel, which would be material to your evaluation of Meritas or the integrity of Meritas' management of your investment portfolio.

Meritas and its employees have not been involved in any legal or disciplinary events.

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

### **Financial Industry Activities**

Meritas is not involved in any other financial industry activities.

### **Unaffiliated Service Provider**

We utilize the services of a third party firm for operational and trading support services. The confidentiality of client information is maintained under the terms of the services agreement.

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

### **Code of Ethics**

Meritas has adopted a Code of Ethics, to which all employees are bound to adhere. The Code sets forth the expectations of Meritas with respect to standards of conduct, fiduciary duties, protection of nonpublic information, required compliance with federal securities regulations, required reporting of personal trading, pre-approval of participation in any initial public offering or private placement, required reporting of violations of the Code to the Chief Compliance Officer, and required written acknowledgement of receipt of the Code by personnel. A copy of the Code of Ethics is available to clients and prospective clients upon request.

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

Meritas has adopted a Code of Ethics and an Employee Trading Policy, which prohibits Meritas or its associated persons from personally usurping a benefit from a client or benefiting economically from Meritas' services to a client. This policy requires associated persons to

report certain of their securities transactions in order for Meritas to monitor trading activity preventing associated persons from benefiting economically from client investment recommendations.

Meritas or an associated person generally buys or sells securities for its/his/her own account that are also recommended to clients. For example, an associated person of Meritas can be invested in the same mutual fund that is also recommended to a client. As noted above, Meritas has adopted policies and procedures preventing Meritas or its associated persons from usurping a benefit from a client or benefiting as a result of any advisory services provided to a client. Further, Meritas is obligated to recommend suitable investments to clients and, if implementing a client's financial plan, to seek the best execution of client transactions. Clients should also be aware that personal securities transactions for any associated person of Meritas may be similar or inconsistent with the investment advice given to its clients.

## **Personal Trading**

The Chief Compliance Officer of Meritas is Kacy Gott. He is responsible for supervising employee trades. His trades are supervised by Gregg Clarke. The personal trading reviews are performed as controls to confirm that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, we believe that our personal trades in these types of securities do not affect the broader securities markets.

## **ITEM 12: BROKERAGE PRACTICES**

### **Selecting Brokerage Firms**

Meritas does not have any affiliation with brokerage firms. Specific custodian recommendations are made to clients based on their need for such services. Meritas recommends custodians based on our perception of the integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates. Meritas uses research and trading services furnished by brokers with respect to the securities markets, the economy, particular industries, individual issues, and similar topics having broad applications to client accounts. Meritas uses research and trading services for the benefit of all Meritas clients, including clients whose securities transactions are not affected by the broker providing such services.

Meritas recommends that clients establish brokerage accounts with the registered broker-dealer and custodian Charles Schwab & Co., Inc. ("Schwab"), Member FINRA/SIPC to maintain custody of clients' assets and to effect trades in their accounts. Schwab services provided to Meritas clients include delivery of quarterly account statements (generally, monthly). Meritas is independently owned and operated, and is not affiliated with Schwab. Schwab provides Meritas with computer software services whereby Meritas can place orders and obtain up-to-date reviews of client accounts. Schwab also provides Meritas with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. Schwab's services include brokerage, custody, research, and access to mutual funds and other

investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

## **Directed Brokerage**

Once a client has established an account with a custodian, transactions entered in the account will also be executed through the client's custodian. Meritas will not allow clients to direct Meritas to use a broker-dealer other than their account custodian for the purpose of executing individual transactions.

Not all investment advisers require their clients to trade through specific brokerage firms. By requiring clients to use their custodial broker, Meritas believes we can more effectively manage the client's portfolio, achieve favorable execution of client transactions, and overall lower the costs to the portfolio. While Meritas generally utilizes the client's custodial broker to execute trades, we can still use other brokers to execute trades for client accounts when we believe that it would be in the client's best interest.

Client accounts will always be held in the name of the client and never in Meritas' name.

Meritas does not receive fees or commissions from any of these arrangements. However, we receive other benefits, as described in ***Research and Other Benefits***, below.

### *Best Execution*

Meritas periodically reviews the execution of trades at the custodian on a sample basis in an effort to seek best execution for our clients. The review is documented in Meritas' books & records. Trading fees charged by the custodians are also reviewed on a periodic basis. Meritas does not receive any portion of the trading fees.

### *Research and Other Benefits*

Meritas receives research and trading software from Schwab because client assets are custodied at Schwab. While this arrangement presents a conflict, we believe that our selection of Schwab as a custodian for clients is not affected by this nominal benefit.

Schwab also makes available to Meritas other products and services that benefit Meritas but may not benefit its clients' accounts. Some of these other products and services assist Meritas in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Meritas' fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services are generally used to service all or a substantial number of Meritas' accounts, including accounts not maintained at Schwab.

Schwab makes available to Meritas other services intended to help Meritas manage and further develop its business enterprise. These services include consulting, publications and conferences

on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to Meritas by independent third parties. Schwab sometimes discounts or waives fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to Meritas.

Dimensional Funds Advisors (DFA) also provides direct benefits to us, which include but are not limited to attendance at educational conferences & study groups, educational materials, investment analysis software, and funding toward Meritas' client appreciation events and speakers for the events.

Our decision to utilize the above providers could potentially be based in part on the benefit to Meritas of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by DFA or Schwab, which would create a conflict of interest. However, as a fiduciary, Meritas endeavors to act in its clients' best interests, and we believe that use of DFA funds and recommendations that clients maintain their assets in accounts at Schwab is in the best interests of our clients and primarily support our selection of DFA/Schwab by the scope, quality, and price of DFA/Schwab's services (see **Selecting Brokerage Firms**, above) and not DFA/Schwab's services that benefit only us.

Meritas also receives research information and online software tools from DFA, PIMCO, Vanguard, and Barclay's iShares Companies. All clients benefit from the research provided from these firms and we believe that the selection of these fund companies is not affected by this nominal benefit.

## **Order Aggregation**

Mutual funds are priced once daily. As the daily price is the same for each investor, we have no opportunity to obtain better pricing through aggregating mutual funds even if we place trades of the same fund for multiple clients within a single order. Additionally, the broker-dealer/custodians charge each account an individual transaction fee for mutual funds trades regardless of whether we aggregate or not. This prevents us from lowering trading costs for mutual funds through aggregation. However, for ETFs, we aggregate (combine) client orders when we believe this may be advantageous to our clients. Aggregating trades has the potential to benefit clients by purchasing or selling in larger blocks in an attempt to take advantage of better pricing, and when applicable, lower trading costs.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **Periodic Reviews**

#### *Asset Management Clients*

Client accounts are reviewed quarterly and compared to the client's Investment Policy Statement (IPS). This review compares the current positions of the portfolio with the target model approved by the client. Clients may request additional reviews at their discretion. Reviews may also be triggered by political, economic, and market circumstances and/or a

change in the client's individual circumstances. Gregg Clarke, Kacy Gott, Principals, and Jacqueline K. Remar and Jennifer Bahi, Financial Planners, conduct all account reviews.

### Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

### Financial Planning Clients

Financial Planning client accounts will not be reviewed beyond the initial scope of the Financial Plan. Financial Planning clients may request additional reviews for a fee. Gregg Clarke, Kacy Gott, Principals, and Jacqueline K. Remar and Jennifer Bahi, Financial Planners, will conduct such reviews.

## **Regular Reports**

### Asset Management Clients

Meritas will provide clients with a quarterly report in conjunction with the quarterly review process. The report includes statements summarizing account activity, current positions, and performance analysis. Accompanying the report will be Meritas' review and market commentary. The client will also receive statements typically monthly and at least quarterly from their custodian(s).

### Financial Planning Clients

Financial planning clients will not receive reports beyond the initial scope of the Financial Plan.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Meritas sometimes refers clients to unaffiliated professionals for specific needs, such as insurance, mortgage brokerage, real estate sales, estate planning, legal, and/or tax/accounting services. In turn, these professionals sometimes refer clients to Meritas for investment management/financial planning needs. We do not have any arrangements with individuals or companies that we refer clients to, and we do not receive any compensation for these referrals. However, it could be concluded that Meritas is receiving an indirect economic benefit from this practice, as the relationships are mutually beneficial. For example, there could be an incentive for us to recommend services of firms who refer clients to Meritas.

Meritas only refers clients to professionals we believe are competent and qualified in their field, but it is ultimately the client's responsibility to evaluate the provider, and it is solely the client's decision whether to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and Meritas has no control over the services provided by another firm. Clients who choose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by Meritas.

If the client desires, Meritas will work with these professionals or the client's other advisors (such as an accountant or attorney) to help ensure that the provider understands the client's financial plan/investments and to coordinate services for the client. Meritas does not share information with an unaffiliated professional unless first authorized by the client.

## **Other Compensation**

Meritas does not receive any compensation for any recommendations it makes to other professionals.

## **ITEM 15: CUSTODY**

Meritas 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 Schwab) holds clients' accounts. Clients will receive statements directly from their custodian at least quarterly. The statements will reflect the client's funds and securities held at the custodian as well as any transactions that occurred in the account, including the deduction of Meritas' fee. Meritas encourages clients to review statements received from custodians and contact us with any questions. Although we generally recommend a custodian, the client may choose their own. Some mutual fund shares are held by the mutual fund's transfer agent.

Meritas is also deemed to have limited custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and under that SLOA authorize us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow.

In some instances, Meritas has "full" custody of certain client assets when we access their accounts using the client's online credentials. Meritas has put controls in place, in compliance with federal rules, to protect clients' assets over which we have custody. An independent qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds each client's assets – Meritas does not act as custodian for any client. The custodian, at least quarterly, sends account statements directly to the client or client's independent representative. In addition, an independent accountant conducts annual surprise examinations of client accounts over which Meritas has full custody.

## **ITEM 16: INVESTMENT DISCRETION**

### **Discretionary Authority for Trading**

Meritas manages client assets on a discretionary basis. Meritas has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Discretionary trading authority facilitates placing trades in client accounts on client's behalf.

### Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. Clients sign a limited power of attorney so that Meritas can execute the trades that are consistent with client's Investment Policy Statement.

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

### Proxy Voting

Meritas does not accept or have the authority to vote client securities. Meritas will not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

### Class Actions

Meritas 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**

Meritas does not have any financial impairment that precludes the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because Meritas does not serve as a custodian for client funds or securities, and does not require prepayment of fees for more than \$1,200 and six months or more in advance. Meritas has never been the subject of a bankruptcy proceeding.

**FACTS****WHAT DOES MERITAS WEALTH MANAGEMENT, LLC (MERITAS) DO WITH YOUR PERSONAL INFORMATION?**

<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	The types of personal information we collect and share depend on the product or service you have with us. This can include: <ul style="list-style-type: none"> <li>• Social Security Number, and financial information</li> <li>• Investment holdings, investment experience and account transactions</li> <li>• Financial goals and financial history</li> </ul> When you are <i>no longer</i> our client, we continue to share your information as described in this notice.
<b>How?</b>	All financial companies need to share clients' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their clients' personal information; the reasons Meritas chooses to share; and whether you can limit this sharing.

<b>Reasons we can share your personal information</b>	<b>Does Meritas share?</b>	<b>Can you limit this sharing?</b>
<b>For our everyday business purposes</b> - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations	<b>Yes</b>	<b>NO</b>
<b>For our marketing purposes</b> - to offer our products and services to you	<b>Yes</b>	<b>NO</b>
<b>For joint marketing with other financial companies</b>	<b>No</b>	<b>We Don't Share</b>
<b>For our affiliates everyday business purposes</b> - information about your transactions and experiences	<b>No</b>	<b>No</b>
<b>For our affiliates everyday business purposes</b> - information about your creditworthiness	<b>No</b>	<b>We Don't Share</b>
<b>For nonaffiliates to market to you</b>	<b>No</b>	<b>We Don't Share</b>

**Questions?**Call (415) 300-4560 or email [Alyx@MeritasWealth.com](mailto:Alyx@MeritasWealth.com)

<b>Who we are</b>	
<b>Who is providing this notice?</b>	Meritas Wealth Management, LLC (“Meritas”).
<b>What we do</b>	
<b>How does Meritas protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Meritas collect my personal information?</b>	We collect your personal information, for example, when you: <ul style="list-style-type: none"> <li>• When you open an account or transfer assets to us</li> <li>• Seek financial or advice about your investments</li> <li>• Provide account statements or other documents to us</li> <li>• Complete securities transactions</li> <li>• Make deposits or withdrawals from your account</li> </ul>
<b>Why can’t I limit all sharing?</b>	Federal law gives you the right to limit only: <ul style="list-style-type: none"> <li>• Sharing for affiliates’ everyday business – information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for nonaffiliates to market to you. (State laws and individual companies may give you additional rights to limit sharing.)</li> <li>• California regulations require an affirmative opt-in before information can be shared with nonaffiliated third parties; an opt-out for sharing amongst affiliates; and a self-addressed envelope with pre-paid postage if there are not at least two free ways to respond (e.g., toll-free telephone or website)</li> </ul> State laws and individual companies may give you additional rights to limit sharing.
<b>Definitions</b>	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• Meritas does not have any affiliates</li> </ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• Nonaffiliates we share with can include account custodians and other financial services companies providing services on your behalf</li> </ul>
<b>Joint Marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>• Meritas does not have any such agreements in place.</li> </ul>