

## Part 2A of Form ADV



**BLACK WALNUT**  
WEALTH MANAGEMENT

### **BLACK WALNUT WEALTH MANAGEMENT, LLC**

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**January 2026**

This Brochure provides information about the qualifications and business practices of Black Walnut Wealth Management LLC. If you have any questions about the contents of this Brochure, please contact us using the information listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Black Walnut Wealth Management LLC (CRD# 337606) is a registered investment advisor with the SEC. Registration of an investment advisor does not imply any certain level of skill or training.

Additional information about Black Walnut Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Black Walnut Wealth Management, LLC (“BWWM”) is required to make clients aware of information that has changed since the last annual update to the Firm Brochure (“Brochure”) and that may be important to them. This Brochure updates and replaces the brochure dated July 2025.

The following material changes are reflected in this version:

- *Item 4: Updated to reflect our Assets Under Management (AUM) as of December 31<sup>st</sup>, 2025*

You may request a copy of our current Brochure at any time, without charge, by calling us at (231) 421-7711 or e-mailing us at [info@blackwalnutwm.com](mailto:info@blackwalnutwm.com).

Black Walnut has made additional non-material updates to other sections in this Brochure, so we encourage each client to review the complete Brochure carefully and to call us with any questions you may have.

Pursuant to SEC Rules, BWWM will ensure that clients receive a summary of any material changes to this Brochure within 120 days of the close of our fiscal year, along with a copy of this Brochure or an offer to provide the full Brochure. Additionally, as Black Walnut experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover.

Additional information about Black Walnut Wealth Management LLC and our investment adviser representatives is available on the SEC’s website at <https://adviserinfo.sec.gov/>.

### Item 3 – Table of Contents

Item 2 – Material Changes .....	2
Item 3 – Table of Contents .....	3
Item 4 – Advisory Business .....	4
Item 5 – Fees and Compensation .....	5
Item 6 – Performance-Based Fees and Side-By-Side Management .....	6
Item 7 – Types of Clients & Account Minimums .....	6
Item 8 – Methods of Analysis, Investment Strategies, Investment Tools, and Risk of Loss .....	6
Item 9 – Disciplinary Information .....	10
Item 10 – Other Financial Industry Activities and Affiliations .....	10
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	10
Item 12 – Brokerage Practices .....	11
Item 13 – Review of Accounts .....	12
Item 14 – Client Referrals and Other Compensation .....	13
Item 15 – Custody .....	13
Item 16 – Investment Discretion .....	13
Item 17 – Voting Client Securities .....	14
Item 18 – Financial Information .....	14

## Item 4 – Advisory Business

### A. Description of the Advisory Firm

Black Walnut Wealth Management LLC (“BWWM” or “the Firm”) was formed in 2017 and is based in Traverse City, Michigan. BWWM’s principal Owner and Founder is Eric Braund.

Black Walnut Wealth Management LLC offers the following services to its clients:

### B. Types of Advisory Services

#### WEALTH MANAGEMENT SERVICE

##### ***Investment Management***

Our wealth management service provides a comprehensive approach to investing that begins with an in-depth assessment of your financial circumstances, goals, time horizon, and risk tolerance. Through personal consultations and a risk tolerance questionnaire, we develop a thorough understanding of your investment objectives. Based on this framework, we construct a diversified portfolio using a strategic mix of investment vehicles including stocks, bonds, ETFs, mutual funds, and when appropriate, alternative investments – all specifically selected to align with your financial objectives while adhering to your risk parameters.

Our investment strategies are primarily long-term focused, but we may, in certain circumstances, buy, sell, re-allocate or rebalance positions that have been held less than one year to meet a Client’s objectives or due to market conditions. Prior to rendering investment recommendations, we evaluate your financial situation.

Our management process involves ongoing discretionary oversight of your investments, where we monitor performance against relevant benchmarks, maintain target allocations through rebalancing, implement tax-efficient strategies when beneficial, and may make tactical adjustments in response to changing market conditions or shifts in your personal circumstances. Our dynamic approach to portfolio management remains responsive to both evolving market environments and changes in your life situation, with the ultimate goal of helping you achieve your long-term financial objectives.

##### Discretionary

BWWM will be granted discretion and authority to manage the account described in the client’s Investment Management Agreement, which grants trading authorization or the equivalent of allowing BWWM to determine the securities to be bought or sold, the amount of the securities to be bought or sold, as well as timing of securities bought and sold. BWWM will have the authority to execute transactions in the account without seeking Client consent for each transaction.

##### ***Financial Planning and Consulting***

BWWM offers comprehensive financial planning services designed to evaluate a client’s current and future financial picture and create a coordinated strategy for achieving short- and long-term goals. Financial planning involves a detailed analysis of a client’s financial situation and may include a formal written financial plan with specific recommendations. Our financial planning services address various aspects of a client’s financial life, which may include cash flow management, retirement planning, education funding, risk management and insurance analysis, estate planning, tax planning, and investment analysis. The recommendations we provide are based on the client’s specific needs and align with their stated objectives, risk tolerance, time horizon, and resources.

BWWM will schedule additional time at the initial meeting to discuss the creation of the plan, how involved and complex the plan will be, and any particular issues or circumstances not included during the typical information-gathering session discussed above. Together, BWWM and the client will determine how extensive the financial plan created is. Clients may choose a specific planning topic or obtain a comprehensive written plan containing their goals and objectives.

Clients are under no obligation to implement any of the recommendations through BWWM, and they may choose to implement the recommendations on their own or through other financial service providers. If you implement recommendations through BWWM we will receive compensation for the services provided in conjunction with that implementation. In some cases, we offer ongoing financial planning services to clients who wish to receive periodic updates and adjustments to their financial plans as their circumstances change. We may also offer financial planning services on a modular basis, focusing on specific areas of concern rather than a comprehensive plan.

C. Client-Tailored Services and Client-Imposed Restrictions

The Client's financial needs, investment goals, tolerance for risk, and investment objectives are documented in BWWM's Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities. These restrictions may, however, prohibit engagement with BWWM.

D. Wrap Fee Programs

BWWM does not participate in a Wrap Program.

E. Amounts Under Management

As of December 31, 2025, BWWM had approximately \$136,776,561 million in discretionary assets under management and \$0 in non-discretionary assets under management.

## **Item 5 – Fees and Compensation**

A. Fee Schedule

WEALTH MANAGEMENT SERVICE FEE

BWWM charges Clients one combined fee for both investment management and financial planning & consulting. The standard fee paid as a percentage of managed assets will not exceed the safe harbor maximum of 2.00%. BWWM requires a minimum annual fee of \$7,500, although we reserve the right to make exceptions at our discretion. Fees are paid quarterly in advance. Fees in the initial quarter of service are prorated based on the number of days in the prior quarter the account was serviced by BWWM. The specific manner in which fees are charged by BWWM is established in the client's written investment management agreement with BWWM.

BWWM may charge a lesser portfolio management fee, charge a flat fee, waive its fee entirely, or charge a fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, the dollar amount of assets to be managed, related accounts, account composition, the complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, etc.). As a result, similarly situated clients could pay different fees.

Clients may terminate their engagement with BWWM within five (5) business days of signing an Agreement with no obligation and without penalty. After the initial five (5) business days, the Agreement may be terminated by BWWM with thirty (30) days written notice to Client and by the Client at any time with written notice to BWWM. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. All unpaid earned fees will be due to BWWM, and all unearned fees will be refunded to the Client. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

Fees are deducted from your account(s) by the custodian as requested by BWWM. You provide written authorization permitting the deduction of fees from your account(s) directly from the custodian when you execute our written agreement and separate account forms required by the custodian.

At least quarterly, you will receive a statement from the custodian reflecting the deduction of the portfolio management fee. It is your responsibility to verify the accuracy of any fees listed on the custodian's brokerage statement as neither the custodian nor BWWM assume this responsibility; therefore, you should immediately notify BWWM if you are not receiving statements from the custodian, or if you have questions about fees.

**B. Payment of Fees**

Wealth Management Fees are generally deducted directly from the Client's Account.

**C. Other Fees and Expenses**

You may incur certain fees or charges imposed by third parties, other than BWWM, in connection with investments made on behalf of your account. You are responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The portfolio management fee charged by BWWM is separate and distinct from these custodian and execution fees. In addition, all fees paid to BWWM are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. You may be able to invest in some of these products directly, without the services of BWWM, but would not receive the services provided by BWWM. These services are designed, among other things, to assist you in determining which products or services are most appropriate to your risk tolerance, financial condition, and objectives. BWWM does not directly receive any compensation from these fees. For more details on the brokerage practices, see Item 12 of this brochure.

**D. Prepayment of Fees**

BWWM does not expect Clients to prepay fees.

**E. External Compensation for the Sale of Securities**

BWWM does not receive any external compensation from the sale of securities.

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

Fees are not based on a share of the capital gains or capital appreciation of managed securities. BWWM does not use a performance-based fee structure nor "side-by-side" management because of the conflict of interest. Performance based compensation may create an incentive for BWWM to recommend an investment that may carry a higher degree of risk to the Client.

**Item 7 – Types of Clients & Account Minimums**

We primarily provide advisory services to the following types of clients:

- Individuals
- High Net Worth Individuals
- Trusts, Estates, and Charitable Organizations

We believe it is our obligation to honestly assess our professional capacity to serve each new client in a manner that is consistent with the high standard of care we provide to each of our existing clients. For this reason, our relationship portfolio minimum is approximately \$1,000,000. We may, in our sole discretion, accept accounts below this minimum based on factors such as:

- The nature of the relationship
- Account composition and expected account size
- Related accounts and future earning capacity
- Anticipated future additional assets

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

**METHODS OF ANALYSIS**

Our investment process involves evaluating securities based on a variety of factors including financial statements, industry trends, economic indicators, and company-specific fundamentals such as earnings growth,

competitive positioning, and management quality. We also consider historical performance data and long-term market trends to help guide our investment decisions.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **B. Investment Strategy**

Our firm employs a long-term, buy-and-hold investment strategy that is grounded in fundamental analysis and supported by historical market data. We do not attempt to time the market or engage in frequent trading based on short-term market movements.

We believe that maintaining a disciplined investment approach and staying invested through market cycles can help clients achieve their financial goals over time. While we strive to manage risk through diversification and careful security selection, clients should be aware that all investments involve risk, including the potential loss of principal.

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to BWWM. Each Client completes a Risk Tolerance Questionnaire that documents their objectives and their desired investment strategy.

## **C. Risks of Investments and Strategies Utilized**

**Investing in securities involves risk of loss that Clients should be prepared to bear. BWWM's investment approach constantly keeps the risk of loss in mind. Investors may face the following investment risks:**

### **RISK OF LOSS**

Investing in securities involves the risk of loss that clients should be prepared to bear. While we work diligently to help you achieve your financial goals, we cannot guarantee any level of performance or that you will not experience financial loss. Below are some of the primary risks that may affect your investments:

#### ***General Market Risk***

The market value of securities may fluctuate, sometimes rapidly and unpredictably. These fluctuations may cause a security to be worth less than the price originally paid for it, or less than it was worth at an earlier time. Market risk may affect a single issuer, an entire industry, or the market as a whole. U.S. and international markets have experienced significant volatility in recent years, which may increase the risks associated with investing in securities.

#### ***Strategy and Analysis Risk***

The success of our investment strategies depends on the accuracy of our analysis. There is no guarantee that our analysis will be accurate or that our investment strategies will be successful. Furthermore, our strategies and analyses may not be suitable for all clients.

#### ***Management Risk***

The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the Client's portfolio may suffer.

#### ***Mutual Fund and ETF Risk***

Investments in mutual funds and ETFs are subject to all the risks of the underlying securities in which those vehicles invest. In addition, the value of your investment in a mutual fund or ETF will fluctuate depending on the

performance of the investments chosen by the fund's manager, market conditions, and other factors. Mutual funds and ETFs also charge internal expenses and management fees that are disclosed in the fund's prospectus.

### ***Common Stocks and Equity-Related Securities***

Certain ETFs or mutual funds hold common stock. Prices of common stock react to the economic condition of the company that issued the security, industry and market conditions, and other factors which may fluctuate widely. Investments related to the value of stocks may rise and fall based on an issuer's actual and anticipated earnings, changes in management, the potential for takeovers and acquisitions, and other economic factors. Similarly, the value of other equity-related securities, including preferred stock, warrants, and options may also vary widely.

### ***Small- and Mid-Cap Risks***

Certain ETFs and mutual funds hold securities of small- and mid-cap issuers. Securities of small-cap issuers may present greater risks than those of large-cap issuers. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses, and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts, and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments, and to market rumors than the market prices of large-cap issuers.

### ***Futures, Commodities, and Derivative Investments***

Certain ETFs and mutual funds hold commodities, commodities contracts, and/or derivative instruments, including futures, options and swap agreements. The prices of commodities contracts and derivative instruments, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of commodities, futures and options contracts, and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The value of futures, options, and swap agreements also depends upon the price of the commodities underlying them. In addition, Client assets are subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

### ***Non-U.S. Securities***

Certain ETFs and mutual funds hold securities of non-U.S. issuers. Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility, and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards, and requirements comparable to or as uniform as those of U.S. issuers.

### ***Emerging Markets***

Certain ETFs and mutual funds hold securities of emerging markets issuers. In addition to the risks associated with investments outside of the United States, investments in emerging markets (i.e., the developing countries) may involve additional risks. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighboring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices, and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices.

### ***Fixed Income Securities Risk***

Fixed income securities (bonds) are subject to interest rate risk, credit risk, inflation risk, call risk, and liquidity risk. Interest rate risk is the risk that bond prices will decline because of rising interest rates. Credit risk is the risk that a bond issuer will fail to make interest or principal payments when due. Inflation risk arises because the value of the income stream from a bond will decline due to inflation. Call risk occurs when an issuer redeems a



bond before maturity. Liquidity risk refers to the risk that an investor may not be able to sell a bond quickly at an appropriate price.

### ***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.

### ***Non-U.S. Securities***

Certain ETFs and mutual funds hold securities of non-U.S. issuers. Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility, and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards, and requirements comparable to or as uniform as those of U.S. issuers.

### ***Inflation Risk***

When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.

### ***Tax Risk***

Tax laws and regulations are subject to change, which may have significant impacts on investment strategies and after-tax returns. We are not tax professionals, and clients should consult with qualified tax advisors regarding the tax implications of any investment strategy or transaction.

### ***Reinvestment Risk***

This is the risk 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.

### ***Liquidity Risk***

Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

### ***Alternative Investments***

BWWM may occasionally recommend Alternative Investments when appropriate for a Client's objective, risk tolerance and qualifications. BWWM may recommend the Client participate in private issues, such as single purpose vehicles, funds of funds, private equity, and hedge funds. These are usually structured as limited partnerships with differing minimum investments, liquidity, fees, and carries.

### ***Environment, Social, and Corporate Governance Risk***

Clients utilizing responsible investing strategies and environment, social responsibility, and corporate governance (ESG) factors may underperform strategies that do not utilize such considerations. Responsible investing and ESG strategies may operate by either excluding the investments of certain issuers or by selecting investments based on their compliance with factors such as ESG. These strategies may exclude certain securities, issuers, sectors, or industries from a client's portfolio, potentially negatively affecting the client's investment performance if an excluded security, issuer, sector, or industry outperforms. Responsible investing and ESG are subjective by nature, and BWWM may rely on rankings, ratings, scores, and other analytic metrics provided by third parties in determining whether an issuer meets the firm's standards for inclusion or exclusion. A client's perception may differ from that of BWWM or a third party on how to judge an issuer's adherence to responsible investing principles.

### ***Concentrated Portfolio Risk***

Portfolios that are concentrated in a specific sector, industry, or issuer may be subject to greater risk of loss and volatility than more diversified portfolios. A concentrated portfolio will generally be more volatile than a more diversified portfolio.

### **Cybersecurity Risk**

BWWM and its service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting BWWM and its service providers may adversely impact Clients. For instance, cyberattacks may interfere with the processing of transactions, cause the release of private information about Clients, impede trading, subject BWWM to regulatory fines or financial losses, and cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which Clients may invest in, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions. Cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damages, and loss from damage or interruption of systems. Although BWWM has established its systems to reduce the risk of these incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that BWWM does not directly control the cybersecurity measures and policies employed by third party service providers.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with BWWM.**

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

Black Walnut Wealth Management LLC and its management have not been involved in any criminal or civil actions, administrative or self-regulatory enforcement proceedings, nor any legal or disciplinary events that are material to a Client's or prospective Client's evaluation of BWWM or the integrity of its management.

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

#### **A. Registration as a Broker-Dealer or Broker-Dealer Representative**

Black Walnut Wealth Management LLC is not and does not have a related person that is a broker-dealer, municipal securities dealer, or government securities dealer or broker. We are not and do not have a related person that is an investment company, financial planning firm, commodity pool operator, or commodity trading advisor.

#### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither BWWM nor its management persons are registered as a futures commission merchant, commodity pool operator, or commodity trading advisor.

#### **C. Relationships Material to this Advisory Business and Possible Conflicts of Interest**

Neither BWWM nor its management persons have any additional material relationships to this advisory business that would present a possible conflict of interest other than what may be disclosed above.

#### **D. Selection of Other Advisors or Managers**

BWWM does not utilize nor select other advisors at this time.

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

#### **A. Code of Ethics**

The supervised persons (supervised persons include employees and/or independent contractors) of BWWM have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of BWWM supervised and addresses conflicts that may arise. The Code defines acceptable behavior for supervised persons of BWWM. The Code reflects the Firm and its supervised persons' responsibility to act in the best interest of their Client.

One area which the Code addresses is when supervised persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any supervised persons to use non-

public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

BWWM's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other supervised person, officer or director of BWWM may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

BWWM's Code is based on the guiding principle that the interests of the Client are our top priority. BWWM's officers, directors, advisors, and other supervised persons have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either supervised persons or BWWM.

Certain parts of this Code apply to "access" persons. "Access" persons are supervised persons who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

BWWM will provide a copy of the Code of Ethics to any Client or prospective Client upon request via email at [info@blackwalnutwm.com](mailto:info@blackwalnutwm.com) or by phone at (231) 421-7711.

**B. Recommendations Involving Material Financial Interests**

Neither BWWM nor its related persons recommend to Clients, or buys or sells for Client accounts, securities in which BWWM or a related person has a material financial interest.

**C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

BWWM and its supervised persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that the Firm or a supervised person recommends to Clients. In order to mitigate conflicts of interest, such as frontrunning, BWWM's Chief Compliance Officer, or their designee, will no less than quarterly, review firm and/or personal holdings of its supervised persons. These reviews ensure that the personal trading of supervised persons does not disadvantage Clients of BWWM.

**D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

BWWM and its supervised persons may recommend securities, or buy or sell securities for Clients accounts, at or about the same time, that they also buy or sell the same securities in their own account(s). In order to mitigate conflicts of interest, such as frontrunning, BWWM's Chief Compliance Officer, or their designee, will no less than quarterly, review firm and/or personal holdings of its supervised persons. These reviews ensure that the personal trading of supervised persons does not disadvantage Clients of BWWM.

## **Item 12 – Brokerage Practices**

**A. Factors Used to Select or Recommending Broker-Dealers**

Custodians/broker-dealers will be recommended based on Black Walnut Wealth Management LLC's duty to seek "best execution," which is the obligation to seek to execute securities transactions for a client on terms that are the most favorable to the client under the circumstances. The client will not necessarily pay the lowest commission or commission equivalent, and BWWM may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of BWWM. BWWM will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

BWWM generally recommend Clients use either Fidelity Brokerage Services, LLC ("Fidelity") or Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab") ("custodians") as custodians for your accounts.

You, in consultation with BWWM, determine the broker-dealer or custodian to safeguard your assets and authorize BWWM to direct trades to this custodian as agreed in the written agreement for services and custodian documents.

1. Research and Other Soft Dollar Benefits

BWWM may receive soft dollar benefits from broker-dealers such as research (or other products or services). Since BWWM generally does not have to pay for these products or services, BWWM has an incentive to select or recommend a broker-dealer based on BWWM's interest in receiving the research or other products or services, rather than the Clients' interest in receiving the most favorable execution. BWWM uses these benefits to service all Clients accounts.

This conflict is mitigated by disclosures, procedures and BWWM's fiduciary obligation to place the best interest of the Client first.

2. Brokerage for Client Referrals

BWWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Directed Brokerage

BWWM does not allow Client directed brokerage.

Investment advisors who manage or supervise Client portfolios have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker-dealer involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to affect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker-dealer and the financial strength and stability of the broker-dealer. BWWM does not receive any portion of the trading fees.

B. Aggregating Trading for Multiple Client Accounts

BWWM has chosen not to aggregate (combine) the trades of its clients. This is because all trade decisions are reviewed for near-term and long-term tax efficiency, which requires individual analysis of most trading decisions. BWWM's clients do not receive the benefits of reduced transaction fees that may be available by aggregating trades.

### **Item 13 – Review of Accounts**

A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

Accounts are reviewed by an investment advisor representative of BWWM on a periodic basis. Our reviews are designed to analyze a variety of factors, including risk tolerance, suitability and fiduciary standards. We are obligated to have a reasonable basis to believe that recommended investment strategies are in the best interest of its clients based on information obtained from clients through reasonable diligence. In addition, account reviews will take into consideration the current economic environment, the outlook for the securities markets, and the merits of the securities in which the accounts are invested.

We strongly encourage Clients to immediately notify BWWM of any of the following:

- a change in the client's investment objectives, guidelines and/or financial situation;
- change in strategy or diversification;
- change in tax considerations;
- plans to add or withdrawn from the account; and
- any other changes or concerns we may need to know to properly manage your account(s).

For all discretionary accounts, the allocation of each portfolio is adjusted, and securities selected, at BWWM's discretion, in accordance with the client's investment objectives, risk tolerance, and financial needs.

**B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

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

**C. Content and Frequency of Regular Reports**

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by the Client's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs. BWWM may also send periodic or other event-inspired reports based on market or portfolio activity. Reports will generally be provided in electronic format.

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

**A. Economic Benefits from Others**

Black Walnut Wealth Management LLC does not receive any economic benefit, directly or indirectly from any third party for advice rendered to BWWM clients.

**B. Compensation to Non-Advisory Personnel for Client Referrals**

BWWM does not compensate any individual or entity for client referrals. We may receive referrals from current clients, attorneys, accountants, friends, and other similar sources, but we do not directly or indirectly compensate referring parties for these referrals.

If our compensation arrangements change in the future to include payments for client referrals, we will disclose this practice to our clients and comply with all applicable regulations, including disclosure of the referral arrangement to clients and ensuring that clients are provided with appropriate disclosure forms prior to entering into an advisory agreement.

## **Item 15 – Custody**

BWWM does not accept or maintain custody of client accounts. Your assets will be placed with a qualified third-party custodian. Fidelity or Schwab will be selected as your custodian, in consultation with BWWM, to hold your funds and securities and direct BWWM to utilize that custodian for your securities transactions. You will receive statements from your custodian at least quarterly. Clients are urged to compare the account statements received directly from their custodians to any documentation or reports prepared by BWWM. For more information about custodians and brokerage practices, see "Item 12: Brokerage Practices" above.

BWWM is not affiliated with the custodian(s). The custodian does not supervise BWWM, its employees or activities.

## **Item 16 – Investment Discretion**

BWWM will maintain discretion over the selection and the amount of securities to be bought or sold in your accounts without obtaining prior consent or approval from you. However, these purchases or sales are subject to specified investment objectives, guidelines, or limitations previously set forth by you and agreed to by BWWM within your Investment Management Agreement. Discretionary authority will only be authorized upon full disclosure to you. The granting of such authority will be evidenced by your execution of our written agreement containing all applicable limitations to such authority and necessary custodian agreements and required custodian forms. All discretionary trades made by BWWM are designed to be in accordance with your investment objectives and goals.

BWWM is authorized to make the following determinations in accordance with client objectives and restrictions without obtaining prior consent from you:

- 1) which securities or instruments, including mutual funds, to buy or sell;
- 2) the total amount of securities or instruments to buy or sell;

- 3) the executing broker or dealer for any transaction;
- 4) the commission rates or commission equivalents charged for transactions;

BWWM allows Clients to place certain restrictions, as outlined in the Client's Investment Policy Statement or similar document. These restrictions must be provided to BWWM in writing.

The Client approves the custodian to be used, and the commission rates paid to the custodian. BWWM does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

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

Clients will receive proxy voting information directly from the issuer and/or custodian of the security. Clients will not receive any such proxy voting material from BWWM. When assistance on voting proxies is requested by the Client, BWWM will provide recommendations to the Client. However, BWWM will not have authority to vote proxies on behalf of the Client. If in the future BWWM obtains authority to vote proxies, this Brochure will be appropriately amended. Clients may contact BWWM at (231) 421-7711 or email [info@blackwalnutwm.com](mailto:info@blackwalnutwm.com).

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

#### **A. Balance Sheet**

BWWM does not require nor solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

#### **B. Financial Condition**

At this time, neither BWWM nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

#### **C. Bankruptcy Petitions in Previous Years**

BWWM has not been the subject of a bankruptcy petition in the last ten years.