



Form ADV 2A: Client Brochure

Peterson Wealth Advisory, LLC

186 Hwy 70 E
Crossville, TN 38555

(931) 337-1458

Chris@PWAplanner.com

www.PetersonWealthAdvisory.com

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This brochure provides information about the qualifications and business practices of Peterson Wealth Advisory, LLC. If you have any questions about the contents of this brochure, please contact us at (931) 337-1458 or by email at: Chris@PWAplanner.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.

Peterson Wealth Advisory is registered as an Investment Adviser with the states of Tennessee, and notice-filed in Texas.

Registration does not imply a certain level of skill or training.

Additional information about Peterson Wealth Advisory, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Peterson Wealth Advisory, LLC's CRD number is: 148303.

Item 2: Material Changes

Material changes since last ADV update on 9/15/23:

Item 5: We have amended our financial planning fees including the addition of a flat fee for these services.

From time to time, we may amend this Disclosure Brochure to reflect material changes in our business practices, changes in regulations, and routine annual updates as required by the securities regulators. A complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Peterson Wealth Advisory, LLC.

At any time, you may view the current Disclosure Brochure online at the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov> by searching for our firm name or by our CRD number 148303.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (931) 337- 1458.

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Item 4: Advisory Business

Description of Advisory Firm

Peterson Wealth Advisory, LLC (PWA) has been in business since October 30, 2008, and the principal owner/managing member is Christopher George Peterson, CFP®.

Christopher G. Peterson is a Certified Financial Planner™ Professional. The CFP® designation is awarded to individuals who successfully complete the CFP Board's initial and ongoing certification requirements. CERTIFIED FINANCIAL PLANNER™ professionals examine a client's current financial situation, help set financial goals, analyze, and manage client assets and measure their progress. CFP® professionals have knowledge of retirement planning, estate planning, taxes, insurance, and investing.

As of December 31st, 2023, PWA reports \$27,975,345 in discretionary and no non-discretionary assets under management.

Types of Advisory Services

Peterson Wealth Advisory, LLC (hereinafter "PWA") offers the following services to advisory clients:

Investment Management & Advisory Services

We are in the business of managing investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

We provide discretionary advisory services on assets where client authorizes Advisor to investigate, purchase, and sell on behalf of Client, various securities, and investments. Advisor is authorized to execute purchases and sales of securities on Client's behalf without consulting Client regarding each sale or purchase. In exercising discretion, we must always act in the best interest of our clients.

Nothing in this Agreement grants IA or any "person associated with" IA (as defined in Section 202(a)(17) of the Investment Advisors Act of 1940, as amended (the "Act")) the authority to take custody or possession of any of Client's assets. For purposes of this Agreement "Account" shall be defined as follows: all accounts at any agreed Custodian for which Client has given IA a limited power of attorney.

During our data-gathering process, we determine the client's:

- age (or date of birth)
- financial situation and needs, which typically includes:
 - Annual income
 - Total net worth (excluding primary residence)
 - Liquid net worth
 - Employment status (if retired, former profession. If self-employed, type of business)
 - Fair market value of primary residence (and outstanding debt)
- Tax status, which typically includes:
 - Type of account (natural person, entity, IRA, etc.)
 - Tax bracket
 - Tax strategy for the account(s)
- Investment objectives (should be defined to ensure client understanding)
- Investment experience (time/investment products)
- Investment time horizon
- Liquidity (cash flow) needs
- Risk tolerance
- Other investments (types of investments held elsewhere)
- Any other information the client may disclose to the investment adviser in connection with such recommendation or investment advice; and
- Any other relevant information

Additionally, on an annual basis, an effort will be made to confirm or update the written information about each investment advisory client.

Services of Investment Advisor

- (a) to supervise and direct the investments of the Account in accordance with the investment objectives of Client as listed on the attached Exhibit I, and as communicated hereafter in writing to IA from time to time.
- (b) to appraise and review, at least quarterly during the period of this Agreement investments of the Account, as initially accepted by IA, together with all additions, substitutions, and alterations thereto; and
- (c) to render to Client at least quarterly a written statement of the investments of the Account. This statement may come directly from a Custodian. It is understood and agreed that IA, in the maintenance of records for its own purposes, or in making such records or the information contained therein available to Client or any other person at the direction of Client, does not assume responsibility for the accuracy of information furnished by Client or any other person, firm or corporation.

Financial Planning

We provide project based financial planning services on topics such as retirement planning, risk management, college savings, cash flow, debt management, work benefits, and estate and incapacity planning.

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as they impact and are impacted by the entire financial

and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all the following areas of concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate-planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. PWA is not compensated for referrals to attorneys. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.

- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (i.e., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. PWA is not compensated for referrals to tax professionals. We will participate in meetings or phone calls between you and your tax professional with your approval.

PWA also provides limited scope financial planning. These services are only provided for non-investment management clients who want a one-time, limited topic financial plan, and consultation.

Employee Benefit Retirement Plan Services

PWA also provides retirement plan consulting services and investment selection services to businesses with qualified retirement, profit sharing, pension and 401(k) plans. Retirement Plan assets are held at a qualified custodian.

PWA maintains relationships with third-party administrators and record keepers for 401(k) plans. These third party administrators and record keepers typically charge their administrative fees directly to the client, separately from PWA.

Generally, the above services are rendered at the retirement plan level. PWA may also enter into a

separate client agreement with the plan participant to provide Investment Management services. If such is the case, the normal fees, conditions, and responsibilities stated within this ADV Part 2A and related documents will apply.

Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon the client investment plan which outlines each client's current situation (tax levels, risk tolerance levels, etc.) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose reasonable restrictions on the management of their accounts. However, if the restrictions prevent us from properly servicing the client account, or if the restrictions would require us to deviate from its standard suite of services, we reserve the right to end the relationship.

Wrap Fee Programs

PWA does not participate in any wrap fee programs.

Item 5: Fees and Compensation

PWA does not receive any direct compensation or commission from any third party. For a description of indirect benefits, see below.

Advisory fees paid to PWA are separate from the fees and expenses charged by products which clients own in their portfolios. The mutual fund and exchange traded fund fees and expenses are outlined in each fund prospectus. Additionally, the fees charged by PWA are exclusive of all custodial and transaction costs paid to custodians, brokers, dealers, or any other third parties, such as attorneys brought in for estate planning. PWA expects and encourages clients to review thoroughly during the engagement process why, when, and how all fees are charged and billed. PWA may discount or waive management fees to family members.

With a written agreement from a client, PWA may also charge a supplemental hourly fee in addition to the investment management fee for initial, one-time, or more complex financial planning work.

Fee Schedule

Advisory Fees

Investment Management Services – The minimum required portfolio for new clients is \$250,000. PWA may make exceptions to this minimum at its discretion. Clients who wish to engage the investment management services of PWA will be billed quarterly in arrears according to the following schedule:

Assets Under Management	Annual	Quarterly
First \$1,000,000 invoiced at	1%	0.25%

Next \$2,000,000 invoiced at	0.80%	0.20%
Above \$3,000,000 invoiced at	0.50%	0.125%

Investment Management fees will be paid in arrears and may be paid by deducting from the custodial account or by check. The client will provide written authorization to withdraw fees from their custodial account. The fee schedule is negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. No increase in the billing rate may be made without the written consent of the client on the wealth management agreement.

Because investment management fees are charged in arrears, no refund policy is necessary. The initial quarterly fee is charged in full and not prorated based on the day the engagement begins within a quarter. This is because of the extensive amount of time taken to analyze, develop and implement a new advisory relationship.

Accounts terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time the Client-Advisor Agreement was valid during the billing period.

Spouses may combine or aggregate multiple accounts into a “household” to reach fee breakpoints. Accounts included in the aggregation will be identified and listed in Investment Advisory Contract.

Clients may terminate the engagement with PWA without penalty within five business days of signing the advisory contract.

Fees may be higher or lower than those charged by other advisors, and clients may be able to obtain similar services elsewhere for a lower fee.

Financial Planning Services

The hourly fee for limited scope financial planning services is \$300, is not negotiable and is paid in arrears. These services can include one-time reviews of 401(k) accounts, asset allocation, insurance, tax minimization, stock options, etc.

The flat fee for Financial Planning services start with a minimum fee of \$3,000. The flat fee will be dependent on the complexity of the financial plan and the estimated time involved in completing the financial plan. The final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients will pay 50% of the fee upfront with the remainder due at plan completion. Annual updates to the financial plan will be half of the initial Comprehensive Financial Planning fee. Updates to the financial plan in between annual updates are charged at \$300 an hour. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

Fees for this service are deducted from the client custodial account or paid by check.

Grandfathered Fee Schedules

Clients who initiated services with Peterson Wealth Advisory prior to any revised fee schedule will be grandfathered in under the pre-existing fee schedule. Any grandfathered fee schedules are confirmed by Peterson Wealth Advisory in the Investment Advisory Contract executed by

the client at the initial engagement of services.

Retirement Planning Fees

Clients who are participating in Retirement Plans with Peterson Wealth Advisory will need to provide a \$100 fee, per participant, which can be paid out by the participants employer, upon establishment of the account. In addition, clients will be charged on-going management fees, billed quarterly in arrears, as described in the fee schedule above.

Payment of Fees

Payment of Investment Management fees

Advisory fees are withdrawn directly from the client's accounts with client's written authorization or billed directly to the client who then pays by check. Fees are paid quarterly in arrears.

Although PWA is confident of the accuracy of its management fee calculation, it is the client's right and responsibility to verify the amount. Though fees are reported independently to clients by the custodian on the monthly statements sent directly to clients, these firms do not verify the accuracy of our calculations. If a client does not receive a statement from the custodian in a timely manner, the client should notify us or contact the custodian directly.

Payment of Financial Planning Services

Hourly Financial Planning fees are paid via check in arrears upon completion. Since the Advisor doesn't charge fees in advance a refund policy is not needed.

Clients Are Responsible for Third Party Fees

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, mutual fund fees, transaction fee etc.). Those fees are separate and distinct from the fees and expenses charged by PWA. Please see Item 12 of this brochure regarding broker/custodian.

Prepayment of Fees

PWA collects its fees in arrears. It does not collect fees in advance.

Outside Compensation for The Sale of Securities to Clients

Neither PWA nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

PWA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

The majority of our clients are individuals and families. We offer services to business owners, trusts and estates. The minimum required portfolio for new clients is \$250,000. PWA, in its sole discretion, may waive its portfolio minimum, charge a lesser investment advisory fee and/or charge

a flat fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.). Please Note: As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

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

We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index exchange traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Academic research indicates most active managers underperform the market.

Material Risks Involved

All investing strategies we offer involve risk and may result in a loss of your original investment, which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Strategy Risk: The Adviser's investment strategies and/or investment techniques may not work as intended.

Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

Turnover Risk: At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

Limited markets: Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

Concentration Risk: Certain investment strategies focus on particular asset-classes, industries,

sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

Inflation: Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Commercial Paper is, in most cases, an unsecured promissory note that is issued with maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.

Common stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

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

Bank Obligations including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

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

Options and other derivatives carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the

stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

Exchange Traded Funds prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

Investment Company Risk. When a client invests in open-end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

No Peterson Wealth Advisory employee is registered, or has an application pending to register, as a broker dealer or a registered representative of a broker-dealer.

No Peterson Wealth Advisory employee is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Peterson Wealth Advisory does not have any related parties. As a result, we do not have a relationship with any related parties.

Peterson Wealth Advisory does not utilize nor select other advisors or third-party managers. All assets are managed by Peterson Wealth Advisory

Peterson Wealth Advisory only receives compensation directly from clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

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

As a fiduciary, our firm and its Advisor owes the client a fiduciary duty to put the client's interest first which includes, but is not limited to, a duty of care, loyalty, obedience, and utmost good faith. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity.

Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to

act in an ethical and professionally responsible manner in all professional services and activities.

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

A summary of the CFP® Board's Code of Ethics is outlined below.

- Act with honesty, integrity, competence, and diligence
- Act in the client's best interests.
- Exercise due care.
- Avoid or disclose and manage conflicts of interest.
- Maintain the confidentiality and protect the privacy of client information.
- Act in a manner that reflects positively on the financial planning profession and CFP® certification.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm, its associates or any related person is authorized to recommend to a Client or effect a transaction for a Client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

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

Our firm and its "related persons" may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. In an effort to mitigate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation. The trading activities of the firm and its affiliates will not be permitted to front run or disadvantage clients trading abilities.

Trading Securities At/Around the Same Time as Client's Securities

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as Clients. We will not trade non-mutual fund securities ahead of trading the same security for Clients and will never trade in any way that places our interests ahead of client accounts or disadvantages client accounts in any way.

Item 12: Brokerage Practices

Factors Used to Select Custodians and/or Broker-Dealers

The Custodian was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. PWA will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

Research and Other Soft-Dollar Benefits

We typically recommend Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer,

member SIPC, as the qualified custodian.

Peterson Wealth Advisory is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as a custodian, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

Products and services available to the Firm from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. Schwab provides PWA and our clients with access to institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services described below are generally available on an unsolicited basis (i.e., we do not have to request them) and at no charge to us. Here is a more detailed description of Schwab's support services:

Services that Benefit Clients Directly

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit each client.

Services that May Not Directly Benefit Clients

Schwab also makes available to us other products and services that benefit us but may not directly benefit a specific client. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts. In addition to investment research, Schwab also makes available software and other technology that:

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

Services that Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include (among others) the following:

- Educational conferences and events
- Technology, compliance, legal, and business consulting

- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants and insurance providers

Schwab will provide some of these services itself or will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third-party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of the services described above from Schwab benefits us because we do not have to produce or purchase them. They are not contingent upon PWA committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our recommendation of Schwab as a custodian and broker is in the best interest of our clients. Our selection is primarily supported by the scope, quality and price of Schwab's services, and not Schwab's services that benefit only us.

Brokerage for Client Referrals

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

Clients Directing Which Broker/Dealer/Custodian to Use

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients money over using a lower-cost custodian.

Aggregating (Block) Trading for Multiple Client Accounts

Investment advisers may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading.

Peterson Wealth Advisory maintains the ability to block trade purchases across accounts. Peterson Wealth Advisory's practice is to analyze and trade client accounts individually utilizing primarily index exchange traded funds and not individual securities, so there is limited opportunity to seek potential cost savings with aggregated trades.

Item 13: Review of Accounts

Client accounts with the Investment Advisory Service will be reviewed regularly on a quarterly basis by Christopher G. Peterson, CFP®, Managing Member. The account is reviewed with regards to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client-imposed

restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from the custodian showing all activity in the accounts, such as receipt of dividends and interest.

Peterson Wealth Advisory may provide written reports to Investment Advisory clients on a quarterly, or annual basis. We urge clients to compare these reports against the account statements they receive from their custodian.

Item 14: Client Referrals and Other Compensation

PWA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to our clients. Nor do we directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

PWA does not accept custody of client funds except in the instance of withdrawing client fees. For client accounts in which PWA directly debits their advisory fee:

- PWA will send a copy of its invoice to the custodian at the same time that it sends the client a copy.
- The custodian will send at least quarterly statements to the client showing all disbursements for the account, including the amount of the advisory fee.
- The client will provide written authorization to PWA, permitting them to be paid directly for their accounts held by the custodian.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains the client's investment assets. We urge clients to compare the account statements they receive from the qualified custodian with **invoices** and reports they receive from the Adviser. The Adviser is not affiliated with the custodian. The custodian does not supervise the advisor, its agents, or activities.

Item 16: Investment Discretion

For those client accounts where PWA provides ongoing money management or investment advice with ongoing supervision, PWA maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

Item 17: Voting Client Securities (Proxy Voting)

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this

brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

Item 18: Financial Information

PWA does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

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

Neither PWA nor its management has been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements for State-Registered Advisers

PWA currently has only one management person and only one executive officer; Christopher George Peterson, CFP®. Christopher George Peterson's education and business background can be found on the Supplemental ADV Part 2B form.

Christopher George Peterson's other business activities can be found on the Supplemental ADV Part 2B form. PWA does not charge performance-based fees.

No management person at PWA has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Neither PWA, nor its management persons, has any relationship or arrangement with issuers of securities.