

# Form ADV Part 3 – Client Relationship Summary

Date: 05/17/2023

## Item 1: Introduction

BABB WEALTH ADVISORS, LLC is an investment adviser offering advisory accounts and services. Brokerage and investment advisory services and fees differ, and it is important that you understand the differences. This document gives you a summary of the types of services and fees we offer. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for free, simple tools to research firms and financial professionals, as well as educational materials about broker-dealers, investment advisers, and investing.

## Item 2: Relationships and Services

*Questions to ask us: Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

What investment services and advice can you provide me? We will offer you advice on a regular basis and will have discussions regarding your investment goals. We will collaborate with you to design a strategy to achieve your investment goals. As part of our standard services, we typically monitor client accounts on monthly basis and we may select a third party adviser for you to use. Our firm has discretionary management without any material limitations. We limit the types of investments that are recommended, since not every type of investment vehicle is needed to create an appropriate portfolio, but do not limit these investments to proprietary products. Our minimum account size is \$250,000 and the amount is negotiable. **Please also see our Form ADV Part 2A (“Brochure”), specifically Items 4 & 7.**

## Item 3: Fees, Costs, Conflicts, and Standard of Conduct

*Questions to ask us: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me? How might your conflicts of interest affect me, and how will you address them?*

What fees will I pay? The amount of assets in your account affects our advisory fee; the more assets you have in your advisory account, the more you will pay us and thus we have an incentive to increase those assets in order to increase our fee. For both Portfolio Management Fees and Wrap Fee Portfolio Management Fees, fees are paid quarterly in advance and both fee schedules are tiered. The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior quarter. Fees are negotiable and will be further detailed in our Investment Advisory Agreement. **Please also see item 5 of our Brochure and Item 4 of our Wrap Brochure.**

BWA participates in and sponsors wrap fee programs, which means BWA will wrap third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) for wrap fee portfolio management accounts. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. **Please also see Items 4, 5, 6, 7 & 8 of our Brochure.**

Some investments (e.g., mutual funds, variable annuities, etc.) impose additional fees (e.g., transactional fees and product-level fees) that reduce the value of your investment over time. The same goes for any additional fees you pay to a custodian. **You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have? *When we act as your investment adviser, we are held to a fiduciary standard that covers our entire investment advisory relationship with you. We have a duty to act in your best interest and to put your interests ahead of ours. At the same time, the way we make money creates some conflicts with your interests. We must eliminate these conflicts or explain them to you in a way that is easy to understand, so that you can decide whether to agree to them. You should understand and ask us about these conflicts, as they can affect the investment advice, we provide you. Here are some examples to help you understand what this means:*

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- Our financial professionals can receive commissions from insurance products and therefore have an incentive to recommend products that provide them, or us, additional compensation over those that do not. In addition to commissions, insurance companies and field marketing affiliates may provide additional incentives such as conventions, conferences, or trips, marketing support, and other monetary benefits. Earned incentive trips, conventions, or conferences will not be permitted unless they are educational in manner.
- For AUM fees, we have an incentive to increase the amount of assets, as the fee is based on asset size.
- If we manage your portfolio in a wrap fee program, we have an incentive to limit trading in your account, and to favor asset types that do not have a transaction fee, in order to minimize trading expenses that we would have to normally pay out of our management fee.

How do your financial professionals make money? Primarily, we and our financial professionals receive cash compensation from the advisory services we provide to you because of the advisory fees we receive from you. This compensation may vary based on different factors, such as those listed above in this Item. Our financial professionals also may receive commissions from insurance companies and therefore have an incentive to recommend products that provide them, or us, additional compensation over those that do not. We may direct clients to third-party investment advisers, and in that case would be compensated via a fee share from those advisers. **Please also see Item 10 of our [Brochure](#) for additional details.**

## Item 4: Disciplinary History

*Questions to ask us: As a financial professional, do you have any disciplinary history? For what type of conduct?*

Do you or your financial professionals have legal or disciplinary history? Yes, we have legal and disciplinary events. Visit <https://www.investor.gov/> for a free, simple search tool to research us and our financial professionals.

## Item 5: Additional Information

*Questions to ask us: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

For additional information on our advisory services, see our [Brochure](#) available at <https://adviserinfo.sec.gov/firm/summary/298347> and any individual brochure supplement your representative provides. If you have any questions, need additional information, or want another copy of this Client Relationship Summary, then please contact us at 928-526-2911.

## Exhibit A – Material Changes to Client Relationship Summary

- The firm may select third party managers for your account.