

## **Part 2A of Form ADV: *Firm Brochure***

**Arvest Investments, Inc.**

Doing business as

**Arvest Wealth Management**

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March 12, 2021

This brochure provides information about the qualifications and business practices of Arvest Wealth Management an investment adviser registered with the SEC (#801 – 63738). Please note that registration with the SEC does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at (501) 379-7816 or [tharps@arvest.com](mailto:tharps@arvest.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.

Additional information about Arvest Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 42057.

Arvest Wealth Management is the trade name used by Arvest Investments, Inc., an SEC registered investment adviser and broker-dealer, member FINRA/SIPC, and a wholly owned subsidiary of Arvest Bank.

## Item 2 Material Changes

This Firm Brochure, dated March 12, 2021, is our current disclosure document prepared according to the SEC's requirements and rules.

Arvest Wealth Management (AWM) did not have material changes to the investment advisory services it provides commensurate to the retirement plan consulting, financial advice and planning services described within this Firm Brochure since its last annual update on March 11, 2020.

Consistent with the current rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of business' fiscal year, which is December 31. Furthermore, we will provide you with other interim disclosures about material changes, as necessary.

You can access additional information about our firm, management personnel, investment advisor representatives and our most recent Firm Brochure at the SEC's website, located at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). This site may also be reached through FINRA's website, at [finra.org/brokercheck](http://finra.org/brokercheck).

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## Item 4 Advisory Business

Arvest Investments, Inc., doing business as Arvest Wealth Management (AWM), is a corporation organized under the laws of the State of Arkansas. AWM is 100% owned by Arvest Bank, Fayetteville, Arkansas. Arvest Bank is a wholly owned subsidiary of Arvest Holdings, Inc., a wholly owned subsidiary of Arvest Bank Group, Inc., a corporation of which Jim C. Walton, owns or controls, over 50% of the equity and Samuel Robson Walton is a greater than 25% equity owner.

The Arvest mission statement: People helping people find financial solutions for life.

AWM is an investment advisor registered with the Securities and Exchange Commission (SEC), with its principal place of business located in Arkansas, with advisors located in Arvest Bank branches in Arkansas, Oklahoma, Missouri, and Kansas. AWM began conducting investment advisory business in 2004.

As of December 31, 2020, AWM had regulatory advisory assets under management of \$2,443,071,733.00 of which we managed \$876,194.567.00 on a discretionary basis.

AWM provides investment advisory services through its retirement plan consulting services and its financial planning services, as described in this Part 2A of Form ADV (Firm Brochure). Additionally, through AWM sponsored wrap fee programs, as further described in its Part 2A Appendix 1 of Form ADV wrap fee program brochure (the "AWM Wrap Fee Program Brochure"), The Wrap Fee Program Brochure is provided separately to those applicable current and prospective clients.

AWM's Client Advisors, Retirement Plan Advisors and Retirement Plan Relationship Managers will evaluate each client's individual needs, financial goals, and attitudes towards risk to help the client identify which accounts and program(s) are appropriate for the client. The services provided after the initial recommendation will vary depending on account type and program selected. You should carefully review each recommended advisory service with your Client Advisor to be sure you understand the nature of the services being offered.

Fees vary between the various services and programs offered by AWM. This presents a conflict of interest in that AWM may receive higher fees from some services and programs than from others and, because the salaries and/or bonuses of our Client Advisors and Retirement Plan Advisors (RPAs) are based in part on production, i.e. the amount of Client Advisory fees and other revenues generated to AWM by their advisory client accounts, we may have an incentive to recommend higher-priced services or programs when a comparable lower priced alternative may be available. Note, Retirement Plan Relationship Managers' (RPRMs) do not receive compensation directly from advisory fees, the sale of securities or other investment products through their salary or annual bonus opportunity.

AWM's policies require all Client Advisors, RPAs and RPRMs to only recommend those services that are in the best interest of each client. Furthermore, Client Advisors' salaries are calculated and set semi-annually. For each performance-based salary calculation, 6 months of prior production are used to determine application of the Client Advisor's performance to a payout grid used to set an Advisor's salary level. Retirement Plan Advisors (RPAs) receive a base annual salary that is not production based.

However, RPAs and Client Advisors may qualify for certain bonus opportunities that are production based.

**AWM SPONSORED WRAP FEE PROGRAMS**

AWM offers investment advisory services (including AWM advisory and portfolio management services, AWM Investment Management Group (“IMG”) model portfolio management services, and third-party portfolio management services) through the AWM sponsored wrap fee programs:

- AWM SMA Equity and Balanced Strategies
- AWM SMA Fixed Income Strategies
- AWM Unified Managed Account
- Lockwood AdvisorFlex Portfolios
- Lockwood Asset Allocation Portfolios
- Mutual Funds & ETF Strategists
- IMG Equity & Balanced Strategies
- IMG ETF Models
- IMG Fixed Income Strategies
- Advisor Directed – Discretionary
- Advisor Directed-Non-Discretionary

***Please refer to the AWM Wrap Fee Program Brochure for a description of AWM sponsored wrap fee programs.***

**RETIREMENT PLAN CONSULTING**

AWM, through its Retirement Plan Consulting Group offers (1) Discretionary Investment Management Services, (2) Non-Discretionary Investment Advisory Services and/or (3) Retirement Plan Consulting Services to employer-sponsored retirement plans and their participants. Depending on the type of the Plan and the specific arrangement with the Sponsor, we may provide one or more of these services. Prior to being engaged by the Sponsor, we will provide a copy of this Form ADV Part 2A along with a copy of our Privacy Policy and the Retirement Plan Investment Advisory Agreement (“Agreement”) that contains the information required under Sec. 408(b)(2) of the Employee Retirement Income Security Act (“ERISA”) as applicable.

The Agreement authorizes our investment adviser representatives (“IARs”) acting as RPAs, RPRMs or Client Advisors, as described below, to deliver one or more of the following services:

<b>Discretionary Investment Management Services</b>
These services are designed to allow the Plan fiduciary to delegate responsibility for managing, acquiring, and disposing of Plan assets that meet the requirements of the Employee Retirement Income Security Act of 1974 (“ERISA”). We will perform these investment management services through our RPAs and/or RPRMs (described as IARs) and charge fees as described in this Form ADV and the Agreement. If the Plan is subject to ERISA, we will perform these services as an “investment manager” as defined under ERISA Section 3(38) and as a “fiduciary” to the Plan as defined under ERISA Section 3(21). Specifically, the Sponsor may determine that we perform the:

**SELECTION, MONITORING & REPLACEMENT OF DESIGNATED INVESTMENT ALTERNATIVES ("DIA"):**

IARs will review with the Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to the Sponsor an Investment Policy Statement (IPS) that contains criteria from which the IAR will select, monitor, and replace the Plan's DIA. Once approved by the Sponsor, applicable IARs will review the investment options available to the Plan and will select the Plan's DIA in accordance with the criteria set forth in the IPS. On a periodic basis, IARs will monitor and evaluate the DIA and replace any DIA that no longer meet the IPS criteria.

**CREATION & MAINTENANCE OF MODEL ASSET ALLOCATION PORTFOLIOS ("MODELS")**

IARs will create a series of risk-based Models comprised solely among the Plan's DIA; and, on a periodic basis and/or upon reasonable request, IARs will reallocate and rebalance the Models in accordance with the IPS or other guidelines approved by the Sponsor.

**SELECTION, MONITORING & REPLACEMENT OF QUALIFIED DEFAULT INVESTMENT ALTERNATIVES ("QDIA")**

Based upon the options available to the Plan, IARs will select, monitor, and replace the Plan's QDIA in accordance with the IPS.

**MANAGEMENT OF TRUST FUND:**

IARs will review with the Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to the Sponsor an IPS that contains criteria from which IARs will select, monitor, and replace the Plan's investments. Once approved by the Sponsor, IARs will review the investment options available to the Plan and will select the Plan's investments in accordance with the criteria set forth in the IPS. On a periodic basis, IARs will monitor and evaluate the investments and replace any investment(s) that no longer meet the IPS criteria.

**Non-Discretionary Fiduciary Services**

These services are designed to allow the Sponsor to retain full discretionary authority or control over assets of the Plan. We will solely be making recommendations to the Sponsor. We will perform these Non-Discretionary investment advisory services through our IARs, acting as either RPAs, RPRMs or Client Advisors, and charge fees as described in this Form ADV 2A and the Agreement. If the Plan is covered by ERISA, we will perform these investment advisory services to the Plan as a "fiduciary" defined under ERISA Section 3(21). The Sponsor may engage us to perform one or more of the following Non-Discretionary investment advisory services:

**INVESTMENT POLICY STATEMENT ("IPS"):**

IARs will review with the Sponsor the investment objectives, risk tolerance and goals of the Plan. If the Plan does not have an IPS, IARs will provide recommendations to the Sponsor to assist with establishing an IPS. If the Plan has an existing IPS, IARs will review it for consistency with the Plan's objectives. If the IPS does not represent the objectives of the Plan, IARs will recommend to the Sponsor revisions to align the IPS with the Plan's objectives.

**ADVICE REGARDING DESIGNATED INVESTMENT ALTERNATIVES ("DIA"):**

Based on the Plan's IPS or other guidelines established by the Plan, IARs will review the investment options available to the Plan and will make recommendations to assist the Sponsor with selecting DIA to be offered to Plan participants. Once the Sponsor selects the DIA, IARs will, on a periodic basis and/or upon reasonable request, provide reports and information to assist the Sponsor with monitoring the DIA. If a DIA is required to be removed, IARs will provide recommendations to assist the Sponsor with replacing the DIA.

**ADVICE REGARDING MODEL ASSET ALLOCATION PORTFOLIOS ("MODELS"):**

Based on the Plan's IPS or other guidelines established by the Plan, IARs will make recommendations to assist the Sponsor with creating risk-based Models comprised solely among the Plan's DIA. Once the Sponsor approves the Models, IARs will provide reports, information, and recommendations, on a periodic basis, designed to assist the Sponsor with monitoring the Models. Upon reasonable request, and depending upon the capabilities of the recordkeeper, IARs will make recommendations to the Sponsor to reallocate and/or rebalance the Models to maintain their desired allocations.

**ADVICE REGARDING QUALIFIED DEFAULT INVESTMENT ALTERNATIVES ("QDIA"):**

Based on the Plan's IPS or other guidelines established by the Plan, IARs will review the investment options available to the Plan and will make recommendations to assist the Sponsor with selecting or replacing the Plan's QDIA.

**ADVICE REGARDING INVESTMENT OF TRUST FUND:**

Based on the Plan's IPS, IARs will review the investment options available to the Plan and will make recommendations to assist the Sponsor with selecting investments that meet the IPS criteria. Once the Sponsor selects the investment(s), IARs will, on a periodic basis and/or upon reasonable request, provide reports and information to assist the Sponsor with monitoring the investment(s). If the IPS criteria require any investment(s) to be replaced, IARs will provide recommendations to assist the Sponsor with replacing the investment(s).

Retirement Plan Consulting Services
Retirement Plan Consulting services are designed to allow our IARs, acting as either RPAs, RPRMs or Client Advisors, to assist the Sponsor in meeting his/her fiduciary duties to administer the Plan in the best interests of Plan participants and their beneficiaries. Retirement Plan Consulting services are performed so that they would not be considered "investment advice" under ERISA. The Sponsor may elect for our IARs to assist with any of the following services:
<b>Administrative Support</b>
✓ Assist the Sponsor in reviewing objectives and options available through the Plan
✓ Review Plan committee structure and administrative policies/procedures
✓ Recommend Plan participant education and communication policies under ERISA 404(c)
✓ Assist with development/maintenance of fiduciary audit file and document retention policies
✓ Deliver fiduciary training and/or education periodically or upon reasonable request
✓ Recommend procedures for responding to Plan participant requests
<b>Service Provider Support</b>
✓ Assist fiduciaries with a process to select, monitor and replace service providers
✓ Assist fiduciaries with review of Covered Service Providers ("CSP") and fee benchmarking
✓ Coordinate and assist with CSP replacement and conversion
<b>Investment Monitoring Support</b>
✓ Periodic review of investment policy in the context of Plan objectives
✓ Assist the Plan committee with monitoring investment performance
✓ Educate Plan committee members, as needed, regarding replacement of DIA and/or QDIA



<b>Participant Services</b>
✓ Facilitate group enrollment meetings and coordinate investment education
✓ Assist Plan participants with financial wellness education, retirement planning and/or gap analysis

### **Potential Additional Retirement Services Provided Outside of the Agreement**

In providing Retirement Plan Consulting services, AWM and its IARs may establish a client relationship with one or more Plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation:

- as a result of a decision by the Plan participant or beneficiary to purchase services from AWM not involving the use of Plan assets,
- as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relating to assets held outside of the Plan, or
- through a rollover of an Individual Retirement Account ("IRA Rollover").

If AWM is providing Retirement Plan Consulting services to a plan, IARs may, when requested by a Plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement. If a Plan participant or beneficiary desires to affect an IRA Rollover from the Plan to an account advised or managed by AWM, IARs will have a conflict of interest if his/her fees are reasonably expected to be higher than those paid to AWM in connection with the Retirement Plan Consulting services. IARs will disclose relevant information about the applicable fees charged by AWM prior to opening an IRA account. Any decision to affect the rollover or about what to do with the rollover assets remain that of the Plan participant or beneficiary alone.

In providing these optional services, we may offer employers and employees information on other financial and retirement products or services offered by AWM and our IARs.

### **Individually Tailored Services**

When providing investment fiduciary services, we will tailor our advice or (if applicable) discretion to meet the investment policies or other written guidelines adopted by the Sponsor. AWM IARs may also provide advice, under a separate advisory agreement, to plan participants of retirement plans that are not associated with AWM. When providing Participant Investment Advice, such advice will be based upon the investment objectives, risk tolerance and investment time horizon of each individual Plan participant.

### **FINANCIAL PLANNING SERVICES**

We provide financial planning services in addition to the advisory services listed above.

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. Through the

financial planning process, all questions, information, and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients utilizing this service receive a written report, which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial planning process may address some or all, of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax, spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability. However, we do not give specific tax advice, deferring to the client's personal accountant or tax preparer.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid, and elder law. However, we do not give tax, legal advice or prepare estate planning documents, such as wills, trusts or powers of attorney.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, performance objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent and/or financial advisor. Implementation of financial plan recommendations is entirely at the client's discretion.

*LIMITATIONS:* Client Advisors of AWM are registered representatives of a broker-dealer and/or insurance agents/brokers of various insurance companies. Specific product recommendations made in financial plans are limited to only those products offered through approved companies, as well as our clearing firm.

## Item 5 Fees and Compensation

### **AWM SPONSORED WRAP FEE PROGRAMS**

*Please refer to the AWM Wrap Fee Program Brochure for a description of our wrap fee programs.*

### **RETIREMENT PLAN CONSULTING FEES**

Fees for Retirement Plan Consulting's ("Fees") services are negotiable and vary based upon the nature, scope, and frequency of our services as well as the size and complexity of the plan. A general description of the different types of fees for Retirement Plan Consulting services appears in the fee schedule below:

Fee Type	Fee Range
Assets Under Management – Plan or Account Value	0.15% - 1.00% (Annualized)
Flat Fee	Negotiable
Project Fee	Negotiable

Depending upon the capabilities and requirements of the Plan's recordkeeper or custodian, we may collect our Fees in arrears or in advance. Typically, Sponsors instruct the Plan's recordkeeper or custodian to automatically deduct our Fees from the Plan account; however, in some cases a Sponsor may request that we send invoices directly to the Sponsor or recordkeeper/custodian. Some Plans have monthly fee assessment and collection, while others are quarterly. Please also consult the plan custodian's disclosures and your advisory agreement with AWM for additional information regarding fees and fee collection. Upon termination of any Retirement Plan Consulting services contract, any prepaid, unearned fees will be promptly refunded.

Sponsors receiving Retirement Plan Consulting services may pay more than or less than a client might otherwise pay if purchasing the Retirement Plan Consulting services separately or through another service provider. There are several factors that determine whether the costs would be more or less, including, but not limited to, the size of the Plan, the specific investments made by the Plan, the number of or locations of Plan participants, services offered by another service provider, and the actual costs of Retirement Plan Consulting services purchased elsewhere. Considering, the specific Retirement Plan Consulting services offered by AWM, the Fees charged may be more or less than those of other similar service providers.

In determining the value of the Account for purposes of calculating any asset-based Fees, IARs will rely upon the valuation of assets provided by the Sponsor or the Plan's custodian or recordkeeper without independent verification. If, however, there are circumstances which, in the IAR's judgment, render the custodian's valuation inappropriate, IARs will value securities listed on any national securities exchange at the closing price on the principal exchange on which they are traded and will value any other securities in a manner determined in good faith by IARs to reflect fair market value. In all events, any such valuation will not be any guarantee of the market value of any of the assets in the Plan.

Unless we agree otherwise, no adjustments or refunds will be made in respect of any period for (i) appreciation or depreciation in the value of the Plan account during that period or (ii) any partial withdrawal of assets from the account during that period. If the Agreement is terminated by us or by the Sponsor, we will refund certain Fees to the Sponsor to the extent provided in Section 8 of the Agreement. Unless we agree otherwise, all Fees shall be based on the total value of the assets in the account without regard to any debit balance.

All Fees paid to AWM for Retirement Plan Consulting services are separate and distinct from the fees and expenses charged by mutual funds, variable annuities, and exchange-traded funds to their shareholders. These fees and expenses are described in each investment's prospectus. These fees will generally include a management fee, other expenses, and possible distribution fees. If the investment also imposes sales charges, a client may pay an initial or deferred sales charge. The Retirement Plan Consulting services provided by AWM may, among other things, assist the client in determining which investments are most appropriate to each client's financial condition and objectives and to provide other administrative assistance as selected by the client. Accordingly, the client should review both the fees charged by the funds, the fund manager, the Plan's other service providers and the fees charged by AWM to fully understand the total amount of fees to be paid by the client and to evaluate the Retirement Plan Consulting services being provided.

While the following examples are not necessarily related to the Retirement Plan Consulting services, various vendors, product providers, distributors and others have provided and may, in the future provide, compensation by paying some expenses related to the following activities: training and education to include AWM's training and recognition events. Also, certain vendors have, and may in the future, provide marketing support (example seminars), invite us to participate in conferences, or on-line training that may further IARs' and employees' skills and knowledge. Also, some have and may, in the future occasionally provide us with gifts, meals and entertainment of reasonable value consistent with industry rules and regulations.

If applicable, and in the event the payments are received in connection with, or resulting from, the Retirement Plan Consulting services, we will disclose such payments to Sponsors in accordance with ERISA and Department of Labor regulations.

No increase in the Fees will be effective without prior written notice.

**Advisory Fees in General:** Clients should note that similar advisory services may be available from other registered investment advisors for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees more than \$1,200 more than six months in advance of services rendered.

**Additional Fees and Expenses:** In addition to our advisory fees, clients will be responsible for other fees and expenses incurred by their accounts, including, but not limited to, account service fees (example loan fees as applicable) charged by the custodian; any transaction charges imposed by a broker dealer; and internal investment charges such as mutual fund or exchange traded fund management fees. Please refer to disclosures and prospectuses provided by the plan custodian of your retirement plan.

## **FINANCIAL PLANNING FEES**

AWM's Financial Planning fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering a contract with any client.

Our Financial Planning fees may be calculated and charged on an hourly basis, ranging from \$25 to \$100 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

Our Financial Planning fees also may be calculated and charged on a fixed fee basis, typically ranging from \$250 to \$1,000, depending on the specific arrangement reached/negotiated with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan. Upon termination of any financial planning contract, any prepaid, unearned fees will be promptly refunded.

**Financial Planning Fee Offset:** AWM reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Portfolio Management Services.

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

AWM does not charge clients performance-based fees.

## **Item 7 Types of Clients**

AWM provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit-sharing plans
- Charitable organizations
- Corporations or other businesses not listed above.

*Please refer to the AWM Wrap Fee Program Brochure for a description of our wrap fee programs, including the requirements for opening and maintaining a wrap fee program account.*

Our Retirement Plan Consulting services are available to clients that are sponsors or other fiduciaries to plans, including 401(k), 457(b), 403(b) and 401(a) plans. Plans include participant-directed defined contribution plans and defined benefit plans. Plans may or may not be subject to ERISA. AWM does not

have a minimum asset amount requirement for our Retirement Plan Consulting accounts, but various plan custodians may.

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

### **AWM SPONSORED WRAP FEE PROGRAMS**

*Please refer to the AWM Wrap Fee Program Brochure for a description of our wrap fee programs.*

### **RETIREMENT PLAN CONSULTING**

#### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice for retirement plan sponsors and/or when acting as the plan's investment manager (as applicable) and selecting the specific Designated Investment Alternatives to be held by the plan:

***Fundamental Analysis.*** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be a good time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

***Technical Analysis.*** We analyze past market movements and apply that analysis to the present to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

***Quantitative Analysis.*** We use mathematical models to obtain more accurate measurements of a company's quantifiable data, such as the value of share price or earnings per share and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

***Qualitative Analysis.*** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**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.

**Risks Associated with Investing in Commodities.** An investment in commodity-linked derivative instruments may be subject to greater volatility than investments in traditional securities, particularly if the instruments involve leverage. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political, and regulatory developments. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. Among the risks presented are market risk, credit risk, counterparty risk, leverage risk and liquidity risk. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index, or rate, which may be magnified by certain features of the derivatives.

**Risks Associated with Investing in an Exchange-Traded Fund (ETF).** Exchange Traded Funds (ETFs) are subject to market risk, including the possible loss of principal. The value of the portfolio will fluctuate with the value of the underlying securities. ETFs may trade for less than their net asset value. ETFs may have underlying investment strategy risks similar to investing in commodities, bonds, real estate, international markets or currencies, emerging growth companies, or specific sectors. Investors should consider an ETF's investment objective, risks, charges, and expenses carefully before investing.

## **INVESTMENT STRATEGIES**

We use the following strategies in providing advice to retirement plan participants and when providing advice in financial planning services, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

**Long-term purchases.** When utilizing this strategy, we advise that securities be purchased with the idea of holding them in the client's retirement plan or other accounts (as applicable) for a year or longer. Typically, we employ this strategy when:

- We believe the securities to be currently undervalued, and/or

- We want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we advise that securities be purchased with the idea of selling them within a relatively short time (typically a year or less). We do this to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

**Risk of Loss.** Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

In May 2012, The Oklahoma Department of Securities (ODS) filed an Enforcement Division Recommendation against AWM, its broker-dealer division, and our Chief Compliance Officer, alleging violations of our written policies and procedures, as it related to our handling of verbal complaints. There were no alleged violations of illegal activities, or that any customer suffered financial loss.

In January 2013, the ODS and AWM reached a verbal settlement, with AWM agreeing to amend its policies and procedures regarding the handling of customer complaints, pay a \$20,000 fine and that the Chief Compliance Officer receive a three-day suspension of his duties, as it relates to his activities in the State of Oklahoma. A final Order was entered on May 9, 2013, confirming this agreement. We have amended our policies and procedures, paid the fine and the CCO has served the suspension.

AWM, as a broker-dealer, is a member of FINRA. FINRA alleged that AWM violated rules 4 and 5 of Regulation S-P, NASD Rule 3010(a)(2) and (b)(1), and FINRA Rules 3110(a)(2), (b)(1) and 2010 by, between January 2009 and December 2016, failing to provide required initial and annual privacy notices to certain brokerage customers, and failing to establish and maintain a supervisory system reasonably designed to ensure that it was meeting its privacy notice obligations. In May 2018, without admitting or denying FINRA's findings, AWM consented to the entry of findings and to the following sanctions, including a censure, a fine in the amount of \$150,000, and an undertaking to revise as necessary its policies, procedures, and internal controls, which AWM has already complied with.

You can access additional information about our firm and our management personnel, including on the SEC's website, located at [adviserinfo.sec.gov](http://adviserinfo.sec.gov), as well as FINRA's website, at [finra.org/brokercheck](http://finra.org/brokercheck).



## Item 10 Other Financial Industry Activities and Affiliations

### **FIRM REGISTRATIONS**

In addition to AWM being an investment advisor registered with the SEC, our firm is registered as a FINRA member broker-dealer.

### **MANAGEMENT PERSONNEL AND OTHER ASSOCIATES REGISTRATIONS**

Management personnel and some other associates of our firm, in addition to being licensed as investment advisor representatives are also separately licensed as registered representatives of AWM, in our capacity as a FINRA member broker-dealer.

While AWM, our management personnel and client advisors always endeavor to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

We are a registered investment advisor, a FINRA member broker-dealer, and a wholly owned subsidiary of Arvest Bank, a commercial bank that offers a broad spectrum of banking products, trust services and other financial services to consumers, small businesses, and commercial clients. As a subsidiary of Arvest Bank, our firm is under common ownership and control with several financial institutions, including Arvest Insurance, Inc., a licensed insurance agency with which we have a material business relationship (referred to collectively, together with Arvest Bank and AWM in its capacity as a broker-dealer, as the “Related Companies”).

Where appropriate, AWM and our associates may recommend the various investment and investment-related services of the Related Companies to our advisory clients. The Related Companies and their associates may also recommend the advisory services of our firm to their clients. The services provided by the Related Companies are separate and distinct from our advisory services and are provided for separate and additional compensation. There may also be arrangements between AWM and these Related Companies where AWM and/or the Related Companies and their associates receive payment in exchange for client referrals. No AWM client is obligated to use the services of any of the Related Companies.

In addition, the management persons, and other associates of AWM are management persons and insurance agents of Arvest Insurance, Inc., a licensed insurance agency.

These individuals may also be insurance agents for one or more insurance companies. In their separate capacities as registered representatives of AWM and/or insurance agents, these individuals can affect securities transactions and/or purchase insurance and insurance-related investment products for AWM’s advisory clients, for which these individuals may generate separate and additional

compensation. Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

Clients should be aware that the receipt of additional compensation by AWM and its Related Companies, affiliates and associates creates a potential conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. AWM endeavors always to put the interest of its clients first as part of our fiduciary duty as a registered investment advisor. AWM's policies require all Client Advisors to only recommend those services that are in the best interest of each client. Furthermore, Client Advisors' salaries are calculated and set semi-annually. For each performance-based salary calculation, 6 months of prior production are used to determine application of the Client Advisor's performance to a payout grid used to set an Advisor's salary level. Note: Retirement Plan Advisors (RPAs) receive a base annual salary that is not production based. However, RPAs and Client Advisors may be eligible for certain bonus opportunities that are production based.

Additionally, we take the following steps to address this conflict:

- *We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our associates to earn compensation from the sale of individual securities, brokerage and insurance products and services in addition to our firm's advisory fees,*
- *We disclose to clients that they are not obligated to purchase recommended investment products from our associates or affiliated companies,*
- *We collect, maintain and document accurate, complete, and relevant client background information, including the client's financial goals, objectives and risk tolerance, our firm's management and compliance associates conduct regular reviews of client accounts to verify that recommendations made to a client are suitable to the client's needs and circumstances,*
- *We require that our associates seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed,*
- *We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm, and*
- *We educate our associates regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.*

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

AWM and our personnel owe a duty of care and a duty of loyalty to our clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports, or statements and confirmations if capturing all securities activity, as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and recordkeeping provisions.

AWM's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all associates are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [smckinnon@arvest.com](mailto:smckinnon@arvest.com), or by calling (501) 379-7811.

Please do not hesitate to call your Client Advisor or the AWM Compliance number above if you have any questions.

AWM and individuals associated with our firm are prohibited from engaging in principal transactions for advisory accounts.

AWM and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our associates will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing associates to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal account's securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in certain securities which may also be recommended to a client.

It is the expressed policy of our firm that no AWM Client Advisor may purchase or sell any security prior to a transaction(s) being implemented for their clients' advisory accounts, when the Client Advisor has received an order(s) or has knowledge of pending trades for their clients, thereby; preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our associate trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro

rata, with each account paying the average price. Our associate accounts will be excluded in the pro rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or associate of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or associate of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received because of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such associates from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any Initial Public Offering (IPO) or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations (access person). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
9. All AWM principals and associates must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. We require delivery and acknowledgement of the Code of Ethics by each supervised, securities licensed person of our firm on an annual basis.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer and licensed as an insurance agent

of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## Item 12 Brokerage Practices

### **AWM SPONSORED WRAP FEE PROGRAMS**

*Please refer to the AWM Wrap Fee Program Brochure for a description of our wrap fee programs.*

### **RETIREMENT PLAN CONSULTING**

When appropriate, based upon the needs of each plan, we may recommend that a plan use a certain retirement plan platform or service provider (such as a recordkeeper, administrator or broker-dealer). That recommendation may include using our affiliated broker-dealer, also doing business as AWM, to serve as broker-dealer in connection with the sale of securities or insurance products to the Plan.

As noted above, for Plans that are subject to ERISA or are otherwise subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), 12b-1 fees paid by product sponsors to AWM as broker-dealer of record to the Plan are either refunded to the plan or used to offset the fees.

## Item 13 Review of Accounts

### **AWM SPONSORED WRAP FEE PROGRAMS**

*Please refer to the AWM Wrap Fee Program Brochure for a description of our wrap fee programs.*

### **RETIREMENT PLAN CONSULTING**

We will contact you at least once a year to review our Retirement Plan Consulting services. It is important that you discuss any changes in the Plan's demographic information, investment goals, and objectives with your IAR. Plans may receive written reports directly from their IAR based upon the services being provided, including any reports evaluating the performance of Plan investment manager(s) or investments and as applicable recommended changes.

Regarding advisory services provided to retirement plan participants by AWM Client Advisors, the AWM Client Advisor will review items such as:

1. Investment Allocation,
2. Participant Investor Profile or Suitability Changes, and
3. Any Recommended Investment Changes.

## **FINANCIAL PLANNING SERVICES**

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for financial planning clients unless otherwise contracted for.

We appreciate your significant achievement in approaching the end of our disclosure document and hope in the future that your continued “investment in knowledge always pays (you) the best interest” – Ben Franklin.

Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

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

AWM may pay Arvest Bank associates a nominal one-time cash award of no more than \$25, for a qualified referral to a licensed Client Advisor, which is not dependent upon a sale being made.

Additionally, AWM securities licensed associates to include IARs and Registered Representative (RR)s may receive compensation for referrals made to Retirement Plan Consulting.

Our firm does not pay referral fees to independent persons or firms (Solicitors) for introducing clients to us.

It is AWM’s policy not to accept or allow our related persons to accept direct compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients. However, our firm does allow for soft dollar, indirect compensation from various vendors, product providers, distributors, and others. These providers may provide non-monetary compensation by paying some expenses related to training and education, excluding travel expenses. AWM might receive payments to subsidize our own training programs or to sponsor an event. Certain vendors may invite us to participate in conferences, on-line training or receive publications that may further our skills and knowledge. Some may occasionally provide us with nominal gifts, meals, and entertainment of reasonable value consistent with industry rules and regulations.

## **Item 15 Custody**

### **AWM SPONSORED WRAP FEE PROGRAMS**

*Please refer to the AWM Wrap Fee Program Brochure for a description of our wrap fee programs.*

### **RETIREMENT PLAN CONSULTING**

Additionally, AWM will not serve as custodian for plan assets in connection with brokerage or investment advisory Retirement Plan Consulting services. Retirement plan sponsors are responsible for selecting the custodian for plan assets. AWM Retirement Plan Consulting Group may be listed as the contact for the plan account held at an investment sponsor our custodian. Sponsor for the plan will complete account paperwork with the outside custodian that will provide the name and address of the custodian. The custodian for the plan is responsible for providing the plan with periodic confirmations

and statements. We recommend that sponsors review the statements and reports received directly from the custodian or investment sponsor.

## Item 16 Investment Discretion

### **AWM SPONSORED WRAP FEE PROGRAMS**

*Please refer to our Wrap Fee Program Brochure for a description of our wrap fee programs, including programs where we accept discretionary authority to manage securities accounts on behalf of clients.*

### **RETIREMENT PLAN CONSULTING**

When providing Retirement Plan Consulting services described herein, we may exercise discretionary authority or control over the investments specified in the Agreement. We perform these services to the Plan as a fiduciary under ERISA Section 3(21) and investment manager under ERISA Section 3(38). We are legally required to act with the degree of diligence, care, and skill that a prudent person rendering similar services would exercise under similar circumstances. This discretionary authority is specifically granted to us by Sponsor, as specified in the Agreement (*see also, Item 4 above*).

## Item 17 Voting Client Securities

### **AWM SPONSORED WRAP FEE PROGRAMS**

*Please refer to our Wrap Fee Program Brochure for a description of our wrap fee programs.*

### **RETIREMENT PLAN CONSULTING**

AWM's Retirement Plan Consulting services has no authority or responsibility to vote any security held by the Plan or the related proxies. That authority is reserved by the Sponsor or trustee of the Plan. AWM does not accept proxy voting authority in connection with any Retirement Plan Consulting services.

## Item 18 Financial Information

AWM has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees more than \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

AWM has not been the subject of a bankruptcy petition at any time.

## **BUSINESS CONTINUITY PLAN**

AWM is committed to safeguarding the interests of our clients and customers in the event of an emergency or significant business disruption. Our Business Continuity Plan, which enables us to respond to events that significantly disrupt our business, may be obtained from our Retirement Plan Advisors and Retirement Plan Relationship Managers or Client Advisors (as applicable) and can also be found at our disclosures' website:

<https://www.arvest.com/documents-and-resources/awm-disclosures>