



B O N N E M A
W E A L T H M A N A G E M E N T
A Registered Investment Advisor

Bonnema Wealth Management, LLC
7373 East Doubletree Ranch Road #200
Scottsdale, AZ 85258
Phone: (480) 206-5081
Office: (480) 378-2883
Email: jbonnema@bwmwealth.com

<http://www.bwmwealth.com>

February 8, 2024
Part 2A Brochure

This brochure provides information about the qualifications and business practices of Bonnema Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 480-206-5081. 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. Bonnema Wealth Management, LLC. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Bonnema Wealth Management, LLC. is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Bonnema Wealth Management, LLC. Is 173526.

ITEM 2 - MATERIAL CHANGES

Summary of Material Changes

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact Joel Bonnema at 480-206-5081 or jbonnema@bwmwealth.com

We encourage you to read this document in its entirety.

Since our last filing, February 7, 2023, we have made the following material changes to the report:

1. The Assets Under Management in Item 4 has been updated to reflect the firm’s current assets as of February 8, 2024.

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ITEM 4 - ADVISORY BUSINESS

This Disclosure document is being offered to you by Bonnema Wealth Management, LLC. (“Bonnema Wealth Management”) in connection with the investment advisory services we provide. It discloses information about the services we provide and the manner in which those services are made available to you, the client.

We are a wealth management firm located in Scottsdale, AZ, specializing in investment advisory services for high net worth individuals, families, trusts, estates and employee benefit plans. The firm was established by Joel Bonnema, the firm’s principal owner, in 2014.

We are committed to helping clients build, manage, and preserve their wealth, and to provide assistance to clients to help achieve their stated financial goals. We may offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and Bonnema Wealth Management execute an engagement letter or client agreement.

Investment Management and Supervision Services

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investments, quarterly portfolio statements and ongoing monitoring services for the portfolio.

We determine your portfolio composition based on your needs, portfolio restrictions, if any, financial goals and risk tolerances. We will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we may recommend and/or engage the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio, and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review your portfolio at least quarterly.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We will trade these portfolios and rebalance them on a discretionary basis. Our advisory services are tailored to meet your individual needs. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

While our advisory services are tailored to you as an individual, when using mutual funds this multi-fund manager approach makes it difficult for us to ensure that your portfolio will not invest in a particular industry or security. However, we are happy to discuss your preferences regarding socially conscious investment concerns and, we'll try as much as possible, to accommodate them.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do not and will not have custody of your funds or securities. We do have limited authority to direct the Custodian to deduct investment advisory fees, but only with the appropriate authorization from you.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account.

Sub-Advisory Agreements

Bonnema Wealth Management may recommend the use of independent investment advisers (sub-advisers) to manage a certain portion of a client's assets. Factors that we will consider in recommending a particular sub-adviser include, but not limited to, the client's stated investment objectives, management style, independence, reputation of the custodian utilized by the sub-adviser, performance, philosophy, financial strength, continuation of management, client service, reporting, commitment to a particular investment mandate, fees, trading efficiency, and research.

If a sub-adviser is deemed appropriate, the Bonnema Wealth Management will work with its client to establish separate account(s) for the sub-adviser. The client grants the sub-adviser limited discretionary trading authority so the sub-adviser can place transaction orders at-will for a client's account. The client's account is managed individually by the sub-adviser and is separate from other accounts managed by the sub-adviser. The client receives a confirmation or summary report for each security transaction placed by the sub-adviser and monthly custodian account statements. Clients are encouraged to carefully review the sub-adviser's Form ADV disclosure brochure for service levels, fees, conflicts, and professional background information applicable to each subadviser before establishing an account with the sub-adviser. In addition to Bonnema Wealth Management fees, the client will pay the sub-adviser directly for their advisory services rendered (typically directly debited from the separate account).

The Firm will continue to provide advisory services to the client for the ongoing monitoring, review, and reporting of the overall account performance.

Financial Planning Services

Financial advisory services provided by us may include the analysis of your situation and assistance in identifying and implementing appropriate financial planning and investment management techniques to help you meet your specific financial objectives. Such services

may include a written financial analysis and specific or general investment and/or planning recommendations.

In preparing your financial plan, we may address five areas of financial planning. These include: financial planning, money management, tax, legal and insurance orchestration.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals.
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning.
- Creation of a unique plan for each goal you have including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals.
- Develop of a goal oriented investment plan around tax suggestions, asset allocation, expenses, risks and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.
- Design a complete risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits.
- Craft and implement, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.
- Generate a retirement plan, risk management plan and succession plan for your business, if applicable.

Retirement Plan Advisory Services

Retirement Plan Advisory Services consists of assisting employer plan sponsors establish, monitor and review their company's retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment selection and monitoring, plan structure, and participant education.

We will establish your plan's needs and objectives through an initial meeting to collect data, review plan information, and assist you in developing or updating the plan's provisions. Ongoing services to you may include recommendations regarding the selection and review of unaffiliated mutual funds that, in our judgment, are suitable for plan assets for you to be invested. We periodically review the investment options you select and make recommendations to keep or replace plan investment options as appropriate. We perform a comprehensive review of potential service providers or vendors and will assist you with converting from your incumbent service provider to a new service provider selected by you. You are under no obligation to follow the recommendations we make.

Services available under an Investment Advisory Agreement permit us to provide financial education to your plan participants. The scope of education provided to participants at your request will not constitute "investment advice" within the meaning of ERISA and

participant education will relate to general principles for investing and information about the investment options currently in the plan. We may also participate in initial enrollment meetings and periodic workshops and enrollment meetings for new participants as we agree upon.

All Retirement Plan Advisory Services shall be in compliance with any applicable Federal and State law(s) regulating the services provided by our Agreement. This section applies to an Account that is a pension or other employee benefit plan (a “Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If your Account is part of a Plan and we accept appointments to provide our services to your Account, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA. You represent that (i) Our appointment and services are consistent with the Plan documents, (ii) You have furnished us true and complete copies of all documents establishing and governing the Plan and evidencing your authority to retain our firm. You further represent that you will promptly furnish us with any amendments to the Plan, and you agree that, if any amendment affects our rights or obligations, such amendment will be binding on us only with our prior written consent. If your Account contains only a part of the assets of the Plan, you understand that we will have no responsibilities for the diversification of the Plan’s investments, and we have no duty, responsibility or liability for the assets that are not in the account.

Wrap Fee Programs

We do not place client assets into a wrap fee program.

Assets

As of February 8, 2024, Bonnema Wealth Management has \$93,750,000.00 under discretionary management. We do not have any non-discretionary assets under management.

ITEM 5 - FEES AND COMPENSATION

Investment Management Fees and Compensation

Bonnema Wealth Management charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account maintenance activities. The custodian may charge custodial fees, transaction costs, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below.

In addition, some mutual fund assets deposited in the account may have been subject to deferred sales charges and 12 (b) (1) fees and other mutual fund annual expenses as described in the fund’s prospectus. These fees are independent of our fees and should be

disclosed by the custodian or contained in each fund's prospectus. You should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources.

The fees for accounts are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rated basis, billed quarterly in arrears. The initial fee will be based upon the date the account is accepted for management by execution of the advisory agreement by Bonnema Wealth Management or when the assets are transferred through the last day of the current calendar quarter. Thereafter, the fee will be based at each previous quarters month end. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances.

Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. Fees will generally follow the schedule of assets under management outlined below. In certain circumstances at our discretion, we may allow you to negotiate fees.

Market Value of the Advisory Assets	Maximum Annual Advisory Fees%
Up to \$1,000,000	1.25%
\$1,000,001 to \$2,500,000	1.00%
\$2,500,001 to \$5,000,000	0.75%
\$5,000,001 and Up	0.50%

At our discretion, we may add (aggregate) asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We may do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a reduced advisory fee based on the asset levels available in our fee schedule.

You authorize us to debit your account quarterly for our fee. The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us.

You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. You are encouraged to review your account statements for accuracy.

Either Bonnema Wealth Management or you may terminate the management agreement, upon 30 day written notice to the other party. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given. Upon

termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

Administrative Services Provided by Charles Schwab

We have contracted with Charles Schwab (referred to as “Schwab”) to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Schwab will have access to client accounts, but Schwab will not serve as an investment advisor to our clients. Bonnema Wealth Management and Schwab are non-affiliated companies. Schwab charges our firm an annual fee for each account administered by Schwab. The annual fee is paid from the portion of the management fee retained by us.

Financial Planning Fees

We will negotiate planning fees with you. Fees may vary based on the extent and complexity of your individual personal circumstances, your gross income and complexity of your assets. Your fee for the designated financial advisory services will be based on one of the following ways:

- **Fixed Fee:** Under a fixed fee arrangement, any fee will be agreed upon by you and Bonnema Wealth Management in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether or not you intend to implement any recommendations through us. We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

When we are chosen to implement your plan, we will waive or reduce a portion of our financial planning. The type of fee and, in the case of a fixed fee, the amount of the fee will be agreed to prior to the signing of the financial planning agreement. One half of the total fee will be due and payable at the time you enter into the financial planning agreement, with the balance due and payable at the time the financial plan is delivered.

Typically, we complete a plan within a week or two and will present it to you within 90 days of the contract date, provided that you have provided us all information needed to prepare the financial plan. If the work is not completed in such a time, we may refund your fee on a pro-rated basis. The financial planning flat fee refund is calculated as follows: within the first week of signing the agreement, if the client cancels we will refund 50% of the fee. Fixed fees shall not exceed \$10,000.

- **Hourly Rate:** Under an hourly rate agreement, your total cost for financial planning services will be based on the amount of time we spend developing your financial plan. This includes time spent meeting with you, analyzing your financial objectives, and evaluating and documenting your strategies. Our hourly rates are \$300.00. The hourly rate will be

agreed upon in advance of services being performed. The fee and the number of hours will be determined based on factors including, the complexity of your financial situation, agreed upon deliverables and the level of your plan. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you.

In no case are our fees based on, or related to, the performance of your funds or investments.

When both investment management or plan implementation and financial planning services are offered, there is a potential conflict of interest since there is an incentive for the party offering financial planning services to recommend our investment management services for which we may receive compensation. However, we will make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs. As a financial planning client, you are under no obligation to act upon any of our recommendations or to use our investment management services.

You may terminate the consulting service agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$300.00.

If you terminate the agreement prior to completion of the plan, any prepaid, unearned fees will be refunded promptly, and any earned, unpaid fees will be due and payable at an hourly rate of \$300.00.

Additional Fees and Expenses:

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your Account(s). The following list of fees or expenses are what you may pay directly to third parties, whether a security is being purchased, sold or held in your Account(s) under our management.

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF) and Exchange Traded Funds (ETFs)
- Advisory fees charged by sub-advisers (if any are used for your account);
- Custodial Fees;
- Deferred sales charges (on MF or annuities);
- Odd-Lot differentials;
- Transfer taxes;

- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions;

Please refer to the “Brokerage Practices” below for discussion of Bonnema Wealth Management’s brokerage practices.

ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). Our advisory fee compensation is charged only as disclosed above in Fees and Compensation.

ITEM 7 - TYPES OF CLIENTS

We provide investment advice to individuals, high net worth individuals, trusts, estates and retirement plans. Our initial account value is \$500,000; however, we may accept accounts for less than the minimum.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

We analyze mutual funds by their historical performance, standard deviation, correlation with other mutual funds and the funds' mandate for exposure to the market as explained in the prospectus, among other factors. We primarily recommend mutual funds offered by DFA for use in its managed portfolios. DFA mutual funds follow a passive asset class investment philosophy with low turnover of holdings.

We seek to design portfolios that have a broad exposure to the total stock market both domestically and internationally. Statistical tests are performed on the portfolios and combinations of asset classes to determine a mix that will provide the client with an appropriate risk-return profile. Testing may include, but is not limited to, an analysis of the historical returns of the different asset class combination scenarios to arrive at an appropriate risk-return profile; analysis of portfolio exposure to different segments of the market to ensure broad market exposure; and analysis of risk factor loads of possible combinations of asset classes to determine appropriate portfolio tilt to one asset class or another.

Sources of Information

We rely on DFA, an SEC Registered Investment Advisor, for a significant part of their investment research as well as research papers, professional publications, magazines and professional seminars.

Investment Strategies

Our investment advice is based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. Our investment approach is firmly rooted in the belief that markets are efficient and that investors' returns are determined principally by asset allocation decisions, not by market timing or stock picking. We focus on developing diversified portfolios, principally through the use of passively managed, asset class mutual funds and Exchange Traded Funds that typically are available only to institutional investors and clients of a network of selected investment advisers.

The following is a more detailed explanation:

1. Modern Portfolio Theory states that by diversification among investments that have a low or negative correlation the risk of a portfolio may be reduced without necessarily sacrificing the expected return. Simply put, the idea is to combine investments that do not move in the same direction so that when some investments lose value others may increase in value. This should lower the volatility, or risk, of a portfolio.
2. Capital Pricing Model identifies two risks, Market Risk and Non-Market Risk. Market Risk is one risk that is rewarded - it is the inherent risk of investing in the market and cannot be diversified away. Non-Market Risk is the risk in a specific company, sector or industry that can be reduced through a well-diversified portfolio.
3. Efficient Markets Hypothesis states that at all times, markets incorporate all information available and stocks are always fairly priced. As such, stock picking is futile. We use funds that are "Passive" and does not rely on fund managers who pick stocks.
4. The Three Factor Model based on work performed in the early 1990's American economists, Eugene F. Fama and Kenneth R. French, published research that identifies three factors (The Three Factor Model) that explain 96% of the return of an asset class. The three factors are:
 - 1) Equity market - Stocks tend to have higher expected returns than fixed-income securities.
 - 2) Company size - Small company stocks tend to have, on average, a higher expected return than larger company stocks (measured by market capitalization).
 - 3) Company price - Lower-priced, out-of-favor value stocks have a higher expected return than higher-priced growth stocks (measured by the ratio of a company's book value to its market equity).

Sub-Advisor Analysis

We examine the experience, expertise, investment philosophies and past performance of Independent money managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment.

A risk of investing with a money manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the

underlying investments in a manager's portfolio, there is also a risk that a portfolio manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

You are advised and are expected to understand that our past performance is not a guarantee of future results and that certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account.

Risks

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through Bonnema Wealth Management.

You should be aware that your account is subject to the following risks:

- **Stock Market Risk** – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- **Managed Portfolio Risk** – The manager's investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- **Industry Risk** – The portfolio's investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.
- **Non-U.S. Securities Risk** – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- **Emerging Markets Risk** – To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- **Currency Risk** – The value of your portfolio's investments may fall as a result of changes in exchange rates.

- Interest Rate Risk. The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- Credit Risk. Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss.
- Inflation Risk. Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down.
- ETF and Mutual Fund Risk – When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with us varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment may decrease.

ITEM 9 - DISCIPLINARY INFORMATION

Bonnema Wealth Management does not have any legal, financial or other “disciplinary” item to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

No Other Registrations

Bonnema Wealth Management strives to avoid potential conflicts of interest by maintaining its business focus as an independent registered investment adviser. More specifically, the Firm and its employees:

- Are not registered as a broker-dealer.
- Are not affiliated as a registered representative or associated person of a broker-dealer, or other securities entity.
- Do not have economic relationships or arrangements with any other related persons or entities that are material to its advisory business.

No Other Material Relationships

Bonnema Wealth Management does not recommend other investment advisers to its clients for which the Firm receives direct or indirect compensation.

ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Bonnema Wealth Management and persons associated with us are allowed to invest for their own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This may create a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any potential conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by deterring misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Bonnema Wealth Management, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of Bonnema Wealth Management shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially

- derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of Bonnema Wealth Management shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Bonnema Wealth Management.
 3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
 4. We emphasize the unrestricted right of the client to select and choose any broker-dealer (except in situations where we are granted discretionary authority) he or she wishes.
 5. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
 6. Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; Attn: Chief Compliance Officer.

ITEM 12 - BROKERAGE PRACTICES

The Custodian and Brokers We Use

Investment Management Services

Clients must maintain assets in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold client assets in a brokerage account, and buy and sell securities when we instruct them to.

While we recommend that clients use Schwab as custodian/broker, client must decide whether to do so and open accounts with Schwab by entering into account agreements directly with them. We will open accounts with Schwab on the client's behalf and will notify the client in writing of the custodian's name, address, and the title of the account, promptly when the account is opened and following any changes to this information. The accounts will always be held in the name of the client and never in Bonnema Wealth Management' name. Even though clients maintain accounts at Schwab, we can still use other brokers to execute trades for client accounts (see *Client Brokerage and Custody Costs*, below).

How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to Bonnema Wealth Management and our other clients
10. Availability of other products and services that benefit us, as discussed below (see ***Products and Services Available to Us From Schwab***)

Client Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services. However, Schwab receives compensation by charging ticket charges or other fees on trades that it executes or that settle into clients' Schwab accounts. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a client's Schwab account. These fees are in addition to the ticket charges or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize trading costs, we have Schwab execute most trades for client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see ***How We Select Brokers/Custodians***).

Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide Bonnema Wealth Management and our clients with access to its 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; others help us manage and grow our

business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us.

Following is a more detailed description of Schwab's support services:

Services That Benefit Our Clients

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 our clients and their accounts.

Services That May Not Directly Benefit Our Clients

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. 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 may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. Provide pricing and other market data
4. Facilitate payment of our fees from our clients' accounts
5. Assist 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:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications and conferences on practice management and business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it 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 these services from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions. We believe that our selection of Schwab as custodian and broker is in the best interests of our clients.

Some of the products, services and other benefits provided by Schwab benefit Bonnema Wealth Management and may not benefit our client accounts. Our recommendation or requirement that you place assets in Schwab's custody may be based in part on benefits Schwab provides to us, or our agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

We place trades for our clients' accounts subject to its duty to seek best execution and its other fiduciary duties. We may use broker-dealers other than Schwab to execute trades for your accounts maintained at Schwab, but this practice may result in additional costs to clients so that we are more likely to place trades through Schwab rather than other broker-dealers. Schwab's execution quality may be different than other broker-dealers.

Brokerage for Client Referrals

Bonnema Wealth Management does not receive client referrals from any broker-dealer or third party in exchange for using that broker-dealer or third party.

Aggregation and Allocation of Transactions

Bonnema Wealth Management may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day. Bonnema Wealth Management does not aggregate trades of our personnel with those of client accounts.

Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering

all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

We do not select or recommend broker/dealers based upon receiving client referrals from a broker/dealer or third party. We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage.

As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

ITEM 13 - REVIEW OF ACCOUNTS

Account Reviews and Reviewers – Investment Supervisory Services

The underlying securities within the investment supervisory services are regularly monitored. These reviews will be made by Joel Bonnema. Client meetings are typically held three times a year and are usually conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

Statements and Reports

Bonnema Wealth Management will have the ability to provide clients with Performance/Position summary reports upon request. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per calendar quarter.

The Custodian will provide quarterly statements of the assets in our Account, the purchase date, the cost and the current market value for the period (or since the opening of the Account). The quarterly fee will be reflected on the periodic account statement provided by the Custodian. The Custodian will make available to you a statement no less than quarterly showing all amounts paid from the Account including all management fees paid by Custodian to Bonnema Wealth Management. In case of an error in such reports, you

shall notify Bonnema Wealth Management promptly, and Bonnema Wealth Management will use good faith efforts to make corrections to such reports in a timely manner.

Financial Planning/Consulting clients (i.e. those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Schwab Support Products and Services

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*). We do not base particular investment advice, such as buying particular securities for our clients, on the availability of Schwab's products and services to us.

Outside Compensation

We may enter into written referral agreements with third parties by which the third party may, from time to time, refer clients that may establish accounts and enter into advisory relationships with us. In such circumstances, we agree to pay the third party a referral fee equal to a percentage of fees received by us from the referred client. The referral fee may be split between third parties who have jointly participated in referring a client to Bonnema Wealth Management. The fee to be paid by Bonnema Wealth Management will be borne entirely by us and there will be no additional fee, cost or expense to the referred client resulting from the referral agreement. Bonnema Wealth Management makes disclosure of such referral arrangement, if any, to the client before entering into an advisory agreement. All referral agreements are governed by Rule 206(4)-3 under the Investment Advisers Act of 1940.

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

If the client desires, Bonnema Wealth Management will work with these professionals or the client's other advisers (such as an accountant or attorney) to help ensure that the provider understands the client's investments and to coordinate services for the client. Bonnema Wealth Management will never share information with an unaffiliated professional unless first authorized by the client.

ITEM 15 - CUSTODY

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Bonnema Wealth Management is deemed to have custody of client funds and securities whenever Bonnema Wealth Management is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Bonnema Wealth Management will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Bonnema Wealth Management is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Bonnema Wealth Management. When clients have questions about their account statements, they should contact Bonnema Wealth Management or the qualified custodian preparing the statement.

When fees are deducted from an account, Bonnema Wealth Management is responsible for calculating the fee and delivering instructions to the custodian. At the same time Bonnema Wealth Management instructs the custodian to deduct fees from the client's account; Bonnema Wealth Management may send the client an invoice itemizing the fee. Itemization shall include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

ITEM 16 - INVESTMENT DISCRETION

Prior to engaging Bonnema Wealth Management to provide investment advisory services, clients enter into a written Agreement with Bonnema Wealth Management granting the firm the authority to supervise and direct, on an on-going basis, investments- in accordance with the client's investment objective and guidelines. Clients will also execute any and all documents required by the Custodian so as to authorize and enable Bonnema Wealth Management, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your account. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any investment company registered under the Investment Company Act of 1940 and (2)

determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by Bonnema Wealth Management for you are:

1. For discretionary clients, we require that it be provided with authority to determine which securities and the amounts of securities to be bought or sold, as well as the broker-dealer to be used and the commission rates to be paid.
2. Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

In some instance, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

Research products and services received by us from broker-dealers will be used to provide services to all our clients.

ITEM 17 - VOTING YOUR SECURITIES

We will not vote proxies under its limited discretionary authority. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

ITEM 18 - FINANCIAL INFORMATION

This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

ITEM 19 - REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Refer to the Part(s) 2B for background information about management personnel and those giving advice on behalf of our firm.

Bonnema Wealth Management is not actively engaged in any business other than giving investment advice. Neither our firm, nor any of our Associated Persons are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" under Item 6 above for additional information on this topic.

Neither our firm, nor any of our Associated Persons have any reportable arbitration claims, civil, self-regulatory organization proceeding or administrative proceeding.

Neither our firm, nor any of our Associated Persons have a material relationship or arrangement with any issuer of securities.