

## Item 1 – Cover Page



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### **Form ADV Part 2A: Disclosure Brochure**

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This brochure provides information about the qualifications and business practices of Element Wealth, LLC. If you have any questions about the contents of this brochure, please contact us at 601-957-6006. 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 Element Wealth, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Element Wealth, 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.

## **Item 2 – Material Changes**

We have made the following changes since our last amendment which was dated September 8, 2023.

- Item 4 has been updated to reflect assets under management as of December 31, 2023

## Item 3 – Table of Contents

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## Item 4 – Advisory Business

### Description of Services and Fees

Element Wealth, LLC is a registered investment adviser based in Ridgeland, MS. We are organized as a limited liability company under the laws of the State of Mississippi. We have been providing investment advisory services since 2006. We are wholly owned by Ross & Yerger Insurance, Inc. Currently, we offer investment management, financial planning and consulting services which are personalized to each individual client. We also serve as a sub-adviser for another Registered Investment Adviser.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Element Wealth, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

### Investment Management Services

We offer discretionary and non-discretionary investment management services where our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for investment management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you focused investment advice and to make investments on your behalf. As part of our investment management services, we may customize an investment portfolio for you according to your risk tolerance and investing objectives. We may also invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, for discretionary accounts, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

Clients may engage us for non-discretionary services. In such a case, we will monitor the accounts on a periodic basis and it will be your responsibility to implement any advice we provide to you. An example of this is qualified retirement plans.

If you participate in our discretionary investment management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

For some client accounts, our discretion may extend to selection of outside advisers for the management of client accounts. Betterment is a registered investment adviser which Element will place accounts in order to access certain lower cost strategies when the client account is below the typical minimum for accepting an account. Element will determine a suitable strategy for the client based on input from the client and will monitor and review the accounts in the same manner as Element's other managed accounts.

We also offer discretionary investment management services for Employer Sponsored Retirement Plans where we will act as an ERISA fiduciary and will serve as an investment manager as defined in Section 3(38) of ERISA. In providing such services, we will construct model portfolios and/or plan menu of investments to be offered to plan participants in a manner that is consistent with the criteria set forth in the Plan's investment policy statement ("IPS") that has been approved by the Plan Sponsor, or other plan fiduciary. Such authority will include that which is necessary to select, monitor, remove and replace any investment alternatives that constitute the core investment menu or are held in the model portfolio.

## Sub-Adviser Services

We have been retained by an unaffiliated investment adviser (the “Primary Adviser”) to serve as a sub-adviser. The Primary Adviser works with the client to determine the investment goals and objectives, and then we implement the investment strategy by managing the portfolio on an ongoing basis.

## Advisory Consulting Services

We offer consulting services which primarily involves advising clients on specific financial-related topics. The topics we address may include, but are not limited to financial and investment planning, financial organization, or financial decision making/negotiation.

## Assets Under Management

As of December 31, 2023, we manage \$385,207,729 in client assets on a discretionary basis and \$164,584,506 on a non-discretionary basis for a total of \$549,792,235. Non-discretionary assets are 401(k) plans where we act as investment advisor for the plan.

## Item 5 – Fees and Compensation

### Investment Management Services

Our fee for investment management services is based on the value of the client's account and is set forth in the following fee schedules:

#### Non-Retirement Plan Fee Schedule:

<u>Account Value</u>	<u>Maximum Annual Fee</u>
On first \$1,000,000	1.00%
On next \$4,000,000	0.75%
On assets over \$5,000,000	0.50%

#### Employer Sponsored Retirement Plans:

<u>Plan Value</u>	
Plans \$5,000,000 and under	1.00%
Plans \$5,000,000 and over	0.75%

There are existing accounts of Element Wealth who may be under an investment advisory agreement with a different fee schedule. We reserve the right to “Grandfather” (not increase or decrease) fees applicable to such accounts.

All accounts are billed monthly in advance based on the value of your account on the last day of the previous month. If the investment management agreement is executed at any time other than the first day of a billing period, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the period for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine

the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the investment management agreement upon notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in billing period for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees. Per our Investment Advisory Agreement all refund requests must be made in writing.

### **Advisory Consulting Services**

We generally charge an hourly fee of \$400 for advisory consulting services and financial planning services. In some circumstances, in lieu of an hourly fee, we may charge a fixed fee. Our fees are negotiable depending on the scope and complexity of services to be rendered. Our consulting fee is payable upon completion of the agreed upon consulting services.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Some persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons may earn commission-based compensation for selling insurance products. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a potential conflict of interest because persons providing investment advice on behalf of our firm who are insurance licensed have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

Element Wealth does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## Item 7 – Types of Clients

We offer investment advisory services to individuals, high net worth individuals, qualified retirement plans, trusts, estates, charitable organizations, non-profits and endowments.

In general, we require a minimum investment of \$250,000 for individual accounts. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

### Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

#### Determine Overall Portfolio Allocation

We implement three primary strategies for managing accounts. Generally, small accounts and retirement plan accounts are managed with mutual funds and/or ETFs while larger accounts use individual securities and/or ETFs. Some accounts will utilize a combination of stocks, ETFs, and mutual funds. We utilize a system of intermediate relative strength to allocate assets across broad asset classes. When intermediate term relative strength warrants we may be fully invested in equities securities, subject to your personal risk objective. There will be time periods that intermediate term relative strength leads us to invest in other asset classes and/or cash.

#### Mutual Fund Selection

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

#### Stock Selection

Stock selection is based on a combination of fundamental and technical factors. The fundamental factors drive a list of stocks that are eligible for purchase and outside research is relied upon. Other outside research sources may also be utilized. Technical analysis drives our when to purchase/sell decisions. Outside research sources may be relied upon for this as well.

#### Exchange Traded Fund Selection

ETF selection is based on intermediate term relative strength of differing universes of ETFs and is rebalanced periodically. A "safety" filter is generally implemented that keeps money from investing in an ETF that is trading below a certain moving average.

#### Technical Analysis

Technical Analysis involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities. Technical analysis is not predictive, but gives an indication of trends up to the present as well as an indication of changes in trends. The risk of market timing based on technical analysis is that our analysis may not accurately

detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

### General

Investing is not without its risks, which includes the possible loss of principal. We emphasize investing in what we believe are high-quality, long-term equities and thoroughly researched bonds. However, some of the information we rely upon may be incorrect, circumstances surrounding the investment may change or there may be changes in the macro economy or political arena that may adversely affect the investment. We strive to recognize this as early as possible and make adjustments accordingly.

All investments are subject to various types of risks including:

- Market Risk – macro events that can affect the entire market for stocks and bonds;
- Interest Rate Risk – changes in interest rate levels, especially unexpected and/or dramatic, can adversely affect both equity and fixed income portfolios;
- Currency Risks – investing in companies domiciled outside of the United States, or U.S. companies with overseas units, involves fluctuations in exchange rates, which can affect the investment;
- Political Risks – changes in the political arena, both domestically and internationally, can affect various investments and markets. Changes to fiscal and monetary policies, especially the tax code, can have far reaching effects on individual companies, industry sectors or the whole market; and
- Credit Risks – the credit quality of a company, municipality or government can change, which can affect the underlying investment. In the course of creating and managing a client’s investment portfolio, we believe it is important for our clients to understand and evaluate these risks, as part of their overall approach to setting realistic investment objectives.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional prior to and throughout the investing of your assets. We do not give tax advice.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

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

Neither our firm nor any of our management persons has any reportable disciplinary information to disclose.



## Item 10 – Other Financial Industry Activities and Affiliations

Element Wealth is affiliated with Laura Brame Cerra, CPA and Andrew Edward Gay, CPA. Both Cerra and Gay may refer clients to Element Wealth for our investment advisory services. Element Wealth will pay a fee to Cerra and Gay for clients that we receive from these referrals. The accounting practices of Cerra and Gay are separate and independent of each other.

Element Wealth is wholly owned and affiliated with Ross & Yerger Insurance, Inc. As a part of our affiliation with Ross & Yerger, you may be offered insurance products by representatives of Ross & Yerger. This presents a conflict of interest as the owners of Element ultimately benefit from our clients purchasing these insurance products. However, representatives of Element do not receive commissions from the sale of these products. You are under no obligation to purchase products from Ross & Yerger.

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

### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to clients or securities in which clients are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of clients and potentially receive more favorable prices than clients will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over client accounts in the purchase or sale of securities.

## Item 12 – Brokerage Practices

We recommend that clients in need of brokerage and custodial services utilize Raymond James Financial Services, Inc. (“RJ”), Charles Schwab & Co., Inc. (“Schwab”) or Fidelity Investments (Fidelity), registered broker-dealers and members SIPC, as the qualified custodian. For Employer Sponsored Retirement Plans we recommend MG Trust (“MGT”) for brokerage and custodial services.

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

We believe that RJ, Schwab and Fidelity provide quality execution services for you at competitive prices. Price is

not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided, including the value of research provided and other products and services that benefit us, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services broker-dealers/custodians provide us, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Block Trades**

Whenever possible, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

## **Item 13 – Review of Accounts**

Element Wealth will monitor discretionary client accounts at least quarterly and upon your request, and will conduct account reviews on an ongoing basis to ensure that the advisory services provided to you and/or the portfolio mix is consistent with your current/stated investment needs and objectives. Non-discretionary accounts will be reviewed on at least an annual basis or as otherwise agreed upon.

Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will provide discretionary investment management clients with quarterly reports identifying the performance of your account. Clients will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Clients are responsible to advise us in writing of: changes in their current financial status, modifications to their account objective, specific investment restrictions if applicable, special reports required if any, and material changes, such as change of address.

## Item 14 – Client Referrals and Other Compensation

We have entered into contractual arrangements with some employees, under which the employees receive compensation from our firm for the establishment of new client relationships. Employees who refer clients to our firm must comply with the requirements of the jurisdictions where they operate. The compensation to such employees is up to 50% of the advisory fee collected from you for year one and 35% for as long as you are a client with our firm, or until such time as our agreement with the employee expires. Employees are also eligible for certain additional compensation based on new business generation. You will not be charged additional fees based on this compensation arrangement. Incentive based compensation paid to employees is contingent upon you entering into an advisory agreement with our firm. Therefore, these employees have a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services.

## Item 15 – Custody

Under Rule 206(4)-2 of the Investment Advisors Act of 1940, the definition of custody states that advisors have custody if a related person of the advisor holds, directly or indirectly, client funds or securities, or has the authority to obtain possession of them, in connection with advisory services provided by the advisor.

We do not qualify as a Custodian under the rules issued by the SEC. All assets and securities are held in custody by a third-party custodian and all deposits and disbursements are made through the third party custodian as well. We do have the ability to deduct fees from client accounts. The ability to do so is exempted from the custodian rule mentioned above. We receive authorization to deduct our quarterly management fees from each client, in writing, through the Investment Advisory Agreement, unless other arrangements are made. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should compare the account statement received from the custodian with any statements you receive from us.

If you have a question regarding your custodial statement or did not receive your statement, please contact us at the telephone number on the cover page of this brochure.

## Item 16 – Investment Discretion

Our discretionary management agreement, and the appropriate trading authorization forms must be signed before we can buy or sell securities on your behalf.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. Please refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, it will be your responsibility to implement any advice we provide to you.

## Item 17 – Voting Client Securities

### Proxy Voting

We will not vote proxies on behalf of your individual advisory accounts. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

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

solicitation to vote proxies.

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

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you.