



Form ADV Part 2B
Investment Adviser Brochure Supplement

Supervisor: Lee Alan Duckworth

Supervised Persons:

Peter J. Alofsin
M. Shayne Ruffing
Rebecca A. Records
Curt A. Caserta
Brian A. Glatz
Genevieve Belcher
Karen Cancellieri
Virginia V. Perez
Kelly Knight
Lori G. Alvarado
Kim A. Menard
Martha F. Clancy
Paul J. Long
David P. Jones
Lawrence F. Dooley, Jr.

March 2017

This brochure supplement provides information about the Firm's Supervised Persons that supplements the Capital Wealth Management, Inc.'s brochure. You should have received a copy of that brochure. Please contact Lee Alan Duckworth, President, Chief Executive Officer and Chief Compliance Officer, at 401.885.1060 or lee@capitalwealthinc.com, if you did not receive Capital Wealth Management, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about the Firm's Supervised Persons is also available on the SEC's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number, known as a CRD number for each Supervised Person.

1300 Division Road, Suite 203
West Warwick, RI 02893
401.885.1060
lee@capitalwealthinc.com
www.capitalwealthinc.com

Educational Background and Business Experience

Education and Business Background

Capital Wealth Management requires that advisers in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisers must have work experience that demonstrates their aptitude for financial planning and investment management.

Set forth below is further information regarding the education and business background of each Supervised Persons with the most significant responsibility for the day-to-day discretionary investment decisions made for, and investment advisory services provided to, Capital Wealth Management's investment advisory clients.

Supervised Persons

Lee Alan Duckworth
CRD# 2097591

Born 1967

Business Background:

Capital Wealth Management, Inc. 2011 – Present
President, Chief Executive Officer and Chief Compliance Officer

Triad Advisors, Inc. 2012 – Present
Registered Representative

Capital Wealth Management, LLC 2003 – 2011
President

NFP Securities, Inc. 2003 – 2012
Registered Representative and Investment Adviser Representative

Northwestern Mutual Investment Services, LLC 1991 – 2003
Registered Representative

Formal Education after High School:

University of Rhode Island College of Business – BS Business Administration

Professional Designations and Licenses:

Certified Financial Planner (CFP®)
Registered Financial Counselor (RFC)
Chartered Mutual Fund Counselor (CMFC®)
Accredited Investment Fiduciary (AIF®)
Series 6 (Limited Securities Representative)

Series 7 (General Securities Representative)
Series 22 (Direct Participation Limited Representative)
Series 63 (Uniform Securities Agent State Law)
Series 65 (Uniform Investment Advisor Law)

Peter J. Alofsin
CRD# 2274434

Born 1967

Business Background:

Capital Wealth Management, Inc. Investment Committee 2011 – Present

Triad Advisors, Inc. Registered Representative 2012 – Present

Capital Wealth Management, LLC Investment Committee 2003 – 2011

NFP Securities, Inc. Registered Representative and Investment Adviser Representative 2003 – 2012

Northwestern Mutual Investment Services, LLC Registered Representative 1992 – 2003

Formal Education after High School:

University of Rhode Island College of Business – BS Finance

Professional Designations and Licenses:

Certified Financial Planner (CFP®)
Registered Financial Counselor (RFC)
Chartered Mutual Fund Counselor (CMFC®)
Accredited Investment Fiduciary (AIF®)
Series 6 (Limited Securities Representative)
Series 7 (General Securities Representative)
Series 63 (Uniform Securities Agent State Law)
Series 65 (Uniform Investment Advisor Law)

M. Shayne Ruffing
CRD # 2864005

Born 1970

Business Background:

Capital Wealth Management, Inc. Investment Committee 2012 – Present

Triad Advisors, Inc. Registered Representative	2012 – Present
Integrated WealthCare, Inc. Managing Director	2007 – Present
NFP Securities, Inc. Registered Representative and Investment Adviser Representative	2001 – 2012
The Potter Financial Group Partner	2001 – 2007

Formal Education after High School:

Elon College – BA History

Professional Designations and Licenses:

Chartered Life Underwriter (CLU)
Chartered Financial Consultant (ChFC)
Accredited Estate Planner (AEP)
Series 6 (Limited Securities Representative)
Series 7 (General Securities Representative)
Series 63 (Uniform Securities Agent State Law)
Series 65 (Uniform Investment Advisor Law)

Rebecca A. Records
CRD # 4751183

Born 1981

Business Background:

Capital Wealth Management, Inc. Director of Retirement Plan Services	2011 – Present
Triad Advisors, Inc. Registered Representative	2012 – Present
Capital Wealth Management, LLC Director of Retirement Plan Services	2008 – 2011
NFP Securities, Inc. Registered Representative and Investment Adviser Representative	2008 – 2012
Moors & Cabot, Inc. Investment Adviser Representative	2003 – 2008

Formal Education after High School:

Eastern Connecticut State University – BS Business

Professional Designations and Licenses:

Accredited Pension Representative (APR)
Accredited Investment Fiduciary (AIF®)
Series 7 (General Securities Representative)
Series 66 (Uniform Combined State Law Exam)

Curt A. Caserta
CRD # 2709324

Born 1966

Business Background:

Capital Wealth Management, Inc. Investment Committee	2011 – Present
Triad Advisors, Inc. Registered Representative	2012 – Present
Capital Wealth Management, LLC Investment Committee	2003 – 2011
NFP Securities, Inc. Registered Representative and Investment Adviser Representative	2004 – 2012
Northwestern Mutual Investment Services, LLC Registered Representative	1996 – 2004

Formal Education after High School:

University of Rhode Island College of Business – BS Business Administration

Professional Designations and Licenses:

CLU (Chartered Life Underwriter)
Registered Financial Counselor (RFC)
Certified Financial Planner (CFP®) Candidate
Chartered Financial Consultant (ChFC) Candidate
Accredited Investment Fiduciary (AIF®)
Series 6 (Limited Securities Representative)
Series 7 (General Securities Representative)
Series 26 (Investment Company Products/Variable Contracts Limited Principal
Qualification Examination)
Series 51 (Municipal Fund Securities Limited Principal)
Series 63 (Uniform Securities Agent State Law)
Series 65 (Uniform Investment Advisor Law)

Brian A. Glatz
CRD # 2785407

Born 1972

Business Background:

Capital Wealth Management, Inc. 2012 – Present
Director of Research and Senior Portfolio Manager and Investment Committee

Triad Advisors, Inc. 2012 – Present
Registered Representative

Glatz Consulting 2003 – 2012
Consultant

Brown Broadcasting Service, Inc. 2010 – 2010
Chief Accounting Officer

Samsonite 2009 – 2010
Treasury Analyst

Countrywide Field Services Corp. 2007 – 2008
Sr. Financial Analyst

Bank of America 2006 – 2007
VP, Internal Audit Consultant

Nationwide Securities, Inc. 2004 – 2006
Registered Representative

Warwick School District 2003
Instructor – Strategic Finance and Investments

New York Life 2002 – 2003
Registered Representative

Fidelity Brokerage Services, Inc. 1996 – 2002
Investment Adviser Representative

Formal Education after High School:

Southern Methodist University – MBA
University of North TX – BM

Professional Designations and Licenses:

Chartered Financial Analyst (CFA) Level 3 Candidate
Licensed International Financial Analyst (LIFA)
Accredited Investment Fiduciary (AIF®)

Series 65 (Uniform Investment Advisor Law)
Series 7 (General Securities Representative)

Genevieve Belcher

Born 1978

Business Background:

Capital Wealth Management, Inc. 2011 – Present
Director of Investment Services

Capital Wealth Management, Inc. 2011 – 2012
Client Service Specialist

Randstad 2011 – 2011
Contracts Specialist, Atrion Networking (temp)

Office Team 2010 –2011
Office Assistant, Rhode Island Quality Institute (temp)

LIN Media 2006 - 2009
Executive Assistant

Formal Education after High School:

New England Institute of Technology, Warwick, RI
A.S., Video and Audio Production Technology

Community College of RI, Warwick, RI
A.A., Liberal Arts with Psychology Concentration

Karen Cancellieri

Born 1970

Business Background:

Capital Wealth Management, Inc. 2013 – Present
Client Service Specialist

Broker Services Marketing Group 2004 – 2013
Client Service Specialist

Formal Education after High School:

Sawyer School of Business
Computing/Accounting, Financial Accounting

Virginia V. Perez
CRD# 1812794

Born 1944

Business Background:

Capital Wealth Management, Inc. 2014 – Present
Director of Financial Reporting

Triad Advisors, Inc. 2014 – Present
Registered Representative

Essex Financial Services 2003 – 2013
Portfolio Data Manager /Registered Representative

Formal Education after High School:

University of Rhode Island
Computing/Accounting, Financial Accounting

North Carolina State University – Undergraduate/Graduate

Hunter College
2 years Math

CW Post College
1 year Undergraduate

Professional Designations:

Series 7 (General Securities Representative)

Kelly Knight

Born 1983

Business Background:

Integrated WealthCare 2015 – Present
Director of Operations

Parata Systems LLC 2014 – 2015
Sales Operations Specialist

First Citizens Bank 2013 – 2014
Operations Services Manager

Bank of America 2008 – 2013
Teller Operations Supervisor/Specialist

Formal Education after High School:

East Carolina University
BS in Business and Information Technology - In-Progress

Lori G. Alvarado**Born 1963****Business Background:**

Integrated WealthCare, LLC
Director of Insurance Operations
2014 – Present

BIRE Financial Services
New Business and Client Services
2013 – 2014

Capstar Insurance Brokerage
Director of Operations
2012 – 2013

Branca Rampart Agency
Disability Case Manager
2007 – 2012

Formal Education after High School:

Bucks County Community College
AA Business Management

Kim A. Menard**Born 1974****Business Background:**

Capital Wealth Management
Director of Operations
2015 – Present

Southcoast Physicians Group
Business Analyst
2014 – 2015

Duro Textiles, LLC
Executive Assistant to the CFO
2011 – 2014

Sallie Mae – Academic Management Services
Client Services Relationship Manager
2000 – 2011

Formal Education after High School:

Bristol Community College
Associates of Science Degree in Business Administration / Accounting

Martha F. Clancy

Born 1960

Business Background:

Capital Wealth Management
Operations Assistant 2016 – Present

Blue Fin Capital
Controller 2009 – 2016

Formal Education after High School:

Westfield State College
Bachelor of Science in Business Management and Bachelor of Arts in Political Science

Paul J. Long
CRD# 1361886

Born 1947

Business Background:

Capital Wealth Management
Investment Adviser Representative 2016 – Present

Paul J. Long, CLU, ChFC
Owner 2012 – Present

Triad Advisors, Inc.
Registered Representative 2005 – Present

Blue Chip Financial Advisors, LLP
Investment Adviser Representative 2002 – 2013

MML Investors Services, Inc.
Registered Representative 1996 – 2005

New England Securities
Registered Representative 1992 – 1997

G.R. Phelps & Co., Inc.
Registered Representative 1985 – 1996

Formal Education after High School:

Shepard College
Bachelor of Science in English and Physical Education

Professional Designations and Licenses:

Chartered Life Underwriter (CLU)
Chartered Financial Consultant (ChFC)
Series 6 (Limited Securities Representative)
Series 22 (Direct Participation Limited Representative)
Series 63 (Uniform Securities Agent State Law)
Life, Health, and Disability insurance licenses

David P. Jones

Born 1952

Business Background:

Capital Wealth Management Business Development/Marketing	2016 – Present
Capital Wealth Foundation President and Chief Executive Officer	2016 – Present
Diligent Development Principal	2014 – 2016
South County Hospital Major Gifts Officer	2013 – 2014
WJAR/NBC10 Account Manager	1996 – 2013

Formal Education after High School:

University of Toledo
BA Clinical Psychology

Lawrence F. Dooley, Jr.
CRD# 2376082

Born 1972

Business Background:

Capital Wealth Management Chief Investment Officer	2017 – Present
Woodstock Corp Vice President and Portfolio Manager	2014 – 2017
Watch Point Trust Company Senior Analyst/Portfolio Manager	2011 – 2014

Nixon Peabody Financial Advisors LLC 2007 – 2011
Senior Analyst/Portfolio Manager

Nixon Peabody LLP 2001 – 2014
Senior Analyst/Portfolio Manager

Formal Education after High School:

F.W. Olin Graduate School of Business, Babson College
MBA

Babson College
BS Investments/Entrepreneurial Studies

Professional Designations and Licenses:

Chartered Financial Analyst (CFA)

Professional Certifications

Capital Wealth Management’s supervised persons maintain professional designations, which required the following minimum requirements:

CFA - Chartered Financial Analyst

Issued by: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

- Undergraduate degree and 4 years of professional experience involving investment decision-making, or
- 4 years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the 3 levels)

Examination Type: 3 course exams

Continuing Education/Experience Requirements: None

ChFC - Chartered Financial Consultant

Issued by: The American College

Prerequisites/Experience Required: Candidate must meet the following requirements:

- 3 years of full-time business experience within the five years preceding the awarding of the designation

Educational Requirements: 6 core and 2 elective courses

Examination Type: Final proctored exam for each course

Continuing Education/Experience Requirements: 30 CE credits every 2 years

CFP® - Certified Financial Planner

Issued by: Certified Financial Planner Board of Standards, Inc.

Prerequisites/Experience Required: Candidate must meet the following requirements:

- A bachelor's degree (or higher) from an accredited college or university, and
- 3 years of full-time personal financial planning experience

Educational Requirements: Candidate must complete a CFP-board registered program, or hold one of the following:

- CPA
- ChFC
- Chartered Life Underwriter (CLU)
- CFA
- Ph.D. in business or economics
- Doctor of Business Administration
- Attorney's License

Examination Type: CFP Certification Examination

Continuing Education/Experience Requirements: 30 hours every 2 years

CMFC® – Chartered Mutual Fund CounselorSM

Issued by: The College for Financial Planning

Prerequisites/Experience Required: None

Educational Requirements: Candidate must complete the following:

- Self study coursework
- Comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions

Examination Type: End of course final examination

Continuing Education/Experience Requirements:

- 16 hours every 2 years
- Reaffirm to abide by the Standards of Professional Conduct, Terms and Conditions

CLU – Chartered Life Underwriter

Prerequisites/Experience Required: Candidate must meet the following requirements:

- A combination of education and/or experience working with seniors
- Agree to be bound by the American College's Code of Ethics

Educational Requirements: Candidate must complete the following:

- Self-study or classroom coursework
 - 8 courses: 5 required, 3 elective

Examination Type: None

Continuing Education/Experience Requirements: 30 CE credits every 2 years

RFC – Registered Financial Consultant

Issued by: International Association of Registered Financial Consultants

Prerequisites/Experience Required: Candidate must meet the following requirements:

- Minimum of 4 years of experience as a full-time practitioner or educator in the field of financial planning or financial services
- BA or graduate degree in financial planning services with a strong emphasis in subjects relating to economic, accounting, business, statistics, finance, and similar studies; OR
- Must have earned one of the following professional degrees or designations: AAMS, CFA, CFP®, ChFC, CLU, CPA, EA, JD or completed a CFP equivalent or IARFC approved curriculum at an accredited college or university

Educational Requirements: Candidate must complete the following:

- Complete Financial Planning Process™ course curriculum

Examination Type: Written examination

Continuing Education/Experience Requirements:

- 40 hours per year in the field of personal finance and professional practice management
- Ethics CE – must complete an IARFC approved CE course or curriculum on operational ethics and standards of conduct consisting of 2 units every 2 years

AEP - Accredited Estate Planner

Issued by: National Association of Estate Planners & Councils

Prerequisites/Experience Required:

Candidate must meet all of the following requirements:

- Must be an attorney (JD), accountant (CPA), insurance professional and financial planner (CLU/ChFC, CFP) or trust officer (CTFA)
- Must be in good standing with their professional organization and not be subject to disciplinary investigation
- Must have a minimum of 5 years of experience in estate planning in one or more of the prerequisite professions

Educational Requirements: Candidate must complete the following:

2 graduate level courses administered by The American College or from another accredited graduate program as part of a master's or doctoral degree unless applicant has 15 or more years of experience as an estate planner

Examination Type: Final exam for each course. If self-study through The American College, must be taken at Pearson VUE testing centers, which are proctored.

Continuing Education/Experience Requirements

30 hours every 24 months, including 15 hours in estate planning. Re-certification required annually.

APR – Accredited Pension Representative

Issued by: NIPA (National Institute of Pension Administrators)

Prerequisites/Experience Required: Candidate must meet the following requirements:

- Series 6, 7, 65, 66 or 24 license

Educational Requirements: Candidate must complete the following:

- 2 self-study courses; or
- Have an ERPA designation or insurance license

Examination Type: End of course examinations, including APR Courses 1 and 2 (Course 1 is open book)

Continuing Education/Experience Requirements: 10 hours CE credits every year and hold a current NIPA membership

LIFA – Licensed International Financial Analyst

Issued by: The International Research Association

Prerequisites/Experience Required: None

Educational Requirements: Self study program (250 hours of study for each of the 3 levels) covering the following topics:

- Ethics
- Economics
- International Markets
- Quantitative Analysis
- Financial Statement Analysis
- Fixed Income Investments
- Equity Investments
- Derivative Instruments
- Alternative Investments
- Portfolio Management

Examination Type: 3 course exams

Continuing Education/Experience Requirements: None

AIF® – Accredited Investment Fiduciary

The Accredited Investment Fiduciary® (AIF®) professional designation is the industry's first and only designation that demonstrates knowledge and competency in the area of fiduciary responsibility and communicates a commitment to standards of investment fiduciary excellence.

Issued by: Center for Fiduciary Studies

Prerequisites/Experience Required: must accrue a minimum of three points as defined by the prerequisites valuation framework in order to be eligible for candidacy

Educational Requirements/Examination: Holders of the AIF® mark have successfully completed a specialized program on investment fiduciary standards and subsequently passed a comprehensive examination. The Accredited Investment Fiduciary® (AIF®)

designation represents a thorough knowledge of and ability to apply the fiduciary practices.

Continuing Education/Experience Requirements:

AIF designees must accrue six hours of continuing professional education annually and attest to a Code of Ethics.

Disciplinary Information

Neither Capital Wealth Management nor any Supervised Persons have any material legal or disciplinary events to disclose.

Other Business Activities

Disclosure on Outside Business Activities is provided in Form ADV Part 2A Item 10 – Other Financial Industry Activities and Affiliations above. These Outside Business Activities do not create a material conflict of interest with clients.

Lee Alan Duckworth, Peter Alofsin, Curt Caserta, M. Shayne Ruffing, Paul J. Long are Registered Representatives of Triad Advisors, Inc. and receive commissions, bonuses or other compensation based on the sale of securities or other investment products. This practice gives the supervised persons an incentive to recommend investment products based on the compensation received, rather than on the client's needs. The Firm has policies and procedures in place to mitigate any incentives.

Rebecca A. Records, and Brian Glatz are also Registered Representatives of Triad Advisors, Inc., but currently do not spend any time on Registered Representative activities and do not receive compensation.

Lee Alan Duckworth, Peter Alofsin, Curt Caserta, M. Shayne Ruffing, and Paul J. Long may be appointed with several insurance companies and may be able to receive separate compensation for transactions implemented through various insurance companies. They are licensed to sell insurance term life, trust-owned insurance, and no-lapse universal life. They spend less than 10% of their time on insurance sales.

M. Shayne Ruffing is the sole owner of Integrated WealthCare, Inc., which serves as a platform for various professionals to provide services, including wealth management, to the medical community. As President of Integrated WealthCare, Inc., Mr. Ruffing is a frequent speaker at medical industry conferences, and spends approximately 70% of his time on Integrated WealthCare, Inc. activities. Financial Planning and Asset Management Services for Integrated WealthCare, Inc. clients is provided by Capital Wealth Management.

Lee Alan Duckworth is the Founder and Chairman of the Board of Trustees of the Capital Wealth Foundation. David P. Jones is President and Chief Executive Officer of the Capital Wealth Foundation. The Capital Wealth Foundation is a philanthropic platform which strives to help the community do better things, in areas such as research, support systems for those who need it, new technology for a worthy cause, or targeted educational opportunities.

Lawrence F. Dooley, Jr. is an owner of real estate rental property.

Additional Compensation

Certain Supervised Persons receive economic benefit in the form of bonuses related to the amount of new accounts, except as described in Form ADV Part 2A.

Supervision

Lee Alan Duckworth supervises all persons named in this Form ADV Part 2B Investment Adviser Brochure Supplement. Lee Alan Duckworth supervises these persons by holding regular staff, investment and other ad hoc meetings. In addition, Lee Alan Duckworth regularly reviews client reports, emails, and trading, as well as employees' personal securities transaction and holdings reports. Lee Alan Duckworth may be reached at 401.885.1060.

Item 1: Cover Page



Form ADV Part 2A Investment Adviser Brochure

March 2017

This brochure provides information about the qualifications and business practices of Capital Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact Lee Alan Duckworth, President, Chief Executive Officer and Chief Compliance Officer at 401.885.1060 or lee@capitalwealthinc.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. Registration of an investment advisor does not imply any level of skill or training.

Additional information about Capital Wealth Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number, known as a CRD number, Capital Wealth Management, Inc.'s CRD Number is 157959.

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lee@capitalwealthinc.com
www.capitalwealthinc.com

Item 2: Summary of Material Changes

Annual Update

In this Item of Capital Wealth Management, Inc.'s (Capital Wealth Management or the Firm) Form ADV 2, the Firm is required to discuss any material changes that have been made to Form ADV since the last Annual Amendment, dated March 24, 2016.

Material Changes since the Last Update

Since the last Annual Amendment filing, the Firm has the following material changes to report:

- William S. Tuttle has left the Firm.
- Lawrence F. Dooley Jr., has joined the Firm as its Chief Investment Officer.

Full Brochure Available

Capital Wealth Management's Form ADV may be requested at any time, without charge by contacting Lee Alan Duckworth, President, Chief Executive Officer and Chief Compliance Officer at 401.885.1060 or lee@capitalwealthinc.com.

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Item 4: Advisory Business

Firm Description and Types of Advisory Services

Capital Wealth Management is an investment adviser providing investment advisory services to individuals, high net worth individuals, pension and profit sharing plans, trusts, and estates.

These services include asset management services, financial planning and advisory services for retirement plans and plan participants.

Principal Owners

Capital Wealth Management's Executive Management team is comprised of Lee Alan Duckworth, and Peter J. Alofsin; the Firm is owned by Lee Alan Duckworth.

Types of Advisory Services

Asset Management Services

Capital Wealth Management provides continuous advice to clients regarding investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, Capital Wealth Management develops a client's personal Investment Policy Statement which includes risk profile, time horizon, cash needs, investment philosophy, asset allocation, proposed asset allocation, rebalancing, manager selection, tax considerations and reporting.

Capital Wealth Management will manage advisory accounts primarily on a discretionary basis only. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, growth and income, etc.). Capital Wealth Management may also offer these services to clients with variable annuity products, whereby Capital Wealth Management will manage the underlying variable annuity sub-accounts and equity indexed annuities (EIA) on behalf of the client.

Capital Wealth Management will create a portfolio consisting of one or all of the following: individual equities, bonds, ETFs, managed futures, oil and natural gas exploration and other alternative investments, other investment products, managed futures, private debt, non-traded REITS, and no-load or load-waived mutual funds. Capital Wealth Management will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; style drift, alpha, and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will retain individual ownership of all securities.

Capital Wealth Management may provide investment advice on such investments as limited partnerships and private placement partnerships, and oil and gas partnerships.

Capital Wealth Management reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. Capital Wealth Management may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice.

Financial Planning and Consulting Services

Capital Wealth Management offers financial planning services, which may include a review of all aspects of a client's current financial situation, including the following components: cash management, risk management, insurance, education funding, goal setting, retirement planning, estate and charitable giving planning, tax planning, and capital needs planning. Clients understand that when Capital Wealth Management is engaged to address only certain components, the client's overall financial and investment issues may not be taken into consideration.

Capital Wealth Management meets with the client to review risk tolerance, financial goals and objectives, and time horizons. Additional meetings may include a review of additional financial information; sources of income, assets owned, existing insurance, liabilities, wills, trusts, business agreements, tax returns, investments, and personal and family obligations.

The financial plan may include both long and short-term considerations, depending upon the individual scenario. Upon completion a plan is presented to the client. At this meeting, the client is provided with recommendations that are deemed to be compatible with the client's stated goals and objectives. An implementation schedule is reviewed with the client to determine which steps will be pursued, and with whom the steps may be accomplished. The client is under no obligation to utilize additional services of Capital Wealth Management and its representatives and is under no obligation to implement the advice or plan. Clients may choose all or certain components of advice and recommendations and can implement the recommendations through the service providers of their choice.

Capital Wealth Management also offers investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, reviewing a client's existing portfolio, or any other specific topic. Additionally, Capital Wealth Management may provide advice on non-securities matters; generally, in connection with the rendering of estate planning, insurance, and/or annuity advice.

Advisory Services to Retirement Plans and Plan Participants

Capital Wealth Management offers various levels of advisory and consulting services to employee benefit plans and to the participants of such plans (Participants). The services are designed to assist plan sponsors (Plan Sponsors) in meeting their management and fiduciary obligations to the Participants under the Employee Retirement Income

Securities Act (ERISA) and the Pension Protection Act of 2006 (PPA). Capital Wealth Management will provide services to Plan Sponsors and their Participants as described below. Generally, investment advice provided to Plan Sponsors and Participants is regulated under ERISA and the PPA. Plan Sponsors must make the ultimate decision to retain Capital Wealth Management for pension consulting and other advisory services including, but not limited to, services at the participant level. The Plan Sponsor is free to seek independent advice about the appropriateness of any recommended services for the plan.

Capital Wealth Management develops an Investment Policy Statement for each plan, which may include some or all of the following areas: overview, investor circumstances, tax policy, reviews, diversification and investment constraints, selection/retention criteria for investments, investment monitoring and control procedures and duties and responsibilities.

Services include: Management of vendor relationships; Request for Proposals (RFPs); Assistance on plan design strategies; Fiduciary consulting and oversight; Investment Management; and Employee Education and Communication Services.

Advisory services provided to retirement plans may be solely provided by Investment Adviser Representatives (IARs), or in combination with third parties and their retirement plan services.

Tailored Relationships

Capital Wealth Management tailors investment advisory services to the individual needs of the client. Capital Wealth Management clients are allowed to impose restrictions on the investments in their account. Capital Wealth Management may accept any reasonable limitation or restriction to discretionary authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to Capital Wealth Management in writing.

Fiduciary Statement

Capital Wealth Management and its employees are fiduciaries who must take into consideration the best interests of its clients. Capital Wealth Management will act with competence, dignity, integrity, and in an ethical manner, when dealing with clients. Capital Wealth Management will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

As a fiduciary, Capital Wealth Management has the obligation to deal fairly with clients. Capital Wealth Management has the following responsibilities when working with a client:

- To render impartial advice;
- To make appropriate recommendations based on the client's needs, financial circumstances and investment objectives;

- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner and not in a way to mislead;
- To have reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and
- Treat clients fairly and equitably.

Wrap Fee Programs

Capital Wealth Management does not participate in a Wrap Fee Program.

Client Assets

As of January 31, 2017, Capital Wealth Management manages a total of \$346,339,680 in assets under management; \$182,497,201 is managed on a discretionary basis, and \$163,842,479 is managed on a non-discretionary basis.

Item 5: Fees and Compensation

Compensation – Asset Management Services

The annual fees for Capital Wealth Management portfolio management services are as follows:

Up to \$1,000,000	1.25%
\$1,000,000 to \$2,000,000	1.00%
\$2,000,000 to \$5,000,000	0.85%
Over \$5,000,000	0.50%

Clients will be invoiced in advance at the beginning of each calendar quarter based upon the market value of the client's account at the end of the previous quarter.

Compensation – Financial Planning and Consulting Services

Financial Planning and Consulting fees will be charged as a fixed fee, typically ranging from \$450 to \$4,000, depending on the nature and complexity of each client's circumstances.

All financial planning fees are due in advance or arrears, upon presentation of the financial plan or consulting engagement for the client.

Compensation - Retirement Plan and Participant Services

Capital Wealth Management charges an annualized fee of up to 1.25% of the plan's assets for the pension consulting services described above, generally payable quarterly in advance. In lieu of an asset based fee, Capital Wealth Management may charge a fixed annual fee typically \$20,000, payable quarterly in advance. Generally, a fixed-fee will not exceed 1.00% of the plan's assets unless there are special circumstances warranting a higher fee. The type and amount of the fees charged to the client are negotiable and are

generally based on the size and complexity of the plan, the number of plan participants, the location of the participants, the estimated number of meetings required, and other factors that may be deemed relevant by Capital Wealth Management when negotiating with the client. An estimate of the total cost will be determined at the start of the advisory relationship.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Agreement Terms

Either the client or Capital Wealth Management may terminate the agreement at any time by notification in writing. If the client made an advance payment, Capital Wealth Management will refund any unearned portion of the advance payment.

Other Compensation

As disclosed in Item 10, certain of our management persons are Registered Representatives of a broker dealer, Triad Advisors, Inc. As Registered Representatives, these individuals accept compensation for the sale of securities and other investment products.

This practice may present a conflict of interest and gives registered representatives an incentive to recommend investment products based on the compensation received rather than on a client's needs. Clients have the option to purchase investment products that the firm recommends through other brokerage or agents that are not affiliated with the firm. Commissions and other sales-related compensation are not Capital Wealth Management's primary compensation.

General Information on Compensation and Other Fees

In certain circumstances, fees, account minimums and payment terms are negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

Capital Wealth Management's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

All fees paid to Capital Wealth Management for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and variable annuity sub-accounts to their shareholders. These fees and expenses are described in each fund's or sub account's prospectus. These fees will generally include a management fee, other expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund or sub-account directly, without the services of Capital Wealth Management. In that case, the client would not receive the services provided by Capital Wealth Management which are designed, among other things, to assist the client in determining which mutual funds or sub-accounts are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds/sub-accounts and the fees charged by Capital Wealth Management to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

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

Performance-Based Fees

Neither Capital Wealth Management nor any of its Supervised Persons (employees) accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Capital Wealth Management does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

Types of Clients

As described in Item 4, Capital Wealth Management's clients may include individuals, high net worth individuals, pension and profit sharing plans, trusts, and estates.

Account Minimums

Capital Wealth Management requires a minimum account of \$750,000 for investment advisory clients, although this may be negotiable under certain circumstances. Capital

Wealth Management may group certain related client accounts for the purposes of achieving the minimum account size.

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

Methods of Analysis

Capital Wealth Management typically employs fundamental security analysis methods.

Fundamental Analysis. The Firm attempts 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 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.

Investment Strategies

Capital Wealth Management may use any of the following investment strategies to implement investment advice. Long-term purchases (securities held at least a year); Short-term purchases (securities sold within a year); and Trading (securities sold within 30 days).

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Capital Wealth Management's investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Capital Wealth Management or the integrity of Capital Wealth Management's management. Capital Wealth Management has no information to disclose applicable to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Financial Industry Activities – Broker-Dealers

Capital Wealth Management is not registered as a broker-dealer. Several of its management persons are Registered Representatives of a broker-dealer, Triad Advisors, Inc. (Triad) member FINRA/SIPC, as described below.

Financial Industry Activities – Futures and Commodities

Neither Capital Wealth Management nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

Broker-Dealer Registered Representatives

In addition to its investment advisory activities, Capital Wealth Management offers retail brokerage services through its Registered Representatives who are affiliated with Triad. Products may include stocks, bonds, mutual funds, ETFs, 529 plans, retirement plans, and other investments. Capital Wealth Management generally conducts its investment advisory activities separate and apart from the advisory activities of Triad. Capital Wealth Management as a branch of Triad necessitates that Triad keep and maintain certain records and perform other compliance functions in relation to the advisory activities of Capital Wealth Management. These obligations require Triad to coordinate with and have the cooperation of certain custodians and/or broker-dealers. Accordingly, Triad has established a list of custodian or brokerage firms in which Capital Wealth Management client assets may be placed, and Capital Wealth Management client custodial choices will be limited to that list. IARs spend less than 10% of their time on Registered Representative activities.

Insurance

Capital Wealth Management's Investment Adviser Representatives (IARs) may be appointed with several insurance companies and may be able to receive separate compensation for transactions implemented through various insurance companies. IARs are licensed to sell insurance term life, trust-owned insurance, and no-lapse universal life, etc. Clients are not obligated to use any company for insurance product purchases, and may work with any insurance agent they choose. Insurance compensation will be separate and distinct from investment advisory and financial planning fees charged by Capital Wealth Management.

Financial Industry Activities – Other

M. Shayne Ruffing is the sole owner of Integrated WealthCare, Inc., which serves as a platform for various professionals to provide services, including wealth management, to the medical community. As President of Integrated WealthCare, Inc. Mr. Ruffing is a frequent speaker at medical industry conferences, and spends approximately 70% of his time on Integrated WealthCare, Inc. activities. Financial Planning and Asset Management Services for Integrated WealthCare, Inc. clients is provided by Capital Wealth Management.

Lee Alan Duckworth is the Founder and Chairman of the Board of Trustees of the Capital Wealth Foundation. David P. Jones is President and Chief Executive Officer of the Capital Wealth Foundation. The Capital Wealth Foundation is a philanthropic platform which strives to help the community do better things, in areas such as research, support systems for those who need it, new technology for a worthy cause, or targeted educational opportunities.

Lawrence F. Dooley, Jr. is an owner of real estate rental property.

Other Investment Advisors

Capital Wealth Management does not recommend or select other investment advisors for its clients.

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

Code of Ethics

Capital Wealth Management employees must comply with a Code of Ethics and Statement for Insider Trading. The Code describes the Firm's high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Lee Alan Duckworth, President, Chief Executive Officer and Chief Compliance Officer, reviews all employee trades each quarter. These reviews ensure that personal trading does not affect the markets, and that clients of Capital Wealth Management receive preferential treatment.

Capital Wealth Management's employees must acknowledge the terms of the Code of Ethics at least annually. Any individual not in compliance with the Code of Ethics may be subject to termination.

Clients and prospective clients can obtain a copy of Capital Wealth Management's Code of Ethics by contacting Lee Alan Duckworth at 401.885.1060.

Participation or Interest in Client Transactions – Personal Securities Transactions

Capital Wealth Management and its employees may buy or sell securities identical to those recommended to clients for their personal accounts.

The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of Capital Wealth Management 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 employees to invest for their own accounts. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Capital Wealth Management's clients. In addition, the Code requires pre-clearance of certain

transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and designed to reasonably prevent conflicts of interest between Capital Wealth Management and its clients.

Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross

Capital Wealth Management and its employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

It is Capital Wealth Management's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts.

Item 12: Brokerage Practices

Research and Other Soft Dollar Benefits

Capital Wealth Management does not receive formal soft dollar benefits other than execution from broker/dealers in connection with client securities transactions. See further disclosure below.

Brokerage for Client Referrals

Capital Wealth Management does not receive client referrals from broker/dealers.

Directed Brokerage - Client

While not routine, the client may direct Capital Wealth Management to use a particular broker-dealer to execute some or all transactions for the client. This brokerage direction must be requested by the client in writing. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and Capital Wealth Management will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by Capital Wealth Management. By directing brokerage, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Not all advisers require or allow their clients to direct brokerage. Subject to its duty of best execution, Capital Wealth Management may decline a client's request to direct brokerage if, in Capital Wealth Management's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Directed Brokerage

Capital Wealth Management shall generally recommend that portfolio management clients establish brokerage accounts with Charles Schwab & Co., Inc. (Schwab), a

registered broker-dealer, member FINRA/SIPC, a registered broker-dealer, to maintain custody of clients' assets and to effect trades for their accounts.

Capital Wealth Management is independently owned and operated and not affiliated with Schwab. Schwab provides Capital Wealth Management with access to its institutional trading and custody services, which are not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis **and are not otherwise contingent upon Capital Wealth Management committing to Schwab any specific amount of business** (assets in custody or trading). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Capital Wealth Management's client accounts maintained there, Schwab is compensated through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. The brokerage commissions and/or transaction fees charged by Schwab or any other designated broker-dealer are exclusive of and in addition to Capital Wealth Management's fees.

Capital Wealth Management does not maintain actual custody of client assets, although may be deemed to have custody of assets if given authority to withdraw fees from client accounts (as disclosed in Item 15 – Custody). Client assets must be maintained in an account at a “qualified custodian,” generally a broker- dealer or bank. Capital Wealth Management recommends that clients use Schwab as the qualified custodian. Schwab will hold client assets in a brokerage account and buy and sell securities upon Capital Wealth Management's instruction.

Directed Brokerage – Other Economic Benefits

Capital Wealth Management may receive from Schwab, at no cost to Capital Wealth Management, professional services, computer software and related systems support, enabling the Firm to better monitor client accounts maintained at Schwab. Capital Wealth Management may receive this support without cost because of the portfolio management services rendered to clients that maintain assets at Schwab. The support provided may benefit Capital Wealth Management, but not its clients directly.

Capital Wealth Management may also receive waivers or reductions of conference registration fees, meals, entertainment and promotional premium items that have nominal value. Capital Wealth Management believes these economic benefits do not, either individually or collectively, impair Capital Wealth Management's independence. Prior to the acceptance of any consideration, employees must obtain authorization and approval from Lee Alan Duckworth, President, Chief Executive Officer and Chief Compliance Officer.

Capital Wealth Management has been provided with a one-time credit from Schwab to be used towards technology and/or other economic benefits. Capital Wealth

Management has received this benefit without cost because Capital Wealth Management renders investment management services to clients that maintain assets with Schwab. Capital Wealth Management is not required to send a certain amount of business to the broker/dealer to receive this benefit. This economic benefit may benefit Capital Wealth Management but not its clients directly. In fulfilling its duties to its clients, Capital Wealth Management endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Capital Wealth Management's receipt of economic benefits from a broker-dealer may create a conflict of interest since these benefits may influence Capital Wealth Management's choice of broker-dealer over another broker-dealer that does not furnish similar services, software and systems support. Capital Wealth Management does not believe this benefit impairs its fiduciary duty to clients.

The commissions paid by Capital Wealth Management's clients shall comply with Capital Wealth Management's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Capital Wealth Management determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Capital Wealth Management will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

Trade Aggregation

Trade aggregation is the act of trading a large block of a security in a single order. Shares of a purchased security are then allocated to the appropriate accounts in the appropriate proportion. The main purposes of order aggregation are (i) for ease of trading and (ii) to obtain a lower transaction cost associated with trading a larger quantity. Capital Wealth Management does not aggregate or block trades. As a result, clients purchasing securities around the same time may receive a less favorable price than other clients. In addition, not aggregating trades may result in higher transaction costs, as a client will not benefit from lower transaction cost which might be achieved if the trade was aggregated.

Item 13: Review of Accounts

Reviews

Capital Wealth Management's Investment Policy Committee is comprised of Lee Alan Duckworth, President, Chief Executive Officer and Chief Compliance Officer; Lawrence F. Dooley, Jr., Chief Investment Officer; and Peter J. Alofsin, M. Shayne Ruffing, Brian Glatz, and Curt Caserta, each Investment Committee members. Each Committee

member is also a client account manager. The Committee meets every week to discuss overall firm investment philosophy to consistently apply to client accounts regardless of the client account manager.

The client account manager has the responsibility for communicating with the client, updating changes to the client's situation and regularly reviewing the client's portfolio including the asset allocation and the specific assets included in the account. The client review includes comparing the portfolio and current security positions with the goals and objectives as outlined by the investment policy statement, reviewing changes to the client's investment circumstances, evaluating the specific holdings, re-balancing the portfolio and communicating the current status of the portfolio and any recommended actions to the client.

Clients' accounts are reviewed regularly; formal reviews, including contact with clients, typically occur at least 2 times a year.

Review Triggers

Other conditions that may trigger a review are changes in market, political or economic conditions, tax laws, new investment information, and changes in a client's own situation.

Reporting

Each month, the custodian provides clients with an account statement for each client account, which may include individual holdings, cost basis information, deposits and withdrawals, accrued income, dividends, and performance. In addition, the custodian provides clients with trade confirmations for each position bought and sold.

Capital Wealth Management also provides clients with a quarterly report including an account appraisal that identifies the current positions as of the reporting date, amount owned current value, capital contributions and withdrawals, and percentage weighting within the portfolio of each security. A performance summary is also provided for the portfolio during the most recent quarter, year-to-date, and twelve-month cycle.

Financial Planning and Consulting – Reviews and Reporting

Financial Planning and Consulting clients will be reviewed and receive reports as contracted for at the inception of the engagement.

Item 14: Client Referrals and Other Compensation

Other Compensation – Brokerage Arrangements

See disclosure in Item 12 regarding compensation, including economic benefits received in connection with giving advice to clients.

Compensation – Client Referrals – Solicitation Arrangement

From time to time Capital Wealth Management pays for client referrals. Such referral agreements and the related activities will be in compliance with Rule 206(4)-3 under the Advisers Act. Rule 206(4)-3 specifies certain standards that must be met by an investment adviser prior to the payment of a cash fee directly or indirectly, for a client solicitation or referral. All fee sharing arrangements will be disclosed to the client and Capital Wealth Management's fee will remain the same regardless of whether a fee is paid.

Capital Wealth Management has also entered into an arrangement where the Firm will be compensated for assisting with establishing plan participant relationships with another investment advisory firm. Capital Wealth Management's primary role will be to introduce and assist solicited clients enroll in the plan and choose suitable model portfolios for their investment needs. Capital Wealth Management will not provide ongoing investment advisory services. As required, an agreement exists between Capital Wealth Management and the investment advisory firm detailing the terms of compensation. In addition, all fee sharing arrangements are disclosed to the client.

Item 15: Custody

Custody – Fee Debiting

Capital Wealth Management has one form of custody. Clients may authorize Capital Wealth Management (in the client agreement) to debit fees directly from the client's account at the broker dealer, bank or other qualified custodian (custodian). Client investment assets will be held with a custodian agreed upon by the client and Capital Wealth Management. The custodian is advised in writing of the limitation of Capital Wealth Management's access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Capital Wealth Management.

Custody – Account Statements

As described above and in Item 13, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the reports that Capital Wealth Management provides. Capital Wealth Management reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

Capital Wealth Management generally accepts limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows Capital Wealth Management to execute trades on behalf of clients.

When such limited powers exist between the Capital Wealth Management and the client, Capital Wealth Management has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, Capital Wealth Management may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to Capital Wealth Management in writing.

If Capital Wealth Management has not been given discretionary authority, Capital Wealth Management consults with the client prior to each trade.

Item 17: Voting Client Securities

Capital Wealth Management does not have any authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies; clients receive proxies directly from either custodians or transfer agents.

If requested, Capital Wealth Management may provide advice to clients regarding proxy votes. If any conflict of interest exists, it will be disclosed to the client. Clients may contact Lee Alan Duckworth at 401.885.1060 for information about proxy voting.

Item 18: Financial Information

Capital Wealth Management has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Capital Wealth Management is not required to provide a balance sheet; Capital Wealth Management does not serve as a custodian for client funds or securities, and does not require prepayment of fees of both more than \$1,200 per client, and more than six months in advance.