

Form ADV Part 3: Relationship Summary

Pinnacle Wealth Management, Inc.

Introduction

Pinnacle Wealth Management, Inc. is an investment adviser registered with the U.S. Securities and Exchange Commission. We offer our clients investment advisory services. Clients should understand that the services we provide and fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professional at <https://www.investor.gov/CRS>, which also provides educational materials about investment advisers, broker-dealers and investing.

What Investment Services and Advice Can You Provide Me?

Description of Services: Pinnacle Wealth Management offers the following investment advisory services to retail investors. (1) We provide **Financial Plans, Limited Consultations** and **Wealth Management Services**. These services involve us creating a written financial plan or providing consultative meetings for you which covers mutually agreed upon topics. Please see **Item 4** of our **Form ADV Part 2A**. (2) We provide **Asset Management Services**, through the *Financial Advisors Program* and *Managed Opportunities*, which involves us or selected sub-advisers/money managers managing and trading your designated account(s). We will discuss your investment goals and design a strategy to try and achieve your investment goals. Your account(s) are continuously monitored, and we will contact you at least annually to discuss your portfolio. We offer asset management services through both wrap fee and non-wrap fee accounts. For more information, please see **Item 4** of our **Form ADV Part 2A**. Asset management services are provided on a **discretionary** basis, meaning our firm or your selected sub-adviser(s)/money manager(s) will have the authority to determine the type and amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. For more information about investment authority, please see **Item 16** of our **Form ADV Part 2A**.

Limited Investment Offerings: Instead of recommending just one type of security to clients, we develop investment diversified portfolios consistent with your specific circumstances and needs. However, we are limited in investment selection in that we can only invest your account in securities which are available on your custodian/broker-dealer's platform. When providing you services, we do not recommend or offer advice on any proprietary products.

Account Minimums: There is a \$25,000 minimum required to establish and maintain an FAP account, although an exception can be granted to this minimum at our discretion. There is a minimum of \$50,000 to establish and maintain Managed Opportunities accounts.

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

What Fees Will I Pay?

Description of Principal Fees & Costs: **Financial Planning Services** are provided under an hourly fee arrangement (between \$100 and \$250 per hour) or fixed fee (ranging between \$500 and \$5,000). Fees are due upon completion and delivery of the plan or consultative meetings. These fees do not cover the costs associated with implementing any recommendations we may make. There is a minimum fee of \$10,000 per year for Wealth Management Services but you can apply the fees we charge for Asset Management Services against this minimum. Fees charged for our **Asset Management Services** are charged based on a percentage of assets under management, billed in advance on a monthly basis. The maximum annual fee will never exceed 1.50%. Because our fee is based upon the value of your account we have an incentive to recommend that you increase the level of assets in your account. We utilize wrap fee and non-wrap fee programs. Under a wrap fee program the fee you pay us covers both our advisory services and the transaction fees imposed by the broker-dealer. Under a non-wrap fee program you will be charged transaction costs separately. Since a wrap fee covers transaction expenses it tends to be higher than non-wrap fee programs. You will also be charged internal fees and expenses by the mutual funds held within your account.

Additional Information: You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more information about the fees we charge and the other fees and expenses you will incur, please see **Item 5** of **Form ADV Part 2A** and the respective **Form ADV Part 2A: Appendix 1** for the Financial Advisors Program and Managed Opportunities.

Conversation Starters: *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

What Are Your Legal Obligations to Me When Acting as My Investment Adviser?

How Else Does Your Firm Make Money and What Conflicts of Interest Do You Have?

Standard of Conduct: When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means. (1) When we provide asset management services, we will ask that you use either the Financial Advisors Program or Managed Opportunities (both of which are sponsored by Securities America Advisors, Inc. ("SAA") and establish an account with Securities America, Inc. ("SAI") to effect trades for your account. This recommendation is not based solely on your interest of receiving the best execution possible. We also recommend SAA and SAI, because they provide us with research, products and tools that help us manage and further develop our business operations. As a result, we do not have to pay for such benefits, which save us money; however, these arrangements create a conflict of interest. Our recommendation is also due to the fact that SAA is responsible for the administrative tasks associated with billing your accounts and paying the portion of your fee we receive. (2) Our representatives also serve as licensed insurance agents. When acting in this capacity, the representative will receive commissions for selling insurance products. This creates a conflict of interest when the representative recommends you purchase insurance products through him or her. (3) Our representatives also serve as registered representatives of SAI, a securities broker-dealer. When acting in this separate capacity, the representative will receive commissions for selling securities which creates a conflict of interest.

Conversation Starters: *How might your conflicts of interest affect me, and how will you address them?*

Additional Information: For more information about our conflicts of interests and the ways we are compensated, please see **Item 5** and **Item 10** and **Item 12** of our **Form ADV Part 2A** for more information.

How Do Your Financial Professionals Make Money?

Description of Salary/Payment of IARs: We compensate our investment adviser representatives through salaries and bonuses. We also can compensate our investment adviser representatives with incentive pay based on the level of assets that the representative brings to us. This creates a conflict of interest as it gives your representative an incentive to recommend you invest more in your account with us due to the potential for increased payments.

Do You or Your Financial Professionals Have Legal or Disciplinary History?

Neither us, nor our investment adviser representatives have a legal or disciplinary history to report. You can look up more information about us and our investment adviser representatives at <https://www.investor.gov/CRS>.

Conversation Starters: *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Additional Information About Pinnacle Wealth Management

Additional information about us and a copy of this relationship summary are available on the Internet at <https://www.planwithpinnacle.com/>. You can also find our disclosure brochures and other information about us at <https://adviserinfo.sec.gov/firm/brochure/110518>. If you have any questions or want an up-to-date copy of this relationship summary, we can be reached by phone at (513) 874-4440.

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