

Wallem Associates, Inc.
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December 20, 2023

This Brochure provides information about the qualifications and business practices of Wallem Associates, Inc. (“Wallem”). If you have any questions about the contents of this Brochure, please contact us at (815) 636-4459. 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 Adviser does not imply any level of skill or training.

Additional information about Wallem is also available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Wallem is 326880.

Item 2 – Material Changes

This Item of the Brochure discusses only specific material changes that are made to the Brochure since the last annual update and provides clients with a summary of such changes. Since this is Wallem’s initial Disclosure Brochure, there are no material changes to report.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Michael Sullivan, Wallem’s Chief Compliance Officer at (815) 636-4459. Additional information about Wallem is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Wallem who are registered, or are required to be registered, as investment adviser representatives of Wallem.

(Date of Brochure: 12/20/2023)

(Date of Most Recent Annual Updating Amendment: N/A)

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Item 4 – Advisory Business

Wallem is owned equally by Jeffery Wallem and Michael Sullivan and has been providing advisory services since 2023. Since this is the firm's initial filing for registration as an investment adviser, Wallem does not have any assets under management to report.

Investment Management Services:

Wallem manages investment portfolios for individuals, trusts, charitable organizations and foundations, small businesses and qualified retirement plans. Wallem will work with a client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement.

Wallem uses investment and portfolio allocation software to evaluate alternative portfolio designs. Wallem evaluates the client's existing investments with respect to the client's investment policy statement. Wallem works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by Wallem. Wallem will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the client regarding the account as necessary.

Wallem will typically create a portfolio of passive and/or evidence-based mutual funds and Exchange Traded Funds (ETFs) and will use model portfolios if the models match the client's investment policy. Wallem will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Wallem primarily recommends mutual funds and ETFs offered by Dimensional Fund Advisors (DFA). DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover.

Client portfolios will include, from time to time, individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests they be retained for a personal reason. These situations will be specifically identified in the client's Investment Policy Statement (IPS).

Wallem manages mutual fund and equity portfolios on a discretionary or non-discretionary basis according to the investment policy selected by the client. A client is permitted to impose any reasonable restrictions on Wallem's discretionary authority including restrictions on the types of securities in which Wallem may invest client's assets and on specific securities, which the client may believe to be appropriate.

Wallem also provides investment management clients with certain financial planning services. Clients may receive various written financial reports, providing the client with detailed financial information designed to achieve their stated financial goals and objectives. This service is only available to current investment management clients as a part of their engagement with Wallem.

Clients also engage Wallem to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts (to the extent permissible without an insurance license) and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Wallem will direct or make recommendations on a non-discretionary basis for the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or custodian for the plan trustee or administrator and clients retain responsibility for effecting trades in these accounts.

For unmanaged account services held at an independent and unaffiliated third-party qualified custodian, Wallem shall not provide Client investment advice, and will instead solely follow the instructions with respect to the Unmanaged Account(s) as provided by Client. Wallem shall have no discretion to act or transact for Unmanaged Clients without the verbal and/or written instructions from client. These accounts are opened solely as an accommodation to the Client.

Use of Third-Party Sub-Advisers:

Wallem has retained Buckingham Strategic Partners, LLC (“BSP”) to act as a sub-advisor for certain client accounts. BSP shall provide various model asset allocation portfolios (each a “Portfolio”, collectively “Portfolios”) for selection by Wallem. Each Portfolio strives to achieve long-term risk and return objectives through diversification among multiple asset classes using investment options available to BSP, which may include, but not limited to, mutual funds and/or exchange traded funds from Dimensional Fund Advisors LP, Bridgeway Capital Management, Inc., AQR Capital Management, LLC, The Vanguard Group, Inc., Stoneridge Asset Management, LLC or other providers selected by BSP. Each Portfolio is designed to meet a particular investment goal which Wallem has determined is suitable based on the client's circumstances. Once the appropriate Portfolio(s) has been determined, the Portfolio will continuously be managed based on the portfolio's goal and BSP will have the discretionary authority to manage the Portfolio(s), including periodically rebalancing. However, Adviser, on behalf of its client, will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Should material life events occur, clients should immediately contact Wallem to determine if changes to an account and the allocation of the assets held in the account are necessary.

Wallem may also recommend fixed income portfolios to investment management clients, which consist of managed accounts of individual bonds. Wallem will request discretionary authority from investment management clients to manage fixed income portfolios, including the discretion to retain a third-party fixed income manager. For client portfolios managed on a non-discretionary basis, client should be aware that the authority for Wallem to retain a fixed income manager is provided in the signed advisory agreement and is provided on a discretionary basis.

The fixed income securities manager will be provided with the discretionary authority to invest client assets in fixed income securities consistent with the client's Investment Policy Statement. The fixed income manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting

opportunities (to the extent that the manager is provided with cost basis information). The fixed income manager will obtain Wallem's consent prior to the sale of any client securities.

On an ongoing basis, Wallem will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. Wallem will periodically, and at least annually, review clients' investment policy, risk profile and discuss the re-balancing of each client's accounts to the extent appropriate. Wallem will provide to investment manager any updated client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

In addition to managing the client's investment portfolio, Wallem may consult with clients on various financial areas including income and estate tax planning, business sale structures, college financial planning, retirement planning, insurance analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things.

Wallem does not participate in or sponsor any wrap fee programs.

Employee Benefit Retirement Plan Services:

Wallem also provides advisory services to participant-directed employee retirement benefit plans through third-party administration services, which are online bundled service providers offering an opportunity for plan sponsors to provide their participants with daily account access, valuation, and investment education.

Wallem will analyze the plan's current investment platform and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. Wallem will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

Wallem will recommend changes in the plan's investment vehicles as may be appropriate from time to time. Wallem generally will review the plan's investment vehicles and investment policy as necessary.

For certain retirement plans, Wallem also works in coordination and support with BSP. Retirement plan clients will engage both Wallem and BSP. BSP will provide to the client additional discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintain the plans' investments according to the goals and investment objectives of the plan.

Wallem will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

Item 5 – Fees and Compensation

In certain circumstances, all fees, account minimums and their applications to family circumstances may be negotiable. Advance fee payments will never exceed \$500 for work that will not be completed within six months.

Wallem has contracted with BSP for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. Wallem has also contracted with BSP for sub-advisory services with respect to clients' accounts. Wallem pays a fee for BSP services based on management fees paid to Wallem on accounts which use BSP. The fee paid by Wallem to BSP consists of a portion of the fee paid by clients to Wallem and varies based on the total client assets administered and/or sub-advised by BSP through Wallem. These fees are not separately charged to advisory clients. The fee charged by Wallem to its clients includes all sub-advisory fees charged by BSP.

The specific manner in which fees are charged by Wallem is established in a client's written agreement with Wallem. Investment Management and Employee Benefit Plan clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value based on independent, third-party sources or fair market value in the absence of market value; client account balances on which Wallem calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted (date of first trade).

For Investment Management and Employee Benefit Plan Services, Wallem will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to Wallem or its designated service provider, BSP, to withdraw fees from the account. Clients will receive custodial statements showing the advisory fees debited from their account(s). Certain third-party administrators will calculate and debit Wallem's fee and remit such fee to Wallem.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement, regardless of whether or not the disclosure information is delivered within 48 hours prior to entering the contract.

Wallem'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, 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. These fees will generally include a management fee and other fund expenses. All fees paid to Wallem for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to Wallem’s fee, and Wallem shall not receive any portion of these commissions, fees, and costs.

Advisory Fees

The annual fee for investment management services will be charged as a percentage of assets under management, according to the schedule below:

| Assets Under Management | Annual Fee (%) |
|---------------------------------|-----------------------|
| \$0 - \$249,999.99 | 1.35% |
| \$250,000.00 - \$499,999.99 | 1.25% |
| \$500,000.00 - \$999,999.99 | 0.80% |
| \$1,000,000.00 - \$1,999,999.99 | 0.70% |
| \$2,000,000.00 and above | 0.60% |

Wallem does not generally require a minimum account size for Investment Management Services.

All accounts for members of the client’s family (husband, wife and dependent children) or related businesses may be assessed fees based on the total balance of all accounts.

Fees for variable annuity management and management of accounts held directly at American Funds differ from our standard fee schedule and are defined within the clients investment management agreement. Our fees for Nationwide annuity accounts will be a flat 1% and for American Funds accounts will be .25%. These fees reflect the investment restrictions and limitations present in those type of arrangements.

Employee Benefit Retirement Plan Services:

The annual fee for plan services will be charged as a percentage of assets within the plan at 0.50%. This will be charged to plan sponsor, or participants, as defined by the plan documents.

Should sponsors wish to utilize services from BSP, the following is the fee schedule for Retirement plan clients engaging both Wallem and BSP shall apply.

| Assets Under Management | Buckingham Strategic Partners’ Annual Fee | Wallem’s Annual Fee | Total Annual Fee |
|--------------------------------|--|----------------------------|-------------------------|
| On the first \$50,000,000 | 0.30% | 0.20% | 0.50% |
| \$50,000,000 or above | 0.15% | 0.35% | 0.50% |

Certain legacy clients may be on fee schedules that are no longer available to new clients.

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

Wallem 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). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

Item 7 – Types of Clients

Wallem provides services to individuals, trusts, charitable organizations and foundations, and small businesses.

Wallem does not generally require a minimum account size for Investment Management Services.

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

Methods of Analysis and Investment Strategy

Wallem's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. Wallem's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. Wallem recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. Wallem selects or recommends to clients portfolios of securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, Wallem's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients, the investment directly in conservative fixed income securities to represent the fixed income class. Wallem's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that Wallem's strategy seeks to minimize.

In the implementation of investment plans Wallem primarily uses mutual funds, ETF's and, as appropriate, portfolios of conservative fixed income securities. Clients may hold or retain other types of assets as well, and seek advice from Wallem regarding those various assets as part of its services. Advice regarding such assets will be general in nature and will not typically involve asset management services.

Wallem's strategies do not utilize securities that would be classified as having any unusual risks and do not recommend frequent trading, which can increase brokerage and other costs and taxes.

Wallem receives supporting research from BSP and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). Wallem utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to Wallem.

Analysis of a Client's Financial Situation

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, Wallem relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, Wallem at times will use Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by Wallem include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in Wallem's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by Wallem contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks increase with investments in developing countries.

The risk of loss described herein should not be considered to be an exhaustive list of all the risks which clients should consider.

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 Wallem or the integrity of Wallem’s management. Wallem has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Buckingham Strategic Partners

As described above in Item 4, Wallem exercises discretionary authority provided by a client to select an independent third-party investment manager for the management of portfolios of securities. Wallem selects BSP for such sub-advisory management. Wallem also contracts with BSP for back-office services and assistance with portfolio modeling. Wallem has a fiduciary duty to select qualified and appropriate managers in the client’s best interest and believes that BSP effectively provides both the back-office services that assist with its overall investment advisory practice and sub-advisory services. The management of Wallem continuously analyzes and assesses the use of BSP in this capacity. While Wallem has a contract with BSP governing a time period for back office services, Wallem has no such fixed commitment to the selection of BSP for sub-advisory services and utilize other investment managers for clients upon reasonable notice to BSP.

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

Wallem has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Wallem must acknowledge the terms of the Code of Ethics annually, or as amended.

Wallem or individuals associated with Wallem are permitted to buy or sell securities identical to those recommended to customers for their personal accounts. In addition, any related person(s) may have an

interest or position in a certain security(ies) which may also be recommended to a client. It is the expressed policy of Wallem that no person employed by Wallem will take inappropriate advantage of their positions, and the interests of client accounts will be placed first at all times.

Wallem anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Wallem has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Wallem, its affiliates and/or clients, directly or indirectly, have a position of interest. Wallem's employees and persons associated with Wallem are required to follow Wallem's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Wallem and its affiliates at times trade for their own accounts in securities which are recommended to and/or purchased for Wallem's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Wallem 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 have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Wallem'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 to reasonably prevent conflicts of interest between Wallem and its clients.

Wallem will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

It is Wallem's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Wallem will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction would also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions arise in situations where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

Wallem arranges for the execution of securities transactions with the operational assistance of BSP. Through BSP, Wallem participates in the Schwab Advisor Services (SAS) services program offered to independent investment advisors by Charles Schwab & Company, Inc., ("Schwab"). Schwab is an unaffiliated SEC-registered

broker dealer and FINRA member broker dealer. Wallem also utilizes the brokerage and clearing services of Pershing Investment Manager Services (“Pershing”) for investment management accounts. Pershing is a member of SIPC and is an unaffiliated registered broker dealer and FINRA member broker-dealer.

Each broker-dealer offers to independent advisers’ certain services which include custody of securities, trade execution, clearance and settlement transactions. Though Wallem recommends brokers with which BSP has negotiated pricing on behalf of our clients, Wallem does not have discretionary authority to select brokers. We endeavor to recommend broker-dealers that will provide the best services at rates lower than or equivalent to industry standards. The reasonableness of rates is based on the brokers’ ability to provide professional services, competitive commission rates, research and other services that will help our firm provide investment management services to clients.

Schwab and Pershing brokerage programs will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. Wallem regularly reviews these programs to ensure that recommendations are consistent with its fiduciary duty. These trading platforms are essential to Wallem's service arrangements and capabilities, and Wallem reserves the ability to not accept clients who direct the use of other brokers. As part of these programs, Wallem receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As Wallem will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid for mutual fund and equity securities transactions, clients must direct Wallem as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that Wallem will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisers require clients to direct the use of specific brokers.

Wallem will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by Wallem on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

Schwab and Pershing do not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the broker. Trading client accounts through other brokers at times will result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While Wallem will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

Wallem also does not have any arrangements to compensate any broker dealer for client referrals.

When trading client accounts, errors periodically occur. Wallem does not maintain any client trade error gains. Wallem makes client whole with respect to any trade error losses incurred by client and caused by Wallem.

Wallem generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which Wallem arranges transactions. BSP, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case a Wallem client's order may be aggregated with an order for another client of BSP who is not a Wallem client. See BSP's Form ADV Part 2.

Employee Benefit Plan Services:

For non-pooled employee benefit plans, Wallem does not arrange for the execution of securities transactions for plans as a part of this service. Transactions are executed directly through employee plan participation.

Item 13 – Review of Accounts

Reviews

Investment Management Services:

Account assets are supervised continuously and formally reviewed at least annually by Michael Sullivan, Chief Compliance Officer. The review process contains each of the following elements:

- assessing client goals and objectives;
- evaluating the employed strategy(ies);
- monitoring the portfolio(s); and
- addressing the need to rebalance.

Additional account reviews can be triggered by any of the following events:

- a specific client request;
- a change in client goals and objectives;
- an imbalance in a portfolio asset allocation; and
- market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to a third-party investment manager as described above in Item 4.

Employee Benefit Plan Services:

Retirement plan assets are reviewed no more than quarterly, and according to the standards and situations described above for investment management accounts.

Reports

Investment Management Services:

All clients will receive written quarterly performance reports, prepared by BSP and reviewed by Wallem that summarize the client's account and asset allocation. Clients will also receive at least quarterly statements from their account custodian, which will outline the client's current positions and current market value.

Employee Benefit Plan Services:

Plan sponsors are provided with quarterly information and annual performance reviews from Wallem. In addition, plan participant education information will also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan at their request.

Item 14 – Client Referrals and Other Compensation

Client Referrals

Wallem does not compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals.

Other Compensation

As indicated under the disclosure for Item 12, Schwab and Pershing each respectively provide Wallem with access to services which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them. These services are not related to or based upon any client securities transactions or order flow to the broker.

These services benefit Wallem but may not benefit its clients' accounts. Many of the products and services assist Wallem in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Wallem's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services are generally used to service all or a substantial number of Wallem's accounts. Recommended brokers also make available

to Wallem other services intended to help Wallem manage and further develop its business enterprise. These services include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Wallem does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, Wallem endeavors to act in its clients' best interests, Wallem's requirement that clients maintain their assets in accounts at Schwab or Pershing is based, in part, on the benefit to Wallem of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which creates a conflict of interest.

Wallem also receives software from DFA, which Wallem utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for Wallem personnel. These services are designed to assist Wallem plan and design its services for business growth.

Item 15 – Custody

Wallem is considered to have limited custody due to automatic fee deduction. In order to prevent Wallem from being deemed as maintaining custody of portfolio management client assets, Wallem will ensure the following:

- a) Wallem will provide a copy of its fee invoice to the custodian at the same time it sends a copy to the client;
- b) Wallem has a reasonable belief that the account custodian sends at least quarterly statements directly to the client showing all disbursements from the custodial account, including Wallem's advisory fee.

Clients provide written authorization for Wallem to deduct advisory fees from the custodial accounts in the client advisory agreement.

Wallem urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements at times will vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Wallem requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. For sub-advisory services, this authority will include the discretion to retain a third-party money manager. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, Wallem observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Wallem in writing.

Item 17 – Voting Client Securities

Proxy Voting: As a matter of firm policy and practice, Wallem does not accept the authority to and does not vote proxies on behalf of advisory client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. Wallem, however, will provide advice to clients regarding the clients' voting of proxies at their request.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that Wallem will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct Wallem to transmit copies of class action notices to the client or a third party. Upon such direction, Wallem will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Wallem's financial condition. Wallem has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of bankruptcy proceedings.

Wallem does not require or solicit payment of more than \$500 in fees per client, six months or more in advance.

Item 19 – Requirements for State-Registered Advisers

The education and business background for individuals of Wallem are supplied on the Form ADV Part 2B Brochure Supplement.

Wallem is not involved in any other business other than providing investment advice.

Wallem does not charge any performance-based fees or other fees based on a share of capital gains on, or capital appreciation of, the assets of a client.

Neither Wallem, nor its management persons have been involved in an arbitration claim or been found liable in a civil, self-regulatory organization or administrative proceeding.

Neither Wallem, nor its management persons, has any relationship or arrangement with issuers of securities.

Jeffery P. Wallem
Wallem Associates, Inc.
6144 E. Riverside Boulevard
Loves Park, IL 61111
(815) 636-4459

February 13, 2024

This Brochure Supplement provides information about Jeffery P. Wallem that supplements the Wallem Associates, Inc.'s Brochure. You should have received a copy of that Brochure. Please contact Michael E. Sullivan, Chief Compliance Officer, if you did not receive Wallem Associates, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Jeffery P. Wallem is available on the SEC's website at www.adviserinfo.sec.gov. His CRD # is 2454400.

Item 2- Educational Background and Business Experience

JEFFERY P. WALLEM, CFP®

Born: 1957

Education

- Northwestern University, Kellogg Graduate School of Management, MBA - Business Administration, 1983-1987
- Northern Illinois University, College of Business, BS - Management, 1975-1979

Employment History

- Co-Owner / Investment Adviser Representative, Wallem Associates, Inc., May 2023 to Present
- Registered Representative / Co-Branch Manager /, Wallem Associates, Inc. from March 1994 to January 2024
- Registered Representative, Cambridge Investment Research, Inc. from April 2016 to January 2024
- Investment Adviser Representative with Cambridge Investment Research Advisors, Inc. from April 2016 to January 2024

Professional Designations

CFP® - Certified Financial Planner

I am certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”). Therefore, I may refer to myself as a CERTIFIED FINANCIAL PLANNER™ professional or a CFP® professional, and I may use these and CFP Board’s other certification marks (the “CFP Board Certification Marks”). CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold CFP® certification. You may find more information about CFP® certification at www.cfp.net.

CFP® professionals have met CFP Board’s high standards for education, examination, experience, and ethics. To become a CFP® professional, an individual must fulfill the following requirements:

- **Education** – Earn a bachelor’s degree or higher from an accredited college or university and complete CFP Board-approved coursework at a college or university through a CFP Board Registered Program. The coursework covers the financial planning subject areas CFP Board has determined are necessary for the competent and professional delivery of financial planning services, as well as a comprehensive financial plan development capstone course. A candidate may satisfy some of the coursework requirement through other qualifying credentials.
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination is designed to assess an individual’s ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations.
- **Experience** – Complete 6,000 hours of professional experience related to the personal financial planning process, or 4,000 hours of apprenticeship experience that meets additional requirements.
- **Ethics** – Satisfy the *Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement* and agree to be bound by CFP Board’s *Code of Ethics and Standards of Conduct (“Code and Standards”)*, which sets forth the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to remain certified and maintain the right to continue to use the CFP Board Certification Marks:

- **Ethics** – Commit to complying with CFP Board’s *Code and Standards*. This includes a commitment to CFP Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP Board may sanction a CFP® professional who does not abide by this commitment, but CFP Board does not guarantee a CFP® professional's

services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.

- **Continuing Education** – Complete 30 hours of continuing education hours every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the *Code and Standards*.

Item 3- 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 each supervised person providing investment advice. Jeffery P. Wallem has no legal or disciplinary events to report.

Item 4- Other Business Activities

Jeffery P. Wallem is not engaged in any other business activities outside of his employment with Wallem Associates, Inc.

Item 5- Additional Compensation

There are no arrangements where a non-client provides an economic benefit to Jeffery P. Wallem for providing advisory services

Item 6 - Supervision

Jeffery P. Wallem is an investment advisor representative with Wallem Associates, Inc. He is supervised by Michael E. Sullivan. His accounts are subject to regular review and verification that asset balances are being managed in accordance with a client's investment guidelines. Mr. Sullivan may be reached at 6144 E. Riverside Boulevard, Loves Park, IL 61111. His phone number is (815) 636-4459.

Item 7 - Requirements for State-Registered Advisers

Jeffery P. Wallem has not been involved in any of the events listed below:

1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:
 - (a) an investment or an *investment-related* business or activity;
 - (b) fraud, false statement(s), or omissions;

- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

Jeffrey P. Wallem has never been the subject of a bankruptcy petition.

Michael E. Sullivan
Wallem Associates, Inc.
6144 E. Riverside Boulevard
Loves Park, IL 61111
(815) 636-4459

February 13, 2024

This Brochure Supplement provides information about Michael E. Sullivan that supplements the Wallem Associates, Inc.'s Brochure. You should have received a copy of that Brochure. Please contact Michael E. Sullivan, Chief Compliance Officer, if you did not receive Wallem Associates, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Michael E. Sullivan is available on the SEC's website at www.adviserinfo.sec.gov. His CRD # is 2423809.

Item 2- Educational Background and Business Experience

MICHAEL E. SULLIVAN, CFP®

Born: 1958

Education

- Rockford College, MA – Business Administration, 1985-1988
- Rockford College, BA - Business Administration, 1981-1983

Employment History

- Co-Owner, Chief Compliance Officer, Investment Adviser Representative, Wallem Associates, Inc., May 2023 to Present
- Registered Representative Wallem Associates, Inc. from June 2012 to January 2024
- Registered Representative, Cambridge Investment Research, Inc. from April 2016 to January 2024
- Investment Adviser Representative with Cambridge Investment Research Advisors, Inc. from April 2016 to January 2024

Professional Designations

CFP® - Certified Financial Planner

I am certified for financial planning services in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”). Therefore, I may refer to myself as a CERTIFIED FINANCIAL PLANNER™ professional or a CFP® professional, and I may use these and CFP Board’s other certification marks (the “CFP Board Certification Marks”). CFP® certification is voluntary. No federal or state law or regulation requires financial planners to hold CFP® certification. You may find more information about CFP® certification at www.cfp.net.

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- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination is designed to assess an individual’s ability to integrate and apply a broad base of financial planning knowledge in the context of real-life financial planning situations.
- **Experience** – Complete 6,000 hours of professional experience related to the personal financial planning process, or 4,000 hours of apprenticeship experience that meets additional requirements.
- **Ethics** – Satisfy the *Fitness Standards for Candidates for CFP® Certification and Former CFP® Professionals Seeking Reinstatement* and agree to be bound by CFP Board’s *Code of Ethics and Standards of Conduct (“Code and Standards”)*, which sets forth the ethical and practice standards for CFP® professionals.

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- **Ethics** – Commit to complying with CFP Board’s *Code and Standards*. This includes a commitment to CFP Board, as part of the certification, to act as a fiduciary, and therefore, act in the best interests of the client, at all times when providing financial advice and financial planning. CFP Board may sanction a CFP® professional who does not abide by this commitment, but CFP Board does not guarantee a CFP® professional's

services. A client who seeks a similar commitment should obtain a written engagement that includes a fiduciary obligation to the client.

- **Continuing Education** – Complete 30 hours of continuing education hours every two years to maintain competence, demonstrate specified levels of knowledge, skills, and abilities, and keep up with developments in financial planning. Two of the hours must address the *Code and Standards*.

Item 3- 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 each supervised person providing investment advice. Michael E. Sullivan has no legal or disciplinary events to report.

Item 4- Other Business Activities

Michael Sullivan is not engaged in any business activities outside of his employment with Wallem Associates, Inc.

Item 5- Additional Compensation

There are no arrangements where a non-client provides an economic benefit to Michael E. Sullivan for providing advisory services

Item 6 - Supervision

Michael E. Sullivan is an investment advisor representative with Wallem Associates, Inc. He is supervised by Jeffery Wallem. His accounts are subject to regular review and verification that asset balances are being managed in accordance with a client's investment guidelines. Mr. Wallem may be reached at 6144 E. Riverside Boulevard, Loves Park, IL 61111. His phone number is (815) 636-4459.

Item 7 - Requirements for State-Registered Advisers

Michael E. Sullivan has not been involved in any of the events listed below:

1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:
 - (a) an investment or an *investment-related* business or activity;
 - (b) fraud, false statement(s), or omissions;

- (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.
2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:
- (a) an investment or an *investment-related* business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.

Michael E. Sullivan has never been the subject of a bankruptcy petition.

Wallem Associates, Inc.

Privacy Policy

Wallem Associates, Inc. (hereafter referred to as “Wallem”) is committed to client confidentiality and the protection of your privacy. The following information is provided, as required by law, to help you understand our privacy policy and how we will handle and maintain confidential personal information as we fulfill our obligations to protect your privacy. "Personal information" refers to the nonpublic financial information obtained by Wallem in connection with carrying out our services.

Information We Collect

Wallem collects personal information as part of our relationship with you in order to provide client services and fulfill legal and regulatory requirements. The type of information Wallem collects may include:

- Information Wallem receives from you on forms (such as your name, address, Social Security number, profile documents, assets and income);
- Information you provide Wallem directly about your personal finances or personal circumstances or which Wallem may receive from brokerage statements or other information you authorize Wallem to receive.

Information Disclosed in Administering Products and Services

Wallem shares your personal information for everyday business purposes, including to process transactions, maintain your account, respond to court orders or legal investigations or report to credit bureaus. Wallem does not sell any personal information about you to any third party. Wallem does not share personal information with our affiliates for marketing purposes. Other than to service your account, Wallem will not disclose personal information to non-affiliated third parties without your authorization, except as required or permitted by law.

Procedures to Protect Confidentiality and Security of Your Personal Information

Wallem has procedures in place that limit access to personal information to those employees who need to know such information in order to perform business services. To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. In addition, Wallem maintains physical, electronic and procedural safeguards to guard your nonpublic personal information.

Wallem will update its policy and procedures when necessary to ensure that your privacy is maintained, and that Wallem conducts business in a way that fulfills our commitment to you. If Wallem makes any material changes in its privacy policy, we will provide you notice of any material change to this policy.

If you have questions, please contact Michael Sullivan at 615-636-4459.