

**Part 2A of Form ADV: Firm Brochure**

**Axio Wealth Management, Inc.**

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**3/26/2021**

This brochure provides information about the qualifications and business practices of Axio Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at 803-354-5015 or [joe.giltner@axiowealth.com](mailto:joe.giltner@axiowealth.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 with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Axio Wealth Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 306982.

## **Item 2 Material Changes**

There have been no material changes since this brochure was filed on October 17, 2020

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

### **Item 3 Table of Contents**

Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	6
Item 6	Performance-Based Fees and Side-By-Side Management	7
Item 7	Types of Clients	7
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9	Disciplinary Information	9
Item 10	Other Financial Industry Activities and Affiliations	9
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	9
Item 12	Brokerage Practices	10
Item 13	Review of Accounts	11
Item 14	Client Referrals and Other Compensation	11
Item 15	Custody	11
Item 16	Investment Discretion	12
Item 17	Voting Client Securities	12
Item 18	Financial Information	13
Item 19	Requirements for State-Registered Advisers	13

## **Item 4     Advisory Business**

Axio Wealth Management, Inc. is a registered investment adviser with its principal place of business located in SC. Axio Wealth Management, Inc. is registered in SC and other states requiring such registration, and began conducting business in 2020.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Yvonne Vanderhoff Kepler, Vice President, Director
- Susan Diane Diehl, Vice President, Director

Axio Wealth Management, Inc. ("Axio") provides investment advice to retirement as well as pension and profit sharing plans. Clients may engage Axio to provide any of the services below.

### **DISCRETIONARY PORTFOLIO MANAGEMENT**

Axio will manage investments in self-directed plans on a discretionary basis as follows:

#### **Axio Fiduciary Services Plus**

Axio will be responsible for the selection, monitoring, and replacement of fund options for retirement plans. The Plan Sponsor will be removed entirely from the selection, monitoring, and replacement process. The Plan Sponsor's sole responsibility in the investment process will be monitoring Axio and the effective administration of Axio's recommendations by the third party record-keeper. Axio will provide the following services:

- Work with plan sponsor to develop a suitable Investment Policy Statement for the plan that addresses the plan's specific goals;
- Examine funds available through the record-keeper's platform and, using its discretionary authority, select a customized "menu" of options designed to meet the goals established within the Investment Policy Statement;
- Continuously monitor the investments options in the plan's account and, when we determine that a particular investment is no longer appropriate for the plan, instruct the record-keeper to remove and, as needed, replace that investment in the client's account;
- Provide Quarterly Variance Report;
- Communicate directly with record-keeper when changes are to be made within investment options; and
- Provide ERISA 3(38) Investment Fiduciary Services to corporate retirement plans.

As a fiduciary under the plan Axio's primary responsibilities are as follows:

- Assist the Plan Sponsor in the development of the Investment Policy Statement;
- Prudently diversify the plan's assets to achieve the risk/return profile outlined in the Investment Policy Statement;
- Prudently select investment options using a consistent and repeatable process outlined in the Investment Policy Statement;

- Avoid prohibited transactions and conflicts of interest.

As a discretionary manager, Axio shall only be responsible for the investment alternatives it selects and shall not have any responsibilities or potential liabilities in connection with other investments (e.g., employer securities, unallocated accounts, mutual fund windows, self-directed brokerage accounts, guaranteed investment contracts, target date funds, etc.) offered by the Plan. Plan Sponsors may offer a window for self-directed brokerage accounts for Plan Participants. Axio will not manage assets held in such Brokerage Windows. Axio will not advise Plan Participants on whether they should or should not open or close a self-directed brokerage account, nor do we provide advice on purchasing, holding or selling any securities through the brokerage window.

#### **Axio Risk-Based Mutual Fund Portfolios**

- Design and manage one or all of five diversified actively managed mutual fund portfolios. Each portfolio (Aggressive, Moderately Aggressive, Balanced, Moderately Conservative, Conservative) is benchmarked against an appropriate Morningstar Benchmark;
- Select funds for each plan's account from the mutual funds available through the client's record-keeper's platform;
- Continuously monitor the investments in the plan's account and, when we determine that a particular investment is no longer appropriate for the plan, instruct the record-keeper to remove and, as needed, replace that investment in the client's account;
- Axio receives no compensation from the underlying portfolio investment components, eliminating this potential conflict of interest and bias in the construction of portfolios;
- Plans can impose reasonable restrictions on the investments to be held in managed portfolios.

#### **ADVICE THROUGH CONSULTATIONS**

Axio will provide non-discretionary consulting services to clients as follows:

##### **Axio Fiduciary Service**

- Provide Plan Sponsor with a sample Investment Policy Statement for review and consideration;
- Establish Necessary Investment Categories in major asset classes for the plan's investment line up designed to ensure the Plan offers a "broad range of investment alternatives" as well as other optional investment categories;
- Provide and maintain a list of approved investment alternatives available on the plan's record-keeper's platform. The approved list is designed to be used by the Plan Sponsor to select the designated investment alternatives. No client is obligated to accept any recommendation;
- Continuously monitor approved investment alternative list adding and removing investments when necessary;
- Recommend a replacement investment alternative from the approved list when a designated investment alternative is removed from the approved list. It is up to the plan to instruct the record-keeper when to add or remove an investment; and.
- Identifying investment alternatives on the approved list that may serve as the plan's qualified default investment alternative, if applicable;
- Provide ERISA 3(21) Investment Fiduciary Services to corporate retirement plans

## **GENERAL INFORMATION ON ADVISORY SERVICES**

Plan Sponsor is responsible for determining the proper share class to utilize in the plan. Mutual Funds may offer more than one “class” of shares. Each class represents the same interest in the mutual fund’s portfolio; however, a plan advisor or consultant may be compensated differently depending on what classes of shares are chosen. Axio does not make recommendation on and shall have no responsibility for the class of shares utilized. Axio shall utilize, in its fund recommendations, the share classes in the Program that have been provided by the plan Sponsor. Absent specific instruction from the plan Axio will use the lowest-cost share class.

Plan sponsors are encouraged to carefully review share class selection to understand the extent to which broker-dealers and/or record-keepers selected by the plan (including a record-keeper affiliated with Axio) may receive 12b-1 or other compensation from mutual funds and whether and to what extent any such compensation may be used to offset other fees charged to the plan.

In performing the fund selection or recommendation services, Axio is limited to the investment options available through the plan record-keeper’s platform and does not have authority or obligation to select any investment options that are not available through the plan record-keeper’s platform. The Plan Sponsor is responsible for the selection of the record-keeper and custodian, not Axio.

Services are provided on the plan level only and do not include participant education or any participant-level services.

As of December 31, 2020, Axio had \$3,599,282 of client assets under discretionary management and no client assets under non-discretionary management.

## **Item 5 Fees and Compensation**

Fees will be charged according to the following schedule:

<b>Non-Corporate Retirement Plans</b>		
Axio Fiduciary Services Plus	10 Bps to \$10,000,000	Anything over \$10,000,000 negotiable
Axio Fiduciary Service	10 Bps to \$10,000,000	Anything over \$10,000,000 negotiable
Axio Risk-Based Mutual Fund Portfolios	Up to 75 Bps	\$200,000 Minimum
<b>Any Corporate Retirement Plans</b>		
Any and all services	75 bps up to \$5,000,000	Anything over \$5,000,000 negotiable

Fees may be negotiable based on the size and complexity of the plan and the potential for future business with the plan.

A minimum of \$200,000 of assets under management and/or to be advised is required for this service. This account size may be negotiable under certain circumstances.

Fees are billed in arrears and are based on the value of the plan's account(s) on the last day of each calendar quarter. Fees for the plan's initial quarter will be pro-rated based on the number of days remaining in the quarter. Fees will be charged as of the day the plan enters into a contract with Axio.

Services may be terminated by either party upon 30 days written notice. Upon termination, all earned, unpaid fees will be due and payable. Clients may elect to have their fees directly debited from the plan's account(s) or to receive an invoice from Axio.

### **Other Fees or Expenses**

All fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund 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 fund directly, without our services. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians, broker dealers, third party record-keepers, and other service providers.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

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

Axio Wealth Management, Inc. does not charge performance-based fees.

## **Item 7 Types of Clients**

Axio Wealth Management, Inc. only provides advisory services to pension and profit sharing plans and other retirement plans. We do not provide participant-level advice.

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

### **Methods of Analysis**

Fundamental analysis. We attempt 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.

Technical analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Mutual fund and/or ETF analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

Asset Allocation: in constructing mutual fund portfolios and in recommending funds for plans, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

### **Investment Strategies**

Long-term purchases: We purchase securities with the idea of holding them in the clients account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may

do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

### **General Information on Risk**

Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Massachusetts law requires disclosure that information on disciplinary history and the registration of Axio Wealth Management Inc. and its associated persons may be obtained by contacting the SEC's Office of Investor Education and Advocacy at (800) 732-0330 or by completing the SEC's online [complaint form](#) or [question form](#). Disciplinary history may also be obtained from the Massachusetts Securities Division at (617) 727-3548, and if asked, Axio Wealth Management Inc. and its associated persons must also disclose the history.

## **Item 10 Other Financial Industry Activities and Affiliations**

Two of our executive officers and shareholders are also the owners and operators of PenServ Plan Services, Inc. ("PenServ"), which provides third-party administration and record-keeping services to pension & profit sharing plans as well as to other types of retirement plans.

It is anticipated PenServ will suggest the use of Axio to its clients in need of investment advisory services, and Axio may suggest the use of PenServ to its clients in need of third party administration and record-keeping services. There is no compensation paid between Axio and PenServ for these referrals. No client of Axio is obligated to use PenServ and vice versa. Advisory fees charged by Axio are entirely separate and distinct from the fees PenServ charges to its clients.

Axio clients may work with any third party service provider they choose.

Otherwise, our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Axio Wealth Management, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Axio Wealth Management, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [joe.giltner@axiowealth.com](mailto:joe.giltner@axiowealth.com), or by calling us at 803-354-5015.

Axio Wealth Management, Inc. and individuals associated with our firm are prohibited from engaging in principal transactions.

Axio Wealth Management, Inc. and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. 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 our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

## **Item 12    Brokerage Practices**

Axio Wealth Management, Inc. does not place trades with any broker-dealer. For discretionary accounts, we contact the client's third party record-keeper and instruct that record-keeper to place trades with the broker-dealer, bank, and/or mutual fund company selected by the client. Axio does not evaluate or monitor the ability of any third party record-keeper to place trades; that is the responsibility of the plan.

As investments are typically in open-end mutual funds and collective investment trusts, which are

traded at Net Asset Value at the end of the trading day, all trades placed on a given day should receive the identical price.

Discretionary clients must inform Axio of any restrictions it wants to place on our ability to direct a third party record-keeper to place trades for the plan. If Axio believes that these instructions will prevent Axio from effectively managing the account, Axio may decline to provide discretionary services to the client.

## **Item 13      Review of Accounts**

**REVIEWS:** Investments held in Axio Fiduciary Services Plus and Axio Risk-Based Mutual Fund Portfolios accounts are reviewed continuously. Client accounts will be reviewed not less than quarterly.

Investments on the Approved List provided to Axio Fiduciary Service clients will be reviewed continuously. Clients will be notified when an investment is removed from the Approved List.

**REPORTS:** Axio Fiduciary Services Plus clients will receive Quarterly Variance Reports. Axio Fiduciary Services clients will receive quarterly updates of the approved list. Otherwise, all client accounts will receive reports as contracted for at the inception of the advisory relationship.

## **Item 14      Client Referrals and Other Compensation**

It is Axio Wealth Management, Inc.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Axio Wealth Management, Inc.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15      Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts. Clients who want this form of billing will provide written authorization to debit the client's advisory fees.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Prior to, or at the same time, an invoice is sent to the custodian to debit the client's account, Axio sends the client a copy of the invoice showing how the fee was calculated

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

AXIO does not intend to, nor currently offers custody services for plan assets. Through AXIO's related persons, AXIO shares common ownership with PenServ Plan Services, Inc. ("PENSERV"). The nature of

PENSERV's business includes Record-Keeping and Third-Party Administration services. Through these administrative services, custody is provided to Plan assets. Due to common ownership and the way our businesses are organized, AXIO is not considered "operationally independent" of PENSERV under the rules of the Investment Advisers Act of 1940 (the "Advisers Act") and therefore is considered to have "custody" of plan assets, as that term is defined in the Advisers Act and its rules. This is clearly disclosed in AXIO's Brochure ADV and AXIO abides by all custody rules set-forth by the Advisers Act.

**AXIO does not require any client to utilize services provided by PENSERV, nor does PENSERV require any client utilize the services provided by AXIO. There is no fee sharing arrangement or solicitation agreement between AXIO and PENSERV minimizing any potential conflicts of interest.**

The Plan Sponsor will be solely responsible for paying all fees or charges of the Record-keeper. AXIO does not make any recommendations with respect to the custody of assets, Record-keepers or other Plan service providers, unless specifically indicated herein. AXIO shall not have any liability with respect to custodial arrangements or the acts, conduct, or omissions of the custodian. Sponsor authorizes the Record-keeper to provide AXIO with copies of all periodic statements and other reports that the Record-keeper sends to Sponsor.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we instruct the plan's third party record-keeper, without obtaining the client's specific permission for each trade, to place trades in a client's account.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

We typically do not vote proxies for all client accounts. We only will vote proxies in instances in which Axio is a 3(38) Investment Manager of an ERISA plan, and the Plan Documents require the Investment Manager to vote proxies, we will vote proxies for that Plan.

We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party

to cast a vote.

Client for whom we vote proxies can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us at the address found on the cover page of this Brochure.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Joe H. Giltner by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are 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 us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

## **Item 18 Financial Information**

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. We are a startup company, and the majority of our cash flow has come in the form of shareholder contributions instead of earned income. Therefore, our balance sheet reflects negative equity which is considered to be a financial condition that is reasonably likely to impair our ability to meet our contractual obligations.

Axio Wealth Management, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19 Requirements for State-Registered Advisers**

Axio's principal executive officers are:

### Joe Harvey Giltner III

#### *Education:*

- Master of Business Administration; Business Analytics major; 2019
- Bachelor of Science; Business Administration major; 2011

#### *Professional Designations:*

- Chartered Financial Analyst (CFA®)

#### *Business Background:*

- Axio Wealth Management, Inc., President, 12/2019 to Present

- CCM Investment Advisers, LLC, Vice President 09/2016 - 11/2019; Asst. Vice President 12/2011 - 8/2016; Intern 6/2011 - 12/2011

Susan Diane Diehl

*Education:*

- Bachelor of Science; Mathematics; 1975

*Business Background:*

- Axio Wealth Management, Inc., Vice President and Director, 12/2019 to Present
- PenServ Plan Services, President, 8/1988 to Present

Yvonne Vanderhoff Kepler

*Education:*

- Graduated State University of New York; 1964

*Business Background:*

- Axio Wealth Management, Inc., Vice President and Director, 12/2019 to Present
- PenServ Plan Services, President, 1986 to Present

Axio is not engaged in any business activity other than giving investment advice.

Neither Axio nor any of its supervised persons are compensated by performance-based fees. Ms. Diehl and Ms. Kepler spend the majority of their time with PenServ Plan Services, a firm providing third party administration and recordkeeping services to pension plans.

None of these individuals have any reportable disciplinary history or have filed a petition for bankruptcy.

Neither Axio nor any of its management persons have a relationship or arrangement with any issuer of securities.