

Form ADV Part 3

HIDDEN COVE WEALTH MANAGEMENT, LLC



Hidden Cove
WEALTH MANAGEMENT

Item 1. Introduction

Hidden Cove Wealth Management, LLC (“HCWM,” “we,” “us,” and “Advisor”) is a Washington limited liability company that is registered as an investment advisor with the United States Securities and Exchange Commission. Brokerage and investment advisory services and fees differ and it is important that you understand the differences. Please note that free and simple tools are available to research advisory and brokerage firms and their associated financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisors, and investing.

Item 2. Relationships and Services**What investment services and advice can you provide me?**

To retail clients, we offer private wealth management services that combine ongoing portfolio management with tailored financial planning and consulting services. We also offer financial planning and consulting services on a stand-alone basis.

Our private wealth management services include a review of your unique financial circumstances and the design, implementation, and ongoing management of your designated investment account(s). We will directly invest the assets deposited to your account at the custodian and/or strategically allocate your assets to certain independent third party money managers (“Independent Managers”). We will monitor your investments on an ongoing basis (including any managed by Independent Manager(s)), making changes to your holdings as we believe to be appropriate and in your best interests, acting in accordance with our fiduciary duty to you. You will typically be required to enter into a discretionary management arrangement that allows us to buy and sell investments within your account and to hire and fire Independent Managers without obtaining your consent prior to each transaction (a “discretionary account”). On occasion, we may agree to a non-discretionary arrangement, requiring that we obtain your consent prior to implementing transactions in your account. You may impose reasonable restrictions on our ability to invest in certain securities or types of securities within your account. We will formally review your investments at least annually.

Private wealth management clients also receive financial planning and consulting services as part of our comprehensive approach to wealth management. We will prepare a written financial plan for you and meet with you periodically to track progress towards your financial goals and to review and update the plan as necessary during our relationship. We will also provide you with ad-hoc financial consulting advice regarding routine financial matters and recommendations regarding certain “held away” accounts (e.g., employer sponsored retirement accounts), as requested. You will make all final investment decisions with respect to our financial planning and consulting advice and will be responsible for implementation and monitoring of all investments held outside of the accounts we directly manage on your behalf.

We also offer financial planning and consulting as a stand-alone service, either on an ongoing or discrete project basis. We will

review your financial situation and assets, risk profile, investment time horizon, and investment goals and provide you with our recommendations regarding the financial topics for which we are engaged. We will deliver our recommendations to you either in the form of a written financial plan or a shorter written report or summary as may be appropriate for the engagement. Ongoing financial planning clients receive regular periodic consultations to track progress towards their financial goals and to receive updates to their written financial plan. Project-based financial planning clients do not receive plan reviews or updates of any kind following delivery of our advice. Financial planning clients make all ultimate investment decisions and are responsible for the implementation and monitoring of their investments.

We primarily advise our clients regarding investments in individual stocks, corporate and government issued bonds, mutual funds, exchange traded funds (“ETFs”), real estate investment trusts (“REITs”), money market funds, certificates of deposit, cash and cash equivalents, and the selection of Independent Managers. Our advice may also cover legacy investments and other investments as may be appropriate for the client’s unique investment needs. We do not have any minimum account balance requirements; however, we do typically charge a minimum annual fee of \$2,500 for our private wealth management services. *More detailed information about our advisory services and account minimums is contained in our Form ADV Part 2A “firm brochure” at Items 4 and 7.*

Conversation Starter: Ask us:

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

Item 3. Fees, Costs, Conflicts, and Standard of Conduct**What fees will I pay?**

As a private wealth management client, you will pay HCWM an annual asset-based fee ranging from 0.40% - 1.00% per year of the market value of your account. The applicable fee is based on a tiered fee schedule set forth in the written investment advisory agreement you will enter with HCWM prior to the commencement of our services. Fees for these services are payable monthly in advance and are calculated on a flat tier basis (i.e., a single annual fee rate will be charged across the entire market value of your account down to the first dollar). Fees are pro-rated for partial billing periods and for mid-period additions or withdrawals from your account. Where we determine that a client’s financial planning and consulting needs go beyond the scope of the financial planning and consulting services we ordinarily provide under this combined service, we may charge you an additional fixed fee.

Stand-alone financial planning and consulting clients pay fixed fees typically ranging from \$1,500 - \$25,000 or hourly fees of up to \$500 per hour. The specific fixed fee or hourly fee we charge

you will be set forth in a written advisory agreement you will enter with HCWM. Fees for these services may be billed up to 50% at inception, with the balance of any fees payable to HCWM typically due in full upon our completion of the engagement and delivery of a written invoice for services to the client.

In addition to our advisory fees, you will separately pay (i) your proportionate share of the expense ratios and other internal fees and costs associated with any mutual funds, ETFs, REITs, and other pooled investment vehicles held in your account; (ii) Independent Manager fees and costs; and (iii) all usual and customary transaction-based fees (brokerage fees and commissions), custodial and administrative charges, wire transfer fees, and other fees and taxes associated with activity and holdings contained in your account.

Where asset-based fees apply, you should consider that the more assets you have in your account, the more you will pay us, thus creating an incentive for us to encourage you to increase the level of assets in your account.

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. *More detailed information about our advisory fees is contained in our firm brochure at Item 5.*

Conversation Starter: Ask us: "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 advisor? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment advisor, we have to act in your best interests and not put our interests 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:

Example 1: The value of your asset-based advisory fee account goes up, and while the annual percentage we charge may stay the same, the total compensation you pay us goes up proportionately.

Example 2: Your account value goes down, but you still must pay us an asset-based advisory fee proportional to your assets under management.

We will act only recommend investments to you when we believe them to be in your best interests. We do not collect any commissions or other remuneration in connection with the sale of any securities to our clients.

Certain of our financial professionals are licensed to sell insurance in one or more states and may be affiliated with a licensed general insurance agency (including our affiliate, One Strategic Capital, Inc.) or act as a direct agent representative of a specific insurance company or companies. Insurance related business is transacted with advisory clients and licensed individuals and/or our affiliated insurance agency may receive commissions or fees from insurance products sold to clients. Investment advisory fees are separate and distinct from insurance commissions earned by our financial professionals and affiliates. The receipt of insurance related commissions or fees creates a conflict of interest with clients. We will only transact insurance business with you when fully disclosed, suitable, and appropriate. You may use any insurance firm or agent of your selection. *More detailed information related to these conflicts of interest is contained in our firm brochure at Item 5.*

Conversation Starter: Ask us: "How might your conflicts of interest affect me, and how will you address them?"

How do your financial professionals make money?

Our financial professionals are compensated by a salary calculated as a percentage of their assets under management and/or discretionary bonuses. This payment arrangement creates an incentive for us to encourage you to increase the level of assets in your account. Insurance licensed professionals and/or our affiliated insurance agency may also receive commissions or fees as described above. *More detailed information about our conflicts of interest is contained in our firm brochure at Item 5.*

Item 4. Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

Yes. We encourage you to visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research any of our financial professionals.

Conversation Starter: Ask us: "As a financial professional, do you have any disciplinary history? For what type of conduct?"

Item 5. Additional Information

You can find additional information regarding our firm, including our Form ADV Part 2A firm brochure and this client relationship summary by visiting <https://adviserinfo.sec.gov> and searching for our firm by its name or its unique CRD number (318677). You can also obtain a copy of this relationship summary by visiting our website at www.hcwm.com or by contacting us by telephone at (206) 397-4890. We will be pleased to answer any of your questions.

Conversation Starter: If you have any concerns, please let us know by asking the following questions: "Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?"

SUMMARY OF MATERIAL CHANGES

This Client Relationship Summary contains the following material changes from the previous version dated February 23, 2022:

- This Client Relationship Summary has been amended to disclose that we now offer ongoing financial planning and consulting services engagements. Details and fees associated with this newly offered service are disclosed in Item 2 of this document.