

Form ADV Part 2A

Firm Brochure



PECAUT & CO. ("PECAUT WEALTH MANAGEMENT")

401 Douglas St, Suite 415; Sioux City, IA 51101

712-252-3268 <http://www.pecautwm.com/>

November 19, 2025

**This brochure provides information about the qualifications and business practices of PECAUT & CO. (DBA "Pecaut Wealth Management") If you have any questions about the contents of this brochure, please contact us at (712)252-3268. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.**

**Additional information about Pecaut Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Pecaut Wealth Management is registered as an investment adviser with the SEC. Such registration does not imply a certain level of skill or training.**

## ITEM 2

### Material Changes

---

This section discusses only material changes since the last annual update which occurred on November 14, 2024.

- No material changes have occurred since our last annual update which occurred on November 14, 2024.

Consistent with SEC “Amendments to Form ADV” in July 2010, we will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’s fiscal year. Furthermore, we will provide clients with other interim disclosures about material changes as necessary.

The Brochure for Pecaut Wealth Management is available by contacting 712-252-3268. A copy of our current Brochure may also be found via the SEC website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

ITEM 3  
Table of Contents

---

<u>Item</u>	<u>Page</u>
1. Cover Page.....	1
2. Material Changes.....	2
3. Table of Contents.....	3
4. Advisory Business... ..	5
A. General Description of Advisory Firm	
B. Description of Advisory Services	
C. Availability of Customized Services for Individual Clients	
D. Wrap Fee Program	
E. Assets Under Management	
5. Fees and Compensation .....	6
A. Advisory Fees and Compensation	
B. Payment of Fees	
C. Additional Fees and Expenses	
D. Prepayment of Fees	
E. Additional Compensation and Conflicts of Interest	
6. Performance-Based Fees and Side by Side Management .....	8
7. Types of Clients.....	8
8. Method of Analysis, Investment Strategies, and Risk Loss.....	8
A. Method of Analysis and Investment Strategies	
B. Material, Significant, or Unusual Risks Relating to Investment Strategies	
C. Risks Associated with Particular Types of Securities	
9. Disciplinary Information.....	10
A. Criminal or Civil Proceedings	
B. Administrative Proceedings Before Regulatory Authorities	
C. Self-Regulatory Organization (SRO) Proceedings	
10. Other Financial Industry Activities and Affiliations.....	10
A. Broker-Dealer Registration Status	
B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Adviser Registration Status	
C. Material Relationship or Arrangements with Industry Participants	
D. Material Conflicts of Interest Relating to Other Investment Advisors	

11. Code of Ethics, Participation or Interest in Client Transactions, Personal Trading, and Other Conflicts of Interest.....	11
A. Code of Ethics	
B. Securities in which the Adviser or a Related Person have a Material Financial Interest	
C. Investing in Securities that the Adviser or a Related Person Recommends to Clients	
D. Conflicts of Interest Created by Contemporaneous Trading	
12. Brokerage Practices.....	12
A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions	
i. Research and Other Soft Dollar Benefits	
ii. Brokerage for Client Referrals	
iii. Directed Brokerage	
B. Order Aggregation	
C. Trade Errors	
13. Review of Accounts.....	14
A. Frequency and Nature of Client Accounts or Financial Plans	
B. Factors Prompting Review of Client Accounts Other than a Periodic Review	
C. Content and Frequency of Account Reports to Clients	
14. Client Referrals and Other Compensation.....	15
A. Economic Benefits for Providing Services to Clients	
B. Compensation to Non-Supervised Persons for Client Referrals	
15. Custody.....	16
16. Investment Discretion.....	16
17. Voting Client Securities.....	17
A. Policies and Procedures Relating to Voting Client Securities	
B. No Authority to Vote Client Securities and Client Receipt of Proxies	
18. Financial Information.....	17
A. Balance Sheet	
B. Financial Conditions	
C. Bankruptcy Filings	
Appendix A – Separate Account Fee Schedules.....	18
Appendix B – Supplemental Information on Advisors .....	18
15. Appendix C – Privacy Information.....	21

ITEM 4  
Advisory Business

---

**A. General Description of Advisory Firm**

Pecaut Wealth Management is a federally registered investment advisor. We provide financial planning and portfolio management services. We manage the investment and reinvestment of our clients' assets. Asset portfolios are composed primarily of stocks, bonds, ETFs (exchange traded funds) and mutual funds. We design and manage client portfolios according to their personal financial goals.

Pecaut has been providing investment services since its founding in 1960 by Russell Pecaut and his sons. Originally a broker dealer, Pecaut Wealth Management added investment advisory services in 1995, and now operates exclusively as an investment advisor. The principal owners of Pecaut Wealth Management are John Pecaut (Co-CEO), and Michael Gallagher (Co-CEO and Chief Compliance Officer).

**B. Description of Advisory Services**

*Services Offered*

Pecaut Wealth Management works with clients to guide them through their financial life. We provide financial advice to our clients in two primary ways: financial planning and portfolio management.

Our financial planning services help clients identify their current financial situation and goals for the future and build a path via a financial plan to achieve those goals. Portfolios can be designed to address the specific needs of the plan.

Our portfolio management strategy seeks to grow and preserve our clients' capital. Pecaut Wealth Management manages investments for clients and provides continuous supervision of client portfolios. Client accounts are tailored to meet our clients' investment needs and objectives.

We generally find a portfolio of stocks, bonds, ETFs, and/or mutual funds suitable for most clients. However, Pecaut Wealth Management may recommend any of the following types of investments:

- Stocks
- Exchange Traded Funds (ETFs)
- Mutual Funds
- Bonds
- Warrants and Rights
- Money Market Funds
- Cash
- Time Deposits

Client portfolios are composed of these types of investments and are constructed using a combination of strategies as appropriate for each client's financial plan and situation. See Item 8 for more information on our investment strategy.

While we seek to manage portfolios with similar risk objectives in the same way, holdings in each such account may be different due to timing of client deposits, cash availability, liquidity of securities traded for client accounts, security prices, certain limited investment restrictions, and tax matters, among other things.

#### *Other Services*

Pecaut Wealth Management also offers the following services:

- Investment consulting services, which consists of investment advice without continuous supervision or management.
- Stand alone financial planning services, which consists of preparation of an initial financial plan without investment advice and continuous supervision and management.

### **C. Availability of Customized Services for Individual Clients**

Clients may impose reasonable restrictions on investing in certain securities or security types.

### **D. Wrap Fee Program**

Pecaut Wealth Management does not have a wrap fee program.

### **E. Assets Under Management**

As of August 31, 2025, Pecaut Wealth Management had assets under management in the amounts below:

Assets managed on a discretionary basis	\$365,036,294
Assets managed on a non-discretionary basis	\$16,716,835

## ITEM 5 Fees and Compensation

---

### **A. Advisory Fees and Compensation**

As compensation for advisory services rendered, Pecaut Wealth Management charges a quarterly portfolio management fee of up to 0.375% on assets under management. Fees are billed quarterly in arrears based on the valuation of the client account(s). Adjustments are made for significant flows during the period.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro-rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances. Immediate family of Pecaut Wealth Management employees generally receive reduced rates.

### **B. Payment of Fees**

Management fees are collected in arrears immediately after the end of each quarter. Most clients arrange for Pecaut Wealth Management to deduct fees directly from their accounts. Clients may

instead elect to be invoiced. For these clients, we send a quarterly statement showing the calculation of the advisory fee.

See Item 15 for more information on deducting fees from client accounts.

### **C. Additional Fees and Expenses**

In addition to the management fee paid to Pecaut Wealth Management, clients are responsible for fees and expenses charged by custodians and broker-dealers, including trading commissions, other transaction charges, and custodial and account maintenance fees. See Item 12 for additional information regarding Pecaut Wealth Management's brokerage practices.

Pecaut Wealth Management may recommend investments in mutual funds and exchange traded funds. These types of investments often charge their own fees for management of the fund and to cover fund expenses. Each fund publishes a Prospectus which includes a detailed fee schedule. Clients are responsible for fund fees in addition to the management fee paid to Pecaut Wealth Management.

Pecaut Wealth Management may agree to provide one-time financial planning services to individuals for which the firm does not provide continuous investment advice and/or ongoing management services. For these services, Pecaut Wealth Management will charge a one-time financial planning fee, per plan, not to exceed \$7,500. This fee is negotiable and can be waived at Pecaut Wealth Management's discretion.

### **D. Prepayment of Fees**

Under no circumstances do we require or solicit payment of fees in advance of services rendered.

### **E. Additional Compensation and Conflicts of Interest**

Some providers of investment products offer compensation to advisers for each sale. Such practices can create a conflict of interest for investment advisers.

Pecaut Wealth Management does not receive any transaction based compensation for the sale of any product. Pecaut Wealth Management does not receive asset-based sales charges or service fees from the sale of the mutual funds or pooled investment funds. Where an account is invested in a mutual fund or other pooled investment vehicle, Pecaut Wealth Management does not receive dual level advisory fees.

ITEM 6  
Performance-Based Fees and Side by Side Management

---

Side-by-side management refers to the practice of managing accounts that are charged performance based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation in client accounts. Our fees are calculated as described in Item 4, and are not charged on the basis of a share of capital gains or capital appreciation of funds in client advisory accounts.

Pecaut Wealth Management does not accept performance-based fees or participate in side-by-side management.

ITEM 7  
Types of Clients

---

We offer investment advisory services to individuals, trusts, charitable organizations, corporations, pension and profit sharing plans, and other business entities.

In general, we require a minimum of \$500,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size.

ITEM 8  
Method of Analysis, Investment Strategies, and Risk of Loss

---

**A. Method of Analysis and Investment Strategies**

Investment advice is formulated on the basis of each client's goals, risk tolerance, cashflow needs, tax considerations, and overall financial plan. We employ a combination of strategies as appropriate for each client's financial plan and situation.

Pecaut Wealth Management employs a proprietary system of leading indicators that measures the current economic and market environment. This data is used to adjust the portfolio's exposure to markets, positioning clients slightly more aggressively or defensively according to our assessment of the ever-changing investment environment.

We manage asset allocation within the portfolio to match the risk tolerance of each client. We invest to give clients exposure to various asset classes (e.g. value, growth, large cap, small cap) through broadly diversified investment vehicles like ETFs or in more concentrated ways like individual stocks or more narrowly invested funds. We tilt the portfolio to be weighted towards where we judge the greatest investment opportunity to be. Portfolios are rebalanced periodically to maintain target allocation weightings.

When we recommend individual stocks, we use a long-term, value-oriented investment philosophy. We recognize that the market value of a company is not always reflective of the company's intrinsic value. We seek to purchase shares of companies at prices significantly below intrinsic value. Over time, as the intrinsic value of the company is demonstrated or grows, we expect the market price to more accurately reflect the intrinsic value, resulting in appreciation of invested funds.

Individual stock selection involves fundamental analysis of companies, including examination of company balance sheets, income statements, and other financial reports. The position of the company relative to its competitors as well as its relationship to the broader economy is also considered. Special consideration is given to features we call "moats." Moats are strategic competitive advantages that are hard for other companies to duplicate. Both ownership and management of the company are also important, particularly in terms of alignment with shareholder interests. All of these factors are evaluated with a mindset of investing in the company for the long-term.

As part of our strategy to uncover investment opportunities, Pecaut Wealth Management continually conducts research. Our proprietary system of leading indicators aggregates data from a variety of sources to inform our market outlook. We regularly review business publications and subscriptions, monitor public filings, meet with fund managers, and attend corporate conference calls and meetings. In addition, over the years we have developed a network of business and investment contacts which provides us valuable insight to the investment world.

### *Risk*

Clients should understand that investments in securities and other assets involve a risk of loss. Past performance of any investment strategy is not a guarantee of future results. Clients should be prepared to bear the risk of investment losses. See Item 8.B and Item 8.C for additional information regarding investment risks.

## **B. Material, Significant, or Unusual Risks Relating to Investment Strategies**

Investing entails considerable risks. Risks inherent to our strategy include:

- Macro-economic and political risk. The securities we invest in are subject to the influence of the larger economic and political environment. Economic cycles and the behavior of governments can be difficult to predict and could affect our investments negatively.
- Interest rate risk. The prices of assets depend in part on the prevailing rate of interest. The federal banks and markets that determine interest rates can be difficult to predict. A significant or quick change in interest rates could affect our investments negatively.
- Volatility risk. Marketable securities vary in price daily. Investment time horizon can impact returns. If funds are withdrawn at an inopportune moment, investments could be liquidated at a loss to fund the distribution.
- Information risk. Our judgment depends on getting timely and accurate information. Some information about specific aspects of opportunities we consider for investment may be difficult to procure. Untimely or poor quality information could adversely affect our investments.
- Management risk. When investing in individual stocks, our estimate of intrinsic value takes into consideration the ability of the management to deploy capital wisely. We do not control the management of companies with which we invest, and sometimes managers will make poor decisions that waste company resources and negatively affect its valuation.
- Financial leverage risk. A small decline in asset value of a leveraged company or security will have a major impact on the market value of that company or security. For that reason, we generally avoid highly leveraged investments. However, certain industries and businesses

(such as banks or real estate investment trusts (REITs)) are leveraged by their nature. Investments with exposure to leverage could be adversely affected in a disproportionate way if there are negative changes to the underlying assets.

### **C. Risks Associated with Particular Types of Securities**

Stocks and bonds derive their value from the underlying business (or government) that issues them. A company's ability to make interest payments on their bonds and generate earnings for stock shareholders affects the price of the company's stock and bonds. In extreme cases, companies occasionally suffer events that cause them to completely lose their ability to make interest payments and generate earnings, resulting in bankruptcy. Investors in the stocks or bonds of a company that undergoes bankruptcy could lose 100% of their investment. An investor in stocks and bonds must be aware that all his investment capital is potentially at risk.

The value of most warrants, mutual funds, and exchange traded funds depend largely on the value of stocks and bonds, and thus share in those same risks as mentioned in this section.

#### ITEM 9 Disciplinary Information

---

Pecaut Wealth Management is 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.

#### ITEM 10 Other Financial Industry Activities and Affiliations

---

An advisor representative of Pecaut Wealth Management. serves on a non-profit organization board of directors. This non-profit organization is also an advisory client which creates a conflict of interest that warrants disclosure to current and prospective clients. In order to mitigate this conflict, the advisor representative is not compensated for his role on the board and does not give direct advice to the client outside of the parameters of their management agreement. The advisor representative also recuses himself when the board evaluates its business relationship with Pecaut Wealth Management. In addition, Pecaut Wealth Management. has adopted policies and procedures to ensure that it upholds its fiduciary duty to act in the best of interests of all of its clients.

Pecaut Wealth Management and its officers and directors have no other industry activities or affiliations to report.

ITEM 11  
Code of Ethics, Participation, or Interest in Client Transactions, Personal Trading, and  
Other Conflicts of Interest

---

**A. Code of Ethics**

Our Code of Ethics expresses our pledge to always act in an honorable manner while carrying out our commitment to our clients. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at 712-252-3268. A brief description of our Code of Ethics follows:

We expect all employees to act with integrity, competence, dignity, and in an ethical manner when dealing with the public, clients, prospects, their employer, and their fellow employees.

We expect all employees to adhere to the highest standards with respect to any potential conflicts of interest with client accounts – simply stated, no officer or employee should ever enjoy an actual or apparent benefit over the account of any client.

We expect all persons associated with Pecaut Wealth Management to preserve the confidentiality of information that they may obtain in the course of our business and to use such information properly and not in any way adverse to our clients' interests, subject to the legality of such information.

We expect our officers and employees to conduct their personal financial affairs in a prudent manner, avoiding any action that could compromise in any way their ability to deal objectively with our clients.

**B. Securities in which the Adviser or a Related Person have a Material Financial Interest**

It is the policy of Pecaut Wealth Management not to recommend to clients securities in which it or a related person has material financial interest. Employees of Pecaut Wealth Management may have an interest or position in certain securities which may be recommended to a client. See Item 11.C for our policy regarding such situations.

**C. Investing in Securities that the Adviser or a Related Person Recommends to Clients**

Employees at Pecaut Wealth Management may buy or sell for their own accounts securities identical to or different from those recommended to clients. In addition, employees or any related person may have an interest or position in certain securities which may also be recommended to a client.

When employee trades and client trades involve the same securities or related securities (e.g. warrants of that security), a conflict of interest can arise. For example, by buying or selling the security immediately before the same trade is processed for the client, an employee could benefit from potential moves in the market created by the client trade. This tactic is known as "front running." Front running unethically disadvantages clients in favor of the advisor. To address such conflicts of interest, Pecaut Wealth Management maintains the following policies and procedures:

It is the expressed policy of Pecaut Wealth Management that no employee may buy or sell any security or related security immediately before or after a transaction with the same security for a client account, thereby preventing employees from benefiting from transactions placed on behalf of advisory account. When applicable, trades for employee accounts are aggregated with trades for client accounts.

Employee trades for IPO's, limited offerings, and private placements must be approved by the CCO or President.

#### **D. Conflicts of Interest Created by Contemporaneous Trading**

See Item 11.C.

### ITEM 12 Brokerage Practices

---

#### **A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions**

Our primary objective in broker-dealer selection is to execute orders for its clients in accordance with its duty of best execution. In selecting a broker-dealer, we consider several factors including, but not limited to:

- Execution capabilities
- Commissions charged
- Online interface capabilities to communicate trade orders and service client accounts
- Trade aggregation capabilities
- Access to mutual funds
- Investments record keeping and custody services
- Quality of research services provided
- Financial condition
- Business reputation

Pecaut Wealth Management is responsible for determining that the level of commission paid for each trade is reasonable, considering the executions received. Commissions on brokerage transactions are subject to negotiation. Negotiated commissions consider the difficulty involved in execution, the extent of the broker's commitment, if any, of its own capital and the amount of capital involved in a transaction.

##### **1. Research and Other Soft Dollar Benefits**

###### *Soft Dollar Benefits*

Soft dollar benefits are products or services offered by broker-dealers to advisers in exchange for credits derived from trade commissions and other charges paid by client accounts.

Pecaut Wealth Management does not participate in soft dollar arrangements with broker-dealers.

###### *Research and Services*

As part of our business relationship with brokerage firms, Pecaut Wealth Management receives access to various services which may include:

- Proprietary research and other information services
- Trading
- Record keeping for client accounts and profiles
- Facilitate payment of management fees from client accounts

- Assistance with back office functions, including record keeping and reporting discounts or full/partial payment of third party services utilized by Pecaut Wealth Management
- Compliance, legal, and business consulting publications and conferences
- Educational events and training
- Relationships with employee benefits and insurance providers

These services generally are available at no charge so long as a minimum dollar amount of assets held by clients of Pecaut Wealth Management are kept in custody at the broker-dealer. These services are not contingent upon committing any specific amount of business to the broker-dealer.

Pecaut Wealth Management may have an incentive to direct brokerage to a broker-dealer to obtain research, products, or other services rather than to obtain the most favorable execution for the client. Pecaut Wealth Management reviews the full range and quality of broker services, including execution, commission rates, financial responsibility, quality of service, and value of research. Generally, the services and research obtained from broker-dealers are used for the benefit of all our clients.

## **2. Brokerage for Client Referrals**

Pecaut Wealth Management does not select broker-dealers to receive client referrals. The factors used in selecting broker-dealers to execute trades are described in Item 12.A.

## **3. Directed Brokerage**

Pecaut Wealth Management is not a broker-dealer and does not execute trades directly. In order for Pecaut Wealth Management to manage client assets, clients must maintain a brokerage account at an independent broker-dealer.

Pecaut Wealth Management directs that clients establish brokerage accounts with Charles Schwab (Schwab). Schwab is a FINRA registered broker-dealer and member of SIPC. For clients with accounts at Schwab, the broker-dealer maintains client assets and executes trades for their accounts. Pecaut Wealth Management has negotiated commission rates for its clients with accounts at Schwab.

Alternatively, clients may establish an account with a broker-dealer of their choosing and negotiate their own commission rates. Clients must notify Pecaut Wealth Management in writing to direct brokerage elsewhere.

Clients should be aware that if they establish an account with a broker-dealer of their choosing, they may pay brokerage commissions and other brokerage charges that are higher or lower than the rates Pecaut Wealth Management has negotiated with the brokerages it recommends.

In addition, because the vast majority of our clients hold accounts at Schwab, clients with accounts at other brokerages will not participate in trade aggregation and may not receive the most favorable trade execution. See Item 12.B for more information.

## **B. Order Aggregation**

Pecaut Wealth Management aggregates trade orders for client accounts where possible and when advantageous to clients. Trade aggregation is a trading technique that uses one block trade in place

of numerous individual trades across multiple accounts. The block trade is then divided up (allocated) among the individual client accounts, and the price paid by each account reflects the average price at which the block trade was executed. Trade aggregation allows us to execute trades in a timelier, more equitable manner.

Factors considered when deciding to aggregate trades include:

- Client current position in the investment
- Client cash position
- Total trade size
- Market price
- Liquidity
- Access to trading venues
- Transaction costs
- Logistical considerations

Occasionally an aggregated trade will only be partially filled. The executed portion of the trade must be allocated by the close of each business day. In such cases, we may adjust the original allocation to distribute the securities as fairly as possible and avoid odd amounts of shares in client accounts. In some cases, clients with smaller accounts may not receive any allocation in order to avoid excessive commissions or other charges.

When applicable, Pecaute Wealth Management employee trades are aggregated with client trades.

#### *Schwab Priority*

Because the vast majority of our clients hold accounts at Schwab, clients with accounts at other broker-dealers may not be serviced until orders are filled at our main broker-dealer, which may result in unfavorable execution.

### **C. Trade Errors**

In the event a trading error occurs in a client account, our policy is to restore the account to the position it would have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and neither the client nor Pecaute Wealth Management will keep the profit.

## ITEM 13 Review of Accounts

---

### **A. Frequency and Nature of Review of Client Accounts or Financial Plans**

Pecaute Wealth Management reviews all client accounts at least quarterly. Reviews are performed by the portfolio manager for the account.

Reviews are comprehensive in nature and include factors such as performance, portfolio composition, and risk. Reviews also consider client-specific circumstances such as start date, risk tolerance,

investment goals, cost basis, legacy stock positions, tax situation, and cash needs.

Furthermore, routine reviews to check for unusual activity and accuracy of performance and management fee calculations are also conducted by compliance staff throughout the year on a sampling basis.

## **B. Factors Prompting Review of Client Accounts Other than a Periodic Review**

In addition to routine reviews, client accounts are typically reviewed many times during the year on an irregular basis. Some factors that may trigger such reviews include: industry events, market developments, statutory and regulatory changes, deposits or withdrawals, consideration of an investment opportunity, and communication with clients.

## **C. Content and Frequency of Account Reports to Clients**

Pecaut Wealth Management provides regular written reports to clients on a quarterly basis. The quarterly report contains the following information:

- Letter to clients including a brief market commentary
- Statement of performance for the account over time
- Summary of asset allocation
- Statement of positions and weightings in the portfolio
- Overview of possible tax implications (e.g. cost basis and interest income)

In addition, Pecaut Wealth Management typically meets with each client at least annually to review their financial plan, investment strategy, performance, and administrative matters. Furthermore, our staff is available to clients during normal business hours for consultation regarding the client's situation or investment needs.

## ITEM 14 Client Referrals and Other Compensation

---

### **A. Economic Benefits for Providing Services to Clients**

In connection with providing investment advisory services to its clients, Pecaut Wealth Management does not receive sales awards, prizes or other economic benefits from someone who is not a client.

### **B. Compensation to Non-Supervised Persons for Client Referrals**

Pecaut Wealth Management does not compensate affiliated or non-affiliated persons for client referrals.

## ITEM 15 Custody

---

Pecaut Wealth Management is not a broker-dealer and does not have physical custody of client assets. Client assets are kept at qualified custodians. Pecaut Wealth Management has limited power of attorney to place trades on the client's behalf, and in most cases to deduct management fees directly from the client's brokerage account. This ability to deduct fees directly from client accounts confers to Pecaut Wealth Management limited custody over client funds.

Pecaut Wealth Management is also deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and under that SLOA, authorize us to designate the amount or timing of transfers with the custodian. The SEC has set forth rules intended to protect client assets in such situations, which we follow.

As a matter of policy and practice, Pecaut Wealth Management does not permit employees or the firm to accept or maintain custody of client assets other than as identified above.

Clients will receive account statements at least quarterly directly from their broker-dealer, bank or other qualified custodian. Clients should carefully review these statements.

Clients will also receive quarterly reports from Pecaut Wealth Management. Clients are urged to compare these reports with the statements received from their qualified custodian to ensure all account transactions, fees, holdings, and values are correct and current. If there is a significant difference in the information provided, or there is reason to believe there is an error in one statement, clients should contact Pecaut Wealth Management immediately.

## ITEM 16 Investment Discretion

---

Investment discretion refers to the authority to trade on a client's behalf without contacting the client prior to each trade. Discretion includes the authority to determine which securities to purchase or sell, the amount of those securities, and the timing of the trade.

Pecaut Wealth Management primarily provides discretionary investment advisory services. Clients authorize us to use discretion over their account through a written agreement.

Pecaut Wealth Management will accept restrictions from clients on the purchase of a reasonable number of stocks when the client gives us instructions regarding such a restriction.

ITEM 17  
Voting Client Securities

---

**A. Policies and Procedures Relating to Voting Client Securities**

Pecaut Wealth Management does not vote proxies on behalf of clients.

*Corporate Actions*

There may be a variety of corporate actions or other matters for which shareholder action is required or solicited.

Pecaut Wealth Management will act on behalf of our clients in the matters of mergers, tender offers, and corporate reorganizations.

Pecaut Wealth Management will not act on behalf of our clients in the matters of class action lawsuits or bankruptcy proceedings.

**B. No Authority to Vote Client Securities and Client Receipt of Proxies**

Pecaut Wealth Management does not have authority to vote client securities.

Clients will receive proxies or other solicitations from their custodian or a transfer agent.

Pecaut Wealth Management does not provide advice to clients regarding how they should vote, except in rare cases where such decisions may overtly affect the investment prospects.

ITEM 18  
Financial Information

---

**A. Balance Sheet**

Pursuant to SEC instructions, Pecaut Wealth Management is not required to include its balance sheet as part of this brochure.

**B. Financial Conditions**

Pecaut Wealth Management is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

**C. Bankruptcy Filings**

Pecaut Wealth Management has never been the subject of a bankruptcy petition.

Appendix A  
Account Fee Schedules

---

*Fee Schedule*

Pecaut charges a quarterly portfolio management fee of up to 0.375% on assets under management.

Appendix B  
Privacy Information

---

The Privacy Policy for Pecaut Wealth Management is attached following the section on Supplemental Information.

Form ADV 2B Supplemental Information

---

*Advisers*

**Michael Gallagher**

*Educational Background and Business Experience*

Michael Gallagher, CFA, is a Co-CEO, Co-President, and the CCO for Pecaut Wealth Management. Born in 1984, he graduated cum laude with a B.S. in Finance from Portland State University in 2007. From 2005-2015, he worked as a financial planner and portfolio manager at Morgan Stanley. From 2015-2021 he worked with a Pacific Northwest-based wealth management company as a wealth advisor and the Director of Investments. He joined Pecaut Wealth Management in 2021 and served as Vice President until 2025.

Michael is a Certified Financial Analyst (CFA) Charterholder, a designation requiring passage of three levels of exams and an estimated 900+ hours of study, a bachelor's degree, professional work experience of 4,000 hours over three sequential years involving leadership and teamwork, business communications, critical thinking and problem solving, time management, professional judgement, analytical skills, and adaptability. CFA Charterholders commit to a Code of Ethics and Standards of Professional Conduct to act with integrity, competence, diligence, and respect.

*Disciplinary Information*

There are no material legal or disciplinary actions against Michael.

*Other Business Activities*

In addition to his duties at Pecaut Wealth Management, Michael also volunteers on the board of a local foundation. Michael serves as a member for the Board of Willamette View Inc., a retirement community. Michael also owns a vacation rental property.

Michael also serves on the board of the CFA Society of Portland, whose mission is to promote professional excellence and an engaged investment community.

*Additional Compensation*

Michael does not receive any compensation from non-clients for providing advisory services.

### *Supervision*

Regulations require every adviser to be supervised. The Co-CEO John Pecaut supervises Michael Gallagher. John Pecaut can be reached at 712-252-3268.

### **John Pecaut**

#### *Educational Background and Business Experience*

John Pecaut is a Co-CEO and Co-President of Pecaut Wealth Management. Born in 1983, he graduated summa cum laude with a B.S. in psychology from Iowa State University in 2008. From 2009-2013, John worked at Pecaut Wealth Management with an emphasis in compliance. In September 2016, John rejoined Pecaut Wealth Management, becoming an advisor in October 2016. He served as Vice President, COO, and CCO from 2018-2025.

#### *Disciplinary Information*

There are no material legal or disciplinary actions against John.

#### *Other Business Activities*

In addition to his duties at Pecaut Wealth Management, John also serves as a Board Member of Sioux City Symphony Orchestra, a non-profit organization.

#### *Additional Compensation*

John does not receive any compensation from non-clients for providing advisory services.

### *Supervision*

Regulations require every adviser to be supervised. The CCO Michael Gallagher supervises John Pecaut. Michael Gallagher can be reached at 712-252-3268.

## **Daniel Pecaut**

### *Educational Background and Business Experience*

Daniel Pecaut is a Senior Investment Adviser of Pecaut Wealth Management. Dan was the President and CEO of Pecaut Wealth Management from 1992 to 2018. Born in 1957, he graduated with honors from Harvard University in 1979 and began work at Pecaut Wealth Management in 1979. Dan has been authoring the Pecaut Wealth Management Newsletter since 1982.

### *Disciplinary Information*

There are no material legal or disciplinary actions against Dan.

### *Other Business Activities*

In addition to his duties at Pecaut Wealth Management, Dan is also involved in his community. Dan is chairman emeritus of the board of Goodwill of the Great Plains, a non-profit organization devoted to providing job opportunities for people with barriers to employment.

### *Additional Compensation*

Dan does not receive any compensation from non-clients for providing advisory services.

### *Supervision*

Regulations require every adviser to be supervised. The CCO Michael Gallagher supervises Daniel Pecaut. Michael Gallagher can be reached at 712-252-3268.

## **Corey Wrenn**

### *Educational Background and Business Experience*

Corey Wrenn is a Senior Investment Adviser of Pecaut Wealth Management. He was Vice President from 1992 to 2018, the CCO from 2004 to 2018, and CEO from 2018 to 2025. Born in 1959, Corey graduated with

honors from the University of South Dakota in 1981 with a B.S. in business administration, emphasis in accounting, and received his M.B.A (Masters in Business Administration) from the University of Nebraska in 1989. After college, Corey sat for and passed the Certified Public Accounting (CPA) exam in one sitting and completed the experience requirement (at that time) by working greater than two years in public accounting to become a CPA. Since he no longer practices, he is classified as an inactive CPA. Corey's valuable experience includes work at Berkshire Hathaway in the audit and accounting areas with a focus in the insurance subsidiaries from 1983 until 1992. Corey joined Pecaut Wealth Management in 1992.

### *Disciplinary Information*

There are no material legal or disciplinary actions against Corey.

### *Other Business Activities*

Corey does not have any other substantial business activities.

### *Additional Compensation*

Corey does not receive any compensation from non-clients for providing advisory services.

### *Supervision*

Regulations require every adviser to be supervised. The CCO Michael Gallagher supervises Corey Wrenn. Michael Gallagher can be reached at 712-252-3268.

# PECAUT & CO. (“PECAUT WEALTH MANAGEMENT”)

## Privacy Notice

<b>FACTS</b>	<b>WHAT DOES PECAUT WEALTH MANAGEMENT DO WITH YOUR PERSONAL INFORMATION?</b>
--------------	--

<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>Social security number and assets</li> <li>Income and risk tolerance</li> <li>Account transactions and account balances</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
<b>How?</b>	All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reasons Pecaut chooses to share; and whether you can limit this sharing.

Reasons we can share your information	Does Pecaut share?	Can you limit this sharing?
<b>For our everyday business purposes</b> – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> – to offer our products and services to you	No	We do not share
<b>For joint marketing with other financial companies</b>	No	We do not share
<b>For our affiliates’ everyday business purposes</b> – information about your transactions and experiences	No	We do not share
<b>For our affiliates’ everyday business purposes</b> – information about your creditworthiness	No	We do not share
<b>For our affiliates to market to you</b>	No	We do not share
<b>For non-affiliates to market to you</b>	No	We do not share

<b>To limit our Sharing</b>	<p>We do not currently share your information except as necessary to manage your account or as required by law.</p> <p><b>Please note:</b> If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are no longer a customer, we continue to share your information as described in this notice.</p>
-----------------------------	--

<b>Questions?</b>	Call (712) 252-3268, or email Michael Gallagher at <a href="mailto:mgallagher@pecautwm.com">mgallagher@pecautwm.com</a>
-------------------	---

## PECAUT & CO. (“PECAUT WEALTH MANAGEMENT”)

What we do	
How does Pecaut Wealth Management protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Pecaut Wealth Management collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• Complete an investment advisory agreement or other forms</li> <li>• Open an account or seek advice about your investments</li> <li>• Make a wire transfer or direct us to buy securities.</li> </ul>
Why can't I limit all sharing?	<p>Federal Law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• Sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• Affiliates from using your information to market to you</li> <li>• Sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
What happens when I limit sharing for a partnership interest I hold jointly with someone else?	Your choices apply to all parties, unless you inform Pecaut otherwise in writing.

Definitions	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>• <i>Pecaut Wealth Management currently has no affiliates.</i></li> </ul>
<b>Non-affiliates</b>	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>• <i>Pecaut Wealth Management may share personal information with non-affiliated third parties, such as broker dealers, banks and investment advisers for business purposes. Pecaut Wealth Management may also share personal information with parties who provide technical support, legal counsel, and accounting and compliance professionals.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between non-affiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>Pecaut Wealth Management does not currently have non-affiliated joint marketing partners.</i></li> </ul>