



July 1, 2025

ADV Part 2A

PNW Prosperity & Wealth Management

A Wealth Management Advisory LLC

PNW Prosperity & Wealth Management LLC

19812 SE 1st. Street, Unit 410

Camas, WA 98607

916-385-8462

Paulhoward2055@gmail.com

PNWprosperitywealth.com

This brochure provides information about the qualifications and business practices of PNW Prosperity & Wealth Management LLC and its principal advisor. If you have questions about the contents of this brochure, please contact us. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities authority but has been filed in accordance with all regulatory requirements.

Additional information is also available on SEC's website, www.adviserinfo.sec.gov. You can search this website using CRD number 1297171

Item 2 – Material Changes

Effective June 15, 2025, Paul Howard, owner and Principal Investment Advisor of Red Hawk Prosperity Partners LLC relocated his personal residence and business address from Las Cruces, NM to Camas, WA. Red Hawk Prosperity Partners and is now operating as PNW Prosperity & Wealth Management LLC. Mr. Howard continues to function as a Registered Investment Advisor and Financial Planner serving a small number of New Mexico clients under the New Mexico Securities Division's "de minimis" exemption rule and may seek to serve new clients in Washington State.

Item 3 - Table of Contents

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

Item 4 - Advisory Business

Paul Howard is a Registered Investment Advisor and graduated from California State University, Sacramento where he studied Economics and Environmental Science. He completed the Personal Financial Planning program at the University of California, Davis and worked for EF Hutton in New York City and Sacramento as a Financial Advisor, licensed in general securities, commodities, annuities, insurance; and specialized in tax-advantaged, trust, and retirement investments. He left private sector finance to work for state and local government managing employee pension, compensation, and benefits programs. He later returned to UC, Davis to teach in the Financial Planning program before retiring at age 55.

After his wife retired from her teaching career they traveled extensively, and in every city Paul noticed the usual Wall Street traditional wealth management firms that mostly serve the uber wealthy; but the big surprise was the sheer number of retail investment outlets that cater to lower-dollar, less financially-sophisticated investors, and that charge the highest allowable investment sales commissions and never-ending account service fees. Paul decided he could offer a better alternative, so he established Red Hawk Prosperity Partners in Las Cruces, NM as a modestly priced, wealth management advisory dedicated to helping everyday individuals, families, small-businesses, trusts, and nonprofits seeking financial advice. That advisory is now operating as PNW Prosperity & Wealth Management LLC from his new retirement home in Camas, WA

PNWPWM's advisory services include: goal setting; financial and retirement planning; Traditional, Roth, SEP, SIMPLE, and Rollover IRAs; 401 (K) plans; Health Savings Accounts (HSAs); college funding strategies and accounts; Social Security benefit analysis; family budgeting and debt management; home, auto, and life Insurance cost analysis; portfolio analysis and construction; discretionary and non-discretionary investment account management; exchange traded funds (ETFs); mutual funds; traditional stock and bond investments; passive real estate investments (REITs); tax free Income strategies; tax reduction strategies; conservatorships, trusts, estate planning; and nonprofit and philanthropic investments.

PNWPWM's services are direct to the client and accounts are maintained with Fidelity Investments or the client's choice of broker-dealer, bank, or other financial institution. The principal advisor collaborates with clients to examine their current financial and tax situation, understand their risk tolerance and investment time horizon, financial goals, establish new or revised goals, and then develops an appropriate, holistic wealth management strategy.

Item 5 - Fees and Compensation

PNWPWM does not ask for advance payment of fees. Our discovery discussion is a no-charge, 30 -minute session to identify client needs, goals, expectations, resources, and experience with wealth management. Subsequent consultation and service fees are \$130 per hour billed in half-hour increments @ \$65 each. All fees are non-refundable. Discretionarily managed accounts are subject to an assets under management (AUM) fee of 0.5% annually which is not assessed until account value exceeds \$25,000. AUM fees of 0.25% of total account value are calculated semi-annually on June 30 and December 30, ($2 \times 0.25\% = 0.5\%$ annually.), and invoiced directly to the client. If the account value falls below the \$25,000 threshold after it has reached that level, the AUM fee continues to be assessed. Clients with discretionarily managed accounts are not

charged consultation fees for incidental advice related directly to their account. Advice sought and provided on different topics may be subject to hourly consultation fees. There are no account maintenance and service fees, or investment sales charges if accounts and investments are maintained and transacted through Fidelity Investments which does not charge such fees, or sales charges on most investments. All professionally managed investment fund products have some internal operating expenses that are deducted from the fund assets, are not controlled by the Advisor, and are not borne directly by the Client. Accounts maintained somewhere other than Fidelity can negatively impact investment returns and fees; and while we believe it is unlikely, similar services may be available elsewhere at a lower rate.

Item 6 - Performance-Based Fees and Side-by-Side Management

PNWPWM does not participate in performance-based fees or side-by-side activity.

Item 7 - Types of Clients

PNWPWM partners with everyday individuals, families, small businesses, conservatorships, trusts, and charitable organizations to increase net worth or generate income through reasoned spending, savings, investment, and holistic financial strategies that promote financial security and prosperity. We strive to assist those that may not access financial advice or service from traditional Wall Street wealth management firms; and while we are dedicated to helping these clients in particular, we always provide our best advice and service to any prospective client whose needs fall within our scope of services described in the *Advisory Business* section of this brochure.

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

Preface

PNWPWM encourages clients to utilize exchange-traded funds (ETFs) and/or no-load (no sales charge) mutual funds to implement their objective(s). An ETF is a type of pooled investment security that operates similarly to a mutual fund. Typically, ETFs track a particular index, sector, commodity, or other asset(s), but unlike mutual funds, ETFs can be purchased or sold on a stock exchange the same way a regular stock can. An ETF can be structured to track anything from the price of a large and diverse collection of securities, (e.g., Standard and Poor's 500 index) to a specific investment strategy.

A mutual fund is a financial vehicle that pools assets from shareholders to invest in securities like stocks, bonds, money market instruments, or other assets. Mutual funds are operated by professional money managers, who allocate the fund's assets and attempt to produce capital gains and/or income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus and offers small or individual investors access to professionally managed portfolios of securities. Each shareholder participates proportionally in the gains or losses of the fund. Mutual funds do not share the same liquidity features as ETFs.

Methods of Analysis

In making both ETF and mutual fund client recommendations, we prefer Fidelity Investment funds primarily because of their wide range of objectives, long histories of operation, management team tenures, historical performance relative to their benchmark indexes, low fund expense ratios and management fees, high liquidity, and excellent price execution. Fidelity ETFs and mutual funds also receive comparatively high ratings from both *FactSet* and *Morningstar* independent research and rating firms. Notwithstanding this preference, we always recommend the most suitable fund for the client's objective, regardless of the firm offering or managing the fund. PNWPWM does not recommend any fund that receives less than a 4-star rating from *Morningstar* and that has not at least matched its benchmark index over the prior 5-year period, or any ETF that does not receive a *FactSet* efficiency rating of 80% an overall quality grade of B or better.

PNWPWM does not advocate investment strategies based on a portfolio of individual securities unless the client is a sophisticated investor with a history of buying and selling individual securities or insists on doing so. In cases where it is suitable to buy and sell individual stocks, PNWPWM evaluates the equities utilizing both top-down and bottom-up fundamental and cyclical security analysis. PNWPWM relies on individual stock research provided by the Fidelity Investment's retail brokerage platform that offers research reports by independent firms such as *Thompson Reuters/Versus*, *ISS-EVA*, *I/B/E/S-Refinitiv*, *Ford Equity Research*, *Zacks Investment Research*, *Argus Research*, and *McLean Capital Management Research*. Technical analysis tools are also available on the Fidelity platform and may be used in conjunction with fundamental factors to determine market entry and exit points for individual stocks. For individual fixed income securities, we evaluate both taxable and tax-free debt instruments based on Fitch, Moody's, and Standard and Poor's rating systems and do not recommend bonds below a BBB investment grade rating.

Investment Strategies

PNWPWM's investment strategies include *Value*, *Growth*, *Balanced*, *International*, *Sector* and *Special Situation* investments. Value investing is a strategy where investors seek to buy stocks or other assets for less than they are worth. Growth investing is an investment strategy that is focused on increasing an investor's capital. Growth investors typically invest in growth stocks, that is, young or small companies whose earnings are expected to increase at an above-average rate compared to their industry sector or the overall market. For both value and growth strategies, we utilize the Fidelity Investment's platform fund screening tools to identify the best ETFs and mutual funds specializing in each category. When evaluating individual equities for value and growth strategies, we utilize classic fundamental analysis to determine intrinsic value or growth potential.

A balanced investment strategy combines asset classes (e.g., stocks and bonds) in a portfolio attempting to balance risk and return. Typically, balanced portfolios are divided between stocks and bonds, either equally or with a slight tilt, such as 60% in stocks and 40% in bonds. Balanced portfolios may also maintain a small cash or money market component for liquidity purposes.

An international investment strategy involves selecting global investment instruments as part of an overall portfolio. People often invest internationally to expand diversification and distribute investment risk among markets in other countries and global companies or to benefit from another country's economy that is performing better than the domestic economy.

A sector investment strategy involves allocating assets to specific industries or sectors of the economy (e.g., energy, healthcare, finance etc.) By concentrating on specific sectors, investors can achieve targeted exposure to the industries that have the most potential for growth as the economy cycles with each sector being impacted differently by macroeconomic changes during the cycle.

PNWPWM's definition of special situation investments includes precious metals, (gold, silver, etc.). Real Estate Investment Trusts, (REITS) and commodities (oil, corn, lumber, etc.). If asked by the client, PNWPWM offers advice in these areas based on the principal advisor's background. Special situations may also include company mergers and acquisitions, bankruptcies, and restructurings which PNWPWM does not offer advice on due to lack of expertise in this area.

When implementing a balanced, international, sector or special situation strategy, we do not attempt to identify or recommend individual securities to our clients but rather utilize the Fidelity Investment platform screening tools to identify the best ETFs and mutual funds specializing in these areas.

Risk of Loss and Mitigation Efforts

Investment risk is the possibility that loss could incur when money is put into an investment with the hope of earning a desired return on that investment. In general, the higher the expected return on any investment, the greater the risk of loss. Investing with PNWPWM involves distinct types of risks that investors should be aware of. Despite our best risk mitigation efforts, there is no full-proof method for protecting against, or eliminating risks associated with investing and capital loss, even with professional advice and management.

Market risk the potential for loss due to factors that affect an entire market or asset class. Market risk is also known as *undiversifiable risk* because it affects all asset classes and is unpredictable. The types of market risk that can affect client investments are equity price risk, liquidity risk, interest rate risk, credit risk, currency risk (foreign exchange risk), commodity risk, concentration risk, and reinvestment risk.

Equity price risk is the risk of price volatility that causes a decline in the value of a security's or portfolio. Equity price risk is the single most troublesome risk for investors. Beta is a volatility measurement used to determine stock, ETF, and mutual fund share price volatility relative to the market in general. E.g., the S&P 500 index has a beta of 1.0. If a particular stock has a beta of 1.5, it means that that stock's price is 50% more volatile than the index. Conversely, a stock with a 0.5 beta is 50% less volatile than the index. Beta evaluations are part of our methodology in client portfolio construction, and we strive to reduce volatility during the portfolio construction process. For clients who have equity exposure, another risk mitigation technique that we advocate is Dollar-Cost-Averaging (DCA) which helps price volatility work in the investor's favor. DCA is the practice of investing a fixed dollar amount on a regular basis, regardless of share price. The main benefit is by investing in set dollar amounts over time, the investor buys more shares when prices are low and fewer shares when prices are high, which lowers the average share purchase price. DCA can be especially effective for long-term investors.

Liquidity risk is the risk of not being able to sell securities quickly enough, at a fair price and losing value because of the delay. For longer-term investors, liquidity does not pose the same concern as for short-term investors. PNWPWM always strives to recommend investments with ample liquidity, particularly for clients who may require more immediate access to their funds.

Interest rate risk primarily affects income generating securities (e.g., bonds) and can result in price decline if interest rates rise. (the opposite holds true if rates decline) To mitigate interest rate risk associated with income producing securities, and before recommending these investments, we consider where in the interest rate cycle the economy is, any economic, monetary, or fiscal events that may affect interest rates, the duration of the fixed income securities being considered for investment, and the client's investment time horizon.

Credit risk also affects income producing securities and occurs when the credit rating of the company issuing the debt security declines. Credit risk is mitigated by recommending ETFs and mutual funds that hold investment grade debt or if using individual securities, by recommending BBB credit rated or better from issuers that have a sound credit history.

Currency risk, or foreign exchange risk, is a form of risk that arises when currency exchange rates are volatile. E.g., assume the investor has a realized 50% return on investment in China, but the Chinese yuan depreciates 20% against the U.S. dollar. Due to the change in currencies, the investor will only have a 30% return (50%-20%).

Commodity risk is volatility in a security's market price due to the price fluctuation of a commodity. Commodity risk affects various sectors of the market, e.g., airline stocks, which can negatively be affected by the rising cost of oil and jet fuel.

To mitigate both currency and commodity risks, PNWPWM may consider the use of ETF hedging strategies with advance written client approval.

Concentration risk is the potential for loss because of investment in only one security or one type of security. To mitigate concentration risk, PNWPWM promotes sound portfolio diversification practices relying primarily on ETFs and mutual funds to achieve this.

Reinvestment risk is the chance that cash flows received from an investment will earn less when put to use in a new investment. To mitigate reinvestment risk, RHPP recommends managed bond funds, and when using individual debt securities, non-callable bonds, zero-coupon bonds, long-term bonds, and when constructing fixed-income portfolios, bond ladders.

The other type of non-market risk is *specific risk* which is a hazard that applies only to a particular company, industry, or sector. (E.g., a pharmaceutical company is optimistic about a new drug it has developed, and it fails to receive approval by the Food and Drug Administration.) PNWPWM mitigates specific risk through diversification of investments across sectors and asset classes and our preference for ETFs and mutual funds over individual securities helps provide this diversification.

Item 9 - Disciplinary Information

PNWPWM and its principal advisor have not had any complaints or disciplinary action.

Item 10 - Other Financial Industry Activities and Affiliations

PNWPWM and its principal advisor are not engaged in other financial industry activities.

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

PNWPWM permits its principal advisor to engage in personal securities transactions. A personal securities transaction by the advisor could raise a potential conflict of interest if he trades in a security that is considered for purchase or sale in a client's account. Because we are fiduciaries and must always act in our client's best interest the principal advisor does not buy or sell individual securities that are being recommended to or are owned by clients. There are no such restrictions on ETF and mutual fund transactions by the principal advisor.

Item 12 - Brokerage Practices

We recommend that clients establish accounts and transact security trades through Fidelity Investments. We are not affiliated with or compensated by Fidelity Investments, and having a Fidelity account is not required to receive PNWPWM advice or service. Fidelity is simply our preferred choice of accounts custodian based on the belief that they offer comprehensive, high-quality, low-cost service and products. We do not have any compensation arrangements including soft-dollar compensation from any broker-dealer. Clients are free to make brokerage arrangements wherever they choose but should understand that accounts maintained, and trades transacted somewhere other than Fidelity can negatively impact investment returns and account fees.

Item 13 - Review of Accounts

The principal advisor reviews each client's account at least quarterly, and more frequently should economic or monetary conditions change in a way that could impact client holdings. If the account custodian is Fidelity Investments, clients receive monthly statements directly from Fidelity. If accounts are held at a different institution of the client's choosing, statements are issued in accordance with that institution's practice. Regardless of where the account is held, clients are advised to carefully review their statements for accuracy and to contact PNWPWM immediately with concerns. Each client is contacted at least quarterly by the principal advisor for an in-person or over-the-phone meeting to discuss progress toward their goals and objectives, and to see if there are any changes or adjustments that need to be accounted for. PNWPWM does not generate additional statements beyond what is provided by the custodian.

Item 14 - Client Referrals and Other Compensation

PNWPWM and its principal advisor do not receive any outside compensation from third parties and do not compensate third-party solicitors or engage independent contractors for client referrals.

Item 15 – Custody

Custody of client accounts and securities are maintained by Fidelity Investments, or another institution designated by the client in the *Investment Advisory Agreement*. PNWPWM's *Investment Advisory Agreement* provides only for the invoicing of fees directly to the client with no fee deduction from client accounts.

Item 16 – Investment Discretion

For discretionary accounts as detailed in the *Investment Advisory Agreement*, PNWPWM receives authority from the client to determine account asset allocation, selection of securities, amount to be purchased or sold and when to effect these actions. When selecting securities, PNWPWM adheres to any client limitations or restrictions regarding certain types of securities for social responsibility investing purposes, or for other reasons deemed important to the client. In all cases, such discretion is exercised in a fiduciary manner consistent with the information regarding the client's investment goals and risk tolerance provided during client intake and as delineated in the *Investment Advisory Agreement*. This discretionary authority remains in effect until revoked by the client in writing.

Item 17 – Voting Client Securities

The client receives all proxy materials directly from Fidelity Investments, or their designated custodian. PNWPWM does not vote proxies or tell the client how to vote their shares with the client being responsible for directing the how proxies shall be voted. If requested, PNWPWM does provide technical advice or explanations related to proxy voting.

Item 18 – Financial Information

- A. PNWPWM does not require pre-payment of six months or more in advance of more than \$1,200 in fees per client, so a balance sheet is not required as part of this brochure.
- B. PNWPWM does not foresee any financial circumstances that are likely to impair its ability to meet its contractual commitments to clients.
- C. PNWPWM has never been the subject of a bankruptcy petition.

July 1, 2025

ADV Part 2B – Investment Advisor Supplement

PNW Prosperity & Wealth Management LLC

19812 SE 1st. Street, Unit 410

Camas, WA

916-385-8462

Paulhoward2055@gmail.com

PNWprosperitywealth.com

Item - 1

Cover Page

This brochure supplement provides information about Paul Howard and supplements the PNWPWM Firm Brochure that you should receive a copy of. Please contact Paul Howard, Principal Advisor if you did not receive that brochure or if you have questions about the contents of the brochure or this supplement. Additional information about Paul Howard is available on the SEC's website at www.adviserinfo.sec.gov.

Item - 2

Advisor Education, Qualifications, and Business Experience

Paul Howard is a Registered Investment Advisor and graduated from California State University, Sacramento where he studied Economics and Environmental Science. He completed the Personal Financial Planning program at the University of California, Davis and worked for EF Hutton in New York City and Sacramento as a Financial Advisor, licensed in general securities, commodities, annuities, insurance; and specialized in tax-advantaged, trust, and retirement investments. He left private sector finance to work for state and local government managing employee pension, compensation, and benefits programs. He later returned to UC, Davis to teach in the Financial Planning program before retiring at age 55. He established Red Hawk Prosperity Partners in 2023 as a modestly priced, wealth management advisory dedicated to helping everyday individuals, families, small-businesses, trusts, and nonprofits seeking financial advice. After relocating his retirement home to Camas, WA, he began operating as PNW Prosperity & Wealth Management

Item - 3

Disciplinary Actions

Paul Howard, Principal Advisor has never been the subject of disciplinary action, customer complaints, civil or criminal proceedings, government administrative or self-regulatory actions involving investment - related business, fraud, forgery, extortion, counterfeiting, etc. This can be verified at www.finra.org/brokercheck.

Item - 4

Engagements in Other business Activities

The principal advisor is formally retired with no other business engagements or activities, and functioning as the Principal Advisor at PNWPWM is his sole business activity.

Item - 5

Additional Compensation

The Principal Advisor and PNWPWM do not engage in performance-based fee activities or receive any additional compensation from any source or activity.

Item - 6

Supervision

PNWPWM is a one-person advisory business and the owner and Principal Advisor, Paul Howard has no supervisory responsibilities.

Item - 7

Requirements for State-Registered Advisors

- A. In addition to the events listed in Item 3 of Part 2B, if the supervised person has been involved in one of the events listed below, disclose all material facts regarding the event.
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.

Paul Howard has not been involved with, or subject to any of the above-described events.
 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.

Paul Howard has not been involved with, or subject to any of the above-described events.
- B. If the supervised person has been the subject of a bankruptcy petition, disclose that fact, the date the petition was first brought, and the current status.

N/A