

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

### **Ward Financial Advisors, Ltd.**

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This brochure provides information about the qualifications and business practices of Ward Financial Advisors, Ltd.. If you have any questions about the contents of this brochure, please contact us at 803-929-0720 or [Gerry@WardFinancialAdvisors.com](mailto:Gerry@WardFinancialAdvisors.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.

Additional information about Ward Financial Advisors, Ltd. 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 139673.

### **Item 2    Material Changes**

This form dated 06/13/2012 is our current Firm Brochure. There have been no material changes since our last annual filing in 2011. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, 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	1
Item 3	Table of Contents	2
Item 4	Advisory Business	3
Item 5	Fees and Compensation	5
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	10
Item 12	Brokerage Practices	12
Item 13	Review of Accounts	15
Item 14	Client Referrals and Other Compensation	15
Item 15	Custody	16
Item 16	Investment Discretion	16
Item 17	Voting Client Securities	16
Item 18	Financial Information	17
Item 19	Requirements for State Registered Advisors	17

For your convenience, Form ADV Part 2B is attached at the end of this document (pages 19-23)

## **Item 4    Advisory Business**

Ward Financial Advisors, Ltd. is a SEC-registered investment adviser with its principal place of business located in South Carolina. Due to the recent legislation, Ward Financial Advisors, Ltd. will be transitioned back to being registered with the State of South Carolina in 2012. Ward Financial Advisors, Ltd. began conducting business in 1986.

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

- Wade F. Ward Jr., President/Chief Investment Officer (aka Gerry Ward)

Ward Financial Advisors, Ltd. offers the following advisory services to our clients:

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides asset management of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once the client's portfolio has been established, we review the portfolio monthly, and if necessary, rebalance the portfolio based on the client's individual needs.

Our investment recommendations are not limited to any specific product or service offered by any custodian and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

## **PENSION CONSULTING SERVICES**

Ward Financial Advisors, Ltd. also provides several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts and estates. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

### *Investment Policy Statement Preparation (hereinafter referred to as "IPS"):*

We will meet with the client to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

### *Selection of Investment Vehicles:*

We assist plan sponsors in constructing appropriate asset allocation models. We will then determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

### *Monitoring of Investment Performance:*

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. We supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

### *Employee Communications:*

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide quarterly educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

## **FINANCIAL PLANNING**

Ward Financial Advisors, Ltd. provides financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to help the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.

- **TAX & CASH FLOW:** We analyze the client's income tax, spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, return objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically the financial plan is presented to the client within two months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

**LIMITATIONS:** As an individual employee of Ward Financial Advisors, Ltd., Wade F. Ward, Jr. is registered as an insurance broker of various insurance companies. Recommendations made in financial plans are not limited to those products offered through these companies.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2011, we were actively managing \$59,797,872.00 of clients' assets on a discretionary basis plus \$2,498,143.00 of clients' assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **PORTFOLIO MANAGEMENT SERVICES FEES**

Our annual fees for Portfolio Management Services are based upon a percentage of assets

under management and generally range from 0.75% to 1.5%. Ward Financial Advisors, Ltd. recommends clients to authorize the deduction of these management fees directly from their investment accounts on a quarterly basis. All clients are given a quarterly invoice, billed in arrears based on the portfolio holdings at the end of the previous quarter, with the details of the fees deducted.

A minimum of \$1,000,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. We may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee. Ward Financial Advisors, Ltd.'s advisory fees are negotiable.

### **PENSION CONSULTING FEES**

Our fees for Pension Consulting Services are based on a percentage of assets under advisement, according to the following schedule:

**Annual Fee**  
.50% to .64%

### **FINANCIAL PLANNING FEES**

Ward Financial Advisors, Ltd.'s Financial Planning fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client and billed in arrears based on the value of the holdings at the end of the previous quarter.

Our Financial Planning fees are calculated and charged on an hourly basis, ranging from \$150.00 to \$235.00 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

Occasionally, our Financial Planning fees are calculated and charged on a fixed fee basis depending on the specific arrangement reached with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within two months. The balance is due upon completion of the plan.

***Financial Planning Fee Offset:*** Ward Financial Advisors, Ltd. reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Portfolio Management Services.

The client will be billed based on actual hours accrued.

### **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of advisory fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

**Mutual Fund Fees:** All fees paid to Ward Financial Advisors Ltd. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or EFTs 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. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. Ward Financial Advisors, Ltd. does not receive any commissions from mutual fund fees.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**IF APPLICABLE: Grandfathering of Minimum Account Requirements:** Pre-existing advisory clients are subject to Ward Financial Advisors, Ltd.'s minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

**ERISA Accounts:** Ward Financial Advisors, Ltd. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Ward Financial Advisors, Ltd. may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

**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.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$500 more than two months in advance of services rendered.

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

We endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser. We do not engage in the practice of Performance Based Fees or Side-By-Side Management.

## **Item 7 Types of Clients**

Ward Financial Advisors, Ltd. provides advisory services to the following types of clients:

- High net worth individuals
- Individuals other than High Net Worth Individuals
- Charitable Organizations
- Pension and profit sharing plans(other than plan participants)

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

### METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**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.

**Quantitative Analysis.** We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Asset Allocation.** Rather than focusing primarily on securities selection, 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.

**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 another fund(s) 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 holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.



## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- 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.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

## **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.

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

Management personnel of our firm, in their individual capacities, are brokers for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Management personnel of Ward Financial Advisors, Ltd. are also separately affiliated with various third-party administrators which provide back office support services to the sponsors of qualified retirement plans for a fee. In particular, these companies provide account recordkeeping services and a trading platform (via internet and telephone) by which plan participants may direct the investment of assets in their qualified plan account. We may refer clients in need of third-party administrative services to these companies. However, there are no referral fee arrangements with our firm for these recommendations. Third-party administrative services provided by these companies are separate and distinct from the advisory services we provide. No advisory client is obligated to use any company we might recommend for any third-party administrative services, and no client of the referral companies

is obligated to utilize our advisory services. Sponsors or trustees of pension, profit-sharing, 401(k), IRA or other client accounts subject to the provisions of ERISA or the prohibited transaction provisions of the Internal Revenue Code are solely responsible for determining whether or not to engage the services of a third-party administrator

Clients should be aware that the receipt of additional compensation by Ward Financial Advisors, Ltd. and its management persons or employees create a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Ward Financial Advisors, Ltd. endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

## **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.

Ward Financial Advisors, Ltd. 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.

Ward Financial Advisors, Ltd.'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 [Gerry@WardFinancialAdvisors.com](mailto:Gerry@WardFinancialAdvisors.com), or by calling us at 803-929-0720.

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.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be excluded in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. 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. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.

5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
9. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately licensed as insurance agents of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

For discretionary clients, Ward Financial Advisors, Ltd. requires these clients to provide us with written authority to determine the custodian.

Ward Financial Advisors, Ltd. will execute block trades where possible and when advantageous to clients. This block trades permit the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Ward Financial Advisors, Ltd. will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Ward Financial Advisors, Ltd.'s block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Ward Financial Advisors, Ltd. or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.

3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Ward Financial Advisors, Ltd. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.

5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

8) Ward Financial Advisors, Ltd.'s client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9) Funds and securities for aggregated orders are clearly identified on Ward Financial Advisors, Ltd.'s records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

Ward Financial Advisors, Ltd. requires that clients establish brokerage accounts with either Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab") or with National financial Services LLC/Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") to maintain custody of clients' assets and to effect trades for their accounts. Both are FINRA registered broker-dealers, and members of SIPC. Although we require that clients establish accounts at Schwab or Fidelity, it is the client's decision as to the custodian they choose. Ward Financial Advisors, Ltd. is independently owned and operated and not affiliated with either Schwab or Fidelity.

Both Schwab and Fidelity provide Ward Financial Advisors, Ltd. with access to their institutional platforms with trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisers on

an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at the respective institutional platforms. These services are not contingent upon our firm committing to Schwab or Fidelity any specific amount of business (assets in custody or trading commissions). Both firm's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Neither companies generally charge separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through or that settle into their respective accounts.

Both Schwab and Fidelity also make available to our firm other products and services that benefit Ward Financial Advisors, Ltd. but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at their respective custodians.

Schwab's and Fidelity's products and services that assist us in managing and administering our clients' accounts include software and other technology that

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, record keeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

The institutional platforms at Schwab and Fidelity may make available, arrange and/or pay third-party vendors for the types of services rendered to Ward Financial Advisors, Ltd. Schwab Institutional and Fidelity Advisors may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab and Fidelity may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend that clients custody their assets at Schwab or Fidelity, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab and Fidelity, which may create a potential conflict of interest.

Without this arrangement, we might be compelled to purchase the same or similar services at our own expense. As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Schwab or Fidelity's services. We

examined this potential conflict of interest when we chose to enter into the relationship with Schwab and Fidelity and have determined that the relationships are in the best interest of Ward Financial Advisors, Ltd.'s clients and satisfies our client obligations, including our duty to seek best execution. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Ward Financial Advisors, Ltd. will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

## **Item 13 Review of Accounts**

### **PORTFOLIO MANAGEMENT SERVICES**

**REVIEWS:** Ward Financial Advisors, Ltd. will review the client's investments monthly and rebalance the portfolio on client request or based on a client's need and/or risk tolerance. These accounts are reviewed by Wade F. Ward, Jr.

**REPORTS:** These client accounts will receive quarterly reports from Ward Financial Advisors, Ltd. as contracted for at the inception of the advisory relationship. In addition, a revised report may be supplied to the client at anytime upon client request. All clients received monthly statements from their custodial firm.

### **PENSION CONSULTING SERVICES**

**REVIEWS:** Ward Financial Advisors, Ltd. will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. Ward Financial Advisors, Ltd. will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly. These accounts are reviewed by Wade F. Ward, Jr.

**REPORTS:** These client accounts will receive reports as contracted for at the inception of the advisory relationship.

### **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise requested by the client and contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise requested by the client and contracted for.

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

It is Ward Financial Advisors, Ltd.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Ward Financial Advisors, Ltd.'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.

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.

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.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **Item 16 Investment Discretion**

### **Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

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.

Although the majority of Ward Financial Advisors, Ltd.'s client account are discretionary, we make provisions to manage non-discretionary accounts as needed by the individual client.

## **Item 17 Voting Client Securities**

### **VOTING CLIENT SECURITIES**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by



issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

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**

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than two months in advance of services rendered. As an advisory firm that as disclosed above, is required to provide a copy of our firm's balance sheet, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations should a conditional arise. We are not aware of any condition that would keep Ward Financial Advisors, Ltd. from meeting its contractual obligations.

Neither Ward Financial Advisors, Ltd. nor Wade F. Ward, Jr. has been the subject of a bankruptcy petition at any time.

## **Item 19 Requirements for State Registered Advisors**

All information is previously disclosed in the Firm Brochure. The information regarding the Principal Executive Officer, Wade F. Ward, Jr. of Ward Financial Advisors, Ltd. is provided elsewhere in this Form ADV. No further disclosure is required.



**Form ADV Part 2B**

***Brochure Supplement***

Advisor Representative:

**Gerry Ward, CFP®**

Wade Fitzgerald Ward, Jr. (CRD# 1155112)

**Ward Financial Advisors, Ltd.**

1925 Gadsden Street

Columbia, South Carolina 29201

Telephone: 803-929-0720

Email: [Gerry@WardFinancialAdvisors.com](mailto:Gerry@WardFinancialAdvisors.com)

Web Address: none

06/13/2012

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 is a regulatory process and does not imply any level of skill or training.

This "Brochure Supplement" provides information about "Gerry" Wade F. Ward, Jr. (Ward Financial Advisors, Ltd. advisor representative) that supplements the information found in the Ward Financial Advisors, Ltd. Form ADV Part 2A *Firm Brochure*. You should have received a copy of that brochure.

Additionally, a Summary of Professional Designations is included with this Part 2B Brochure Supplement. The list is provided to assist you in evaluating the professional designations our investment professional holds. If you did not receive a brochure, or have any questions about the contents of this supplement or about the professional designations, please contact Ward Financial Advisors, Ltd. at 803.929.0720.

Additional information about Gerry Ward, our advisor representative, is available on the SEC's website at:

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on *Investment Adviser Search* on the left, select Investment Adviser Representative (IAR), and search by name, Wade Fitzgerald Ward, Jr., or by Individual CRD # 1155112.

## **Educational Background and Business Experience for Gerry Ward**

Year of Birth: 1944

Formal education after high school:

Undergraduate work, The Citadel

Master of Science with a Concentration in Finance, University of South Carolina, May 1990

Thesis: Financial Analysis of Executive Compensation Programs

CFP® certificant, College For Financial Planning

Enrolled Agent

Accredited Tax Advisor

Accredited Tax Preparer

Gerry is President and Senior Financial Advisor for Ward Financial Advisors, Ltd. His clients are owners of closely-held corporations and public corporations, and successful individuals throughout the southeast. He manages clients' investment portfolios, designs and implements personal financial plans, business succession plans and executive retirement plans.

Gerry represented the United States as a Technical Expert for the ISO conference on Personal Financial Planning in Frankfurt, Germany in 2001, in Sydney, Australia in 2002, in Hong Kong and Sydney, Australia in 2003, in Berlin, Germany and London, United Kingdom in 2005, in Vienna, Austria in 2008, and was invited to attend the ISO Committee 22222 Meeting in Milan, Italy, in May, 2009.

Gerry organized and served as Program Director and Adjunct Professor for the first three two-year programs of the Registered Financial Planning Program taught at the University of South Carolina in Columbia, S. C.

### **Disciplinary Information**

None. No legal or disciplinary action has ever been taken against any of our employees nor, to the best of our knowledge, no legal or disciplinary action is pending.

### **Other Business Activities**

None.

### **Additional Compensation**

Charles Schwab provides investment and other business related workshops. We pay all our expenses and pay an additional fee to attend their annual Impact Conference.

Fidelity provides investment and other business related workshops. We pay all our expenses to attend these workshops.

### **Supervision**

Gerry Ward monitors and prepares all investment advice given to our clients.

## **SUMMARY of PROFESSIONAL DESIGNATIONS**

This Summary of Professional Designations is provided to assist you evaluating the professional designations and minimum requirements of our investment professional to hold these designations. "Understanding Professional Designations" may also be helpful and found on the FINRA website at: <http://apps.finra.org/DataDirectory/1/prodesignations.aspx>

<b>CFP - Certified Financial Planner</b>	
Designation	Certified Financial Planner
Designation Status	Currently offered and recognized by the issuing organization
Acronym	CFP®
Issuing Organization	<a href="#">Certified Financial Planner Board of Standards, Inc.</a>
Prerequisites/Experience Required	<p>Candidate must meet the following requirements:</p> <ul style="list-style-type: none"> <li>• A bachelor's degree (or higher) from an accredited college or university, and</li> <li>• Three years of full-time personal financial planning experience</li> </ul>
Educational Requirements	<p>Candidate must complete a <a href="#">CFP-board registered program</a>, or hold <u>one</u> of the following:</p> <ul style="list-style-type: none"> <li>• CPA</li> <li>• ChFC</li> <li>• Chartered Life Underwriter (CLU)</li> <li>• CFA</li> <li>• Ph.D. in business or economics</li> <li>• Doctor of Business Administration</li> <li>• Attorney's License</li> </ul>
Examination Type	CFP Certification Examination
Continuing Education/Experience Requirements	30 hours every two years
Investor Complaint Process	Online at <a href="#">Submit a Complaint</a>
Public Disciplinary Process	Online at <a href="#">Public Disciplinary Actions</a>
Check Professional's Status Online	Online at <a href="#">Search for a Certified Financial Planner Professional</a>
Accredited By	<a href="#">National Commission for Certifying Agencies (NCCA)</a>
	Certified Financial Planners who fail to comply with the standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

<b>EA - Enrolled Agent</b>	
Designation	Enrolled Agent
Designation Status	Currently offered and recognized by the issuing organization
Acronym	EA
Issuing Organization	<a href="#">Internal Revenue Service</a>
Prerequisites/Experience Required	Pass a background check to ensure that applicant has not engaged in any conduct that would justify the suspension of an enrolled agent from practice before the IRS
Educational Requirements	<p>Candidates become an EA by either of the following paths:</p> <ul style="list-style-type: none"> <li>• Successful completion of the three-part IRS Special Enrollment Examination (SEE)</li> <li>• Have accepted IRS experience of five years employment by the IRS in a position which regularly interpreted and applied the tax code and its regulations</li> <li>• Successfully pass the background check conducted by the IRS</li> </ul> <p>IRS Circular 230 contains more detailed information about these two paths</p>
Examination Type	Written three-part IRS Special Enrollment Examination (SEE) <a href="#">exam</a> for path one
Continuing Education/Experience Requirements	<ul style="list-style-type: none"> <li>• <a href="#">72 hours of continuing education credits over a three-year enrollment period, with a minimum of 16 hours each year</a></li> <li>• Six hours of ethics training over a three-year enrollment period</li> </ul>
Investor Complaint Process	Complaints may be submitted via mail, email, fax, phone or online (depending upon the <a href="#">nature of the complaint</a> )
Public Disciplinary Process	None
Check Professional's Status Online	None
Accredited By	None
More information	Online at <a href="http://www.irs.gov">http://www.irs.gov</a>

<b>ATA - Accredited Tax Advisor®</b>	
Designation	Accredited Tax Advisor®
Designation Status	Currently offered and recognized by the issuing organization
Acronym	ATA
Issuing Organization	<b>The Accreditation Council for Accountancy and Taxation® (ACAT)</b>
Prerequisites/Experience Required	<p>Professionals receive accreditation through</p> <ul style="list-style-type: none"> <li>• scoring 70% or better on a three and a half hour, 100 question ATA examination, and/or formal coursework and</li> <li>• five years of experience in tax preparation, compliance, tax planning and consulting, of which 40% must be in tax planning and consulting</li> </ul>
Educational Requirements	<p>None required to sit for the examination, but, to earn and use the credential,</p> <ul style="list-style-type: none"> <li>• five years of experience in tax preparation, compliance, tax planning and consulting, of which 40% must be in tax planning and consulting are required</li> <li>• Recommended: two years of college-level accounting</li> </ul>
Examination Type	Accredited Tax Advisor® (ATA) Examination
Continuing Education/Experience Requirements	<p>Continuing Professional Education and adherence to the Council's Code of Ethics and Rules of Professional Conduct:</p> <ul style="list-style-type: none"> <li>• 90 Hours of CPE during each 3-year cycle, or 30 CPE hours per year</li> <li>• At least 86 hours in taxation or related subjects (accounting, finance, technology, business law) or subjects related to the particular area of practice or employment, plus 4 hours in Ethics</li> </ul>
Check Professional's Status Online	Online at <a href="http://web.memberclicks.com/mc/directory/viewsimplesearch.do?orgId=acat">Accreditation Council for Accountancy and Taxation Directory Search: http://web.memberclicks.com/mc/directory/viewsimplesearch.do?orgId=acat</a>
Governed By	Ten-member Board of Directors that includes practitioners, educators and public practicing accountants who have extensive expertise in conducting continuing education courses at the local, state, and national levels
More information	Online at <a href="http://www.acatcredentials.org">www.acatcredentials.org</a>

<b>ATP - Accredited Tax Preparer®</b>	
Designation	Accredited Tax Preparer®
Designation Status	Currently offered and recognized by the issuing organization
Acronym	ATP
Issuing Organization	<b>The Accreditation Council for Accountancy and Taxation® (ACAT)</b>
Prerequisites/Experience Required	<p>Professionals receive accreditation through</p> <ul style="list-style-type: none"> <li>• scoring 70% or better on a three and a half hour, 100 question ATP examination that tests proficiency in the preparation of individual tax returns, comprehensive 1040 issues, and ethics, and/or a minimum of 60 hours formal coursework and</li> <li>• three years of work experience in tax preparation, two of which may be satisfied though college credit.</li> </ul>
Educational Requirements	<p>None required to sit for the examination, but, to earn and use the credential,</p> <ul style="list-style-type: none"> <li>• three years of work experience in tax preparation, two of which may be satisfied though college credit are required</li> <li>• Recommended: two years of college-level accounting</li> </ul>
Examination Type	Accredited Tax Preparer® (ATP) Examination
Continuing Education/Experience Requirements	<p>Continuing Professional Education and adherence to the Council's Code of Ethics and Rules of Professional Conduct:</p> <ul style="list-style-type: none"> <li>• 72 Hours of CPE during each 3-year cycle, or 24 CPE hours per year</li> <li>• At least 68 hours in taxation or related subjects (accounting, finance, technology, business law) or subjects relate to the particular area of practice or employment, plus 4 hours in Ethics</li> </ul>
Check Professional's Status Online	Online at Accreditation Council for Accountancy and Taxation Directory Search: <a href="http://web.memberclicks.com/mc/directory/viewsimplesearch.do?orgId=acat">http://web.memberclicks.com/mc/directory/viewsimplesearch.do?orgId=acat</a>
Governed By	Ten-member Board of Directors that includes practitioners, educators and public practicing accountants who have extensive expertise in conducting continuing education courses at the local, state, and national levels

The Accreditation Council for Accountancy and Taxation® (ACAT) is not a membership organization; it was established in 1973 as a non-profit independent testing, accrediting and monitoring organization. ACAT is affiliated with the National Society of Accountants, headquartered in Alexandria, VA.