

**SCHWARZ DYGOS WHEELER INVESTMENT ADVISORS LLC**

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[www.sdwia.com](http://www.sdwia.com)**March 28, 2012**

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**FORM ADV PART 2A BROCHURE**

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SCHWARZ DYGOS WHEELER INVESTMENT ADVISORS LLC (hereinafter "SDW") is an investment adviser registered with the Securities and Exchange Commission (hereinafter "SEC"). An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of SCHWARZ DYGOS WHEELER INVESTMENT ADVISORS LLC. If you have any questions about the contents of this brochure, please contact us at (612) 355-4360. 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 SCHWARZ DYGOS WHEELER INVESTMENT ADVISORS LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Material Changes - Item 2**

**Revised: March 28, 2012**

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

On March 28, 2012, we submitted our annual updating amendment filing and updated our assets under management on Page 5, Item 4 of this Brochure.

We review and update our brochure at least annually to make sure that it remains current.

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#### **Advisory Business - Item 4**

SDW is a registered investment adviser based in Minneapolis, Minnesota. We are a limited liability company under the laws of the State of Delaware. We have been providing investment advisory services since 2008. Joseph Schwarz, Benjamin Wheeler and Stephen Dygos are the Managing Members of SDW.

Currently, we offer the following investment advisory services, personalized to each individual client:

- **Portfolio Management Services**
- **Financial Planning Services**

The following paragraphs describe what we do and what we charge. Each investment advisory service is listed below and describes how we tailor our advisory services to your individual needs. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our Firm who is an officer, employee, and all individuals providing investment advice on behalf of our Firm. Such persons are properly registered as investment adviser representatives in all required jurisdictions.

#### ***Portfolio Management Services***

Portfolio management refers to the management of money, including investments. Assets are usually held in what is called a portfolio. Determining the types and quantities of securities to hold in a portfolio is referred to as portfolio management.

Our Firm offers discretionary and non-discretionary portfolio management services to our clients and prospective clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. Non-discretionary portfolio management means we will contact you before a trading decision is taken.

Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our Firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

There are a few ways we might create your investment portfolio depending on what we decide would work best for you. We may customize a portfolio for you based the goals and risk we determined during the information gathering process. Or we might use a predetermined strategy rather than choosing individual securities. Alternatively, it may be that one of the model portfolios developed by our Firm would be the best fit for your needs.

SDW mainly uses equity securities, exchange traded funds, mutual funds, corporate securities, municipal securities and U.S. government securities in its portfolio management programs. We may also advise you to invest in various investment related limited partnerships.

However we construct your investment portfolio, we will monitor your portfolio's performance on an ongoing basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

As outlined above, discretionary portfolio management services means that once the portfolio has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. This authority is granted to us by you in a written agreement. This allows our Firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is done using either the investment advisory agreement you sign with our Firm, a limited power of attorney agreement, or trading authorization forms. You may limit this authority by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

The non-discretionary portfolio management service means, as outlined above, that we must obtain your approval prior to making any transactions in your account.

We recommend that you review the statement(s) you receive from the qualified custodian. If you see something that is incorrect, please call our main office number, located on the cover page of this brochure.

### ***Financial Planning Services***

We offer comprehensive financial planning including portfolio allocation reviews, tax planning, charitable gifting strategies, risk and insurance analysis, estate and retirement planning and preparation for life transitions including family wealth planning. SDW strives to achieve a client's long-term financial goals by implementing a financial planning process that may include any or all of the following steps:

- Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements etc.
- Identification of a client's financial and personal goals and objectives. Goals or objectives may include financing a child's college education or retirement planning. The identified goals or objectives are specific, realistic and measurable. All goals include time horizons.
- Resolution of finance related problems. Obstacles to achieving financial independence are identified so that resolution may occur. Examples of problem areas can include too little or too much insurance coverage, inadequate cash flow or a high tax burden.
- Plan Design. A written financial plan is prepared that includes recommendations and solutions to any financial related problems.
- Implementation of the financial plan. The financial plan is finalized and agreed upon. The recommendations and solutions are executed to reach the desired goals and objectives.
- Evaluation of the financial plan is conducted periodically. The financial planning service provides periodic review and revision of the plan to ensure that the financial goals are achieved.

Financial plans are based on your financial situation and the financial information you provide to our Firm. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

We also provide financial planning services that cover a specific area, such as retirement or estate planning. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage firm of your choice.

### **Assets Under Management**

As of March 28, 2012, we manage \$83,800,000 in client assets on a discretionary basis, and \$25,800,000 in client assets on a non-discretionary basis.

### **Fees and Compensation - Item 5**

SDW charges fees based on a percentage of assets under management, hourly charges, fixed fees (not including subscription fees) or other fees for its advisory services. At the sole discretion of SDW these fees are negotiable.

### **Portfolio Management Services**

If you decide to engage SDW for portfolio management services, we will charge an annual fee based upon a percentage of the market value of the assets being managed. Our fee for portfolio/asset management services is set forth in the following fee schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee*</u></b>
\$0 to \$500,000	1.25%
\$500,001 - \$1,000,000	1.00%
\$1,000,001 - \$5,000,000	0.75%
Over \$5,000,000	0.50%

SDW allows related accounts to be combined for fee paying purposes. We combine the account valuations to assist you in meeting fee breakpoints and therefore lowering the overall fee level. SDW extends this option to all accounts residing in the same household and certain members of the same family.

SDW will either bill you directly for payment of our fees or the fees will be deducted from your account. Fees are billed monthly, in advance and are based on the value of your portfolio at the end of the preceding month. When we bill you directly for the payment of our fees, we expect payment in full upon invoice presentation. When we deduct fees directly from your portfolio, we usually deduct from a designated account to facilitate billing. The client must consent in advance to direct debiting of their account.

If you choose to have SDW's fee deducted directly from your account, you must provide authorization. The qualified custodian holding your funds and securities will send you an account statement at least quarterly. This statement will detail account activity. Please review each statement for accuracy. SDW has access to your account statements from the custodian.

Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. However, we will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

At the inception of investment management services, the first month's fees will be calculated on a pro-rata basis. The Advisory Agreement between SDW and the client will continue in effect until either party terminates the Agreement in accordance with the terms of the Agreement. SDW's annual fee will be pro-rated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

### **Financial Planning Services**

SDW may provide its clients with financial planning and consulting services. SDW will charge a fixed fee and/or hourly fee for consulting services. Our consulting fees are negotiable. We utilize the following financial planning fee schedules:

- *Fixed Fees:* SDW will charge a fixed fee that ranges from \$1,000.00 to \$10,000.00, for broad based planning services. *In limited circumstances*, the total cost could potentially exceed \$10,000.00. In such cases, we will notify the client and may request that the client pay an additional fee.
- *Hourly Fees:* SDW charges an hourly fee of \$250 for clients who request specific services (such as a modular plan or hourly consulting services) and do not desire a broad based written financial plan.

Prior to engaging SDW to provide consulting services, the client will generally be required to enter into a written agreement with us. The agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the portion of the fee that is due from the client. Generally, SDW requires full payment of the financial planning fee upon entering the written agreement. Where a client requests a specific hourly consultation, the entire fee will be payable upon completion of the consulting session.

Either party may terminate the agreement by written notice to the other. In the event the client terminates SDW's consulting services, the balance of SDW's unearned fees (if any) shall be refunded to the client.

### **Additional Fees and Expenses**

The fees SDW charges may be negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. As described above, the fees are charged as described and are not based on a share of capital gains of the funds of an advisory client. All fees paid to SDW for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of SDW. In that case, the client would not receive the services provided by SDW which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by SDW to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

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

We and our Associated Persons do not accept performance based fees. Performance based fees are based on a share of capital gains on or capital appreciation of the client's assets.

### **Types of Clients - Item 7**

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

SDW requires a minimum of \$200,000 to open and maintain an advisory account. At our sole discretion we may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members.

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

The following are different methods of analysis that we may use when providing you with investment advice:

- Fundamental Analysis – fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.
- Technical Analysis – technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall.

We may use one or more of the following investment strategies when advising you on investments:

- Long Term Purchases – securities held for over a year.
- Short Term Purchases – securities held for less than a year.
- Trading – securities are sold within 30 days.
- Covered Options – covered option is a strategy in which an investor writes an option contract while at the same time owning an equivalent number of shares of the underlying stock.
- Margin Transactions – margin strategies allow an investor to purchase securities on credit and to borrow on securities already in their custodial account. Interest is charged on any borrowed funds for the period of time that the loan is outstanding.
- Short Sales – short selling is the selling of a stock that the seller doesn't own. More specifically, a short sale is the sale of a security that isn't owned by the seller, but that is promised to be delivered.

The investment advice provided along with the strategies suggested by SDW will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed will be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments you intend to invest in.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by

any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Futures and Options:** Options and futures contracts on securities carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

### **Disciplinary Information - Item 9**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no history of legal or disciplinary events by our Firm, our principals or advisory representatives.

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

Our Firm and our related persons conduct financial industry relationships on an independent and unaffiliated basis. This practice minimizes any material client advisory business conflict of interest.

Joseph Schwarz, Benjamin Wheeler and Stephen Dygos, Managing Members, are not involved in any other financial industry activities and do not have any financial industry affiliations.

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

#### **Description of Our Code of Ethics**

SDW has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes SDW's policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.



- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

You can request a copy of our Code of Ethics from Benjamin Wheeler, Managing Members/Chief Compliance Officer at our principal office address.

### **Personal Trading Practices**

At times SDW and/or its Advisory Representatives may take positions in the same securities as clients, which may pose a conflict of interest with clients. SDW and its Advisory Representatives will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

### **Brokerage Practices - Item 12**

For SDW's portfolio management programs, we recommend and request clients to implement trades and maintain custody of assets through discount brokers. We recommend the services of Fidelity Brokerage Services, LLC ("Fidelity"), Member NYSE/SIPC. Fidelity is unaffiliated and offers independent investment advisers services, which include custody of client securities, trade execution, clearance and settlement of transactions, and daily research and investment information.

In selecting a broker dealer based on discretionary authority or in suggesting a broker dealer on behalf of a non-discretionary account, SDW will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. In addition, SDW may cause the account to pay a higher commission in recognition of the value of "research services" and additional brokerage products and services a broker-dealer has provided or may be willing to provide.

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

Through our recommendation of Fidelity for brokerage and custodial services, we and/or our Associated Persons may receive benefits such as assistance with conferences and educational meetings from product sponsors.

Beyond a broker's ability to provide best execution, SDW will also consider the value of research and additional brokerage products and services a broker/dealer has provided or will provide. In some cases, because such services could be considered to provide a benefit to SDW, the Firm could be considered to have a conflict of interest in allocating client brokerage business where it receives such benefits in a manner that would be considered to be provided to the Firm in the form of "soft dollars." SDW could receive such benefits by selecting a particular broker or dealer to execute client transactions, and the transaction compensation charged by that broker or dealer might not be the lowest compensation the Firm might otherwise be able to negotiate.

Research products and services received from brokers/dealers may consist of economic surveys, data and analyses, financial publications, recommendations or other information about particular companies and industries (through research reports and otherwise), and other products or services (e.g., computer services and equipment, including hardware, software, and data bases) that provide lawful and appropriate assistance to the Firm in the performance of its investment decision-making responsibilities. Consistent with Section 28(e) of the Securities Exchange Act of 1934, brokerage products and services consist primarily of computer services and software that permit SDW to effect securities transactions and to perform functions incidental to transaction execution. SDW uses such products and

services in the conduct of its investment decision making generally, and not just for those accounts whose commissions may be considered to have been used to pay for the products or services.

SDW's use of "soft dollars" in this manner satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934. That is, before placing orders with a particular broker, SDW determines, considering the factors described above, that the commissions to be paid are reasonable in relation to the value of all the brokerage and research products and services provided by that broker/dealer. In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

#### **Directed Brokerage**

The client may direct brokerage to a specified broker/dealer other than the Firm recommended by SDW. It is up to the client to negotiate the commission rate, as SDW will not. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the broker/dealer used by SDW. In client directed brokerage arrangements, the client may not be able to participate in aggregated ("blocked") trades, which may help reduce the cost of execution. Where the client does not otherwise designate a broker/dealer, SDW recommends a broker/dealer with competitive commission rates.

#### **Trade Aggregation**

While individual client advice is provided to each account, client trades may be executed as a block trade. SDW encourages its existing and new clients to use Fidelity. Only accounts in the custody of Fidelity would have the opportunity to participate in aggregated securities transactions. All trades using Fidelity will be aggregated and done in the name SDW. The executing broker will be informed that the trades are for the account of SDW's clients and not for SDW itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and SDW will not aggregate a client's order if in a particular instance SDW believes that aggregation would cause the client's cost of execution to be increased. Fidelity will be notified of the amount of each trade for each account. SDW and/or its Advisory Representatives may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only after the determination has been made that clients will receive fair and equitable treatment.

### **Review of Accounts - Item 13**

#### **Portfolio Management Account Reviews**

SDW monitors the individual investments within SDW's portfolio management program each day the market is open. Portfolio performance is reviewed, at a minimum, on a quarterly basis. SDW offers portfolio management clients an in-person portfolio review meeting on an annual basis. A financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan.

Joseph Schwarz, Benjamin Wheeler and Stephen Dygos, Managing Members, perform all account reviews and monitor the portfolios and financial plans for investment objectives and other supervisory review.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis.

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

Apart from the research and soft dollar benefit received from Fidelity (disclosed in the Research and Other Soft Dollar Benefits section above), we do not receive economic benefits from third parties in exchange for providing investment advice or other advisory services to our clients.

We and our related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for client referrals.

### **Custody - Item 15**

SDW is deemed to have custody of client funds solely because of the fee deduction authority granted by the client in the investment advisory agreement.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Client is urged to compare custodial account statements against statements prepared by SDW for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

### **Investment Discretion - Item 16**

SDW offers Portfolio Management Services to its advisory clients on both a discretionary and non-discretionary basis. SDW will manage client accounts on a discretionary basis if the client has granted discretionary authority in the client advisory agreement. Discretionary authority extends to the type and amount of securities to be bought and sold and do not require advance client approval. However, SDW does not have the ability to withdraw funds or securities from the client's account.

In a non-discretionary account, an Associated Person of SDW recommends the purchase or sale of securities for review and approval by their clients. SDW will only purchase or sell securities which have been approved by clients in advance.

You may limit this authority if you wish by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

### **Voting Client Securities - Item 17**

#### **Proxy Voting**

SDW does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

### **Financial Information - Item 18**

We are required in this Item to provide you with certain financial information or disclosures about SDW's, financial condition. SDW has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

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

**[This section is intentionally left blank- Our Firm is SEC registered]**

### **Miscellaneous**

#### **Class Action Lawsuits**

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. SDW has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the Firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where the Firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials, to the client. Electronic mail is acceptable where appropriate, and the client has authorized contact in this manner.

**Trade Error Correction Procedures**

On infrequent occasions, an error may be made in a client account. For example, a security may be erroneously purchased for the account instead of sold. In these situations, the Firm generally seeks to rectify the error by placing the client account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including among others canceling the trade or adjusting an allocation. Any gains or losses resulting from error correction will be placed in SDW's error correction account.

**Confidentiality**

SDW views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the Firm has instituted policies and procedures to ensure that customer information is kept private and secure.

SDW does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, SDW may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

SDW restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. SDW maintains physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the Firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the Firm's policy not to share information unless required to process a transaction, at the request of the client, or as required by law.

A copy of the Firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the advisory agreement. Thereafter, the Firm will deliver a copy of the current privacy policy notice to its clients on an annual basis. If you have any questions on this policy, please contact Benjamin Wheeler, Managing Member/Chief Compliance Officer at (612) 355-4363.