

# SWM Advisors Firm Brochure

*This brochure provides information about the qualifications and business practices of SWM Advisors. If you have any questions about the contents of this brochure, please do not hesitate to contact us at (727) 456-0011 or by email at: [info@swm3.com](mailto:info@swm3.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 SWM Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). SWM Advisors' CRD number is: 158398*

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## **Item 2: Material Changes**

Noted below are the material changes in this brochure from the last annual updating amendment of SWM Advisors on March 19, 2019:

Item 4:

- Updated Financial Planning Service description

Item 5:

- Updated Financial Planning Service fees

### Item 3: Table of Contents

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

SWM Advisors is a Limited Liability Company organized in the state of Florida. This firm has been in business since June 2011, and the principal owners are Matthew Richard DiGennaro and Valerie Clark DiGennaro. Matthew Richard DiGennaro is a Managing Member and CEO. Valerie Clark DiGennaro is a Member and Head of Sales.

### B. Types of Advisory Services

SWM Advisors (hereinafter “SWM”) offers the following services to advisory clients:

#### ***Investment Advisory Services (“IAS”)***

SWM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SWM creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client’s specific situation. Investment Advisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

SWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SWM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### ***Financial Planning Services (“FPS”)***

SWM will work with clients to incorporate their investment portfolio into their overall financial strategy through FPS. These types of services may include:

- Personal finances
- Risk management and insurance planning
- Debt management
- College planning
- Investment strategy
- Tax planning
- Retirement and income planning
- Estate planning

For some areas above, it will be necessary to work with external attorneys, CPAs, insurance providers, etc. (“External Providers”) whose services and fees are separate from SWM’s services and fees. External Providers’ Fees are billed to Client directly by External Providers.

#### ***Retirement Plan Advisory Services (“RPS”)***

SWM will provide Investment Fiduciary and Retirement Plan Consulting Services to assist Retirement Plans Sponsors (“Sponsor”) in meeting its requirement for administering and managing its retirement plan. This can be accomplished in one of two ways: through 3(21) Nondiscretionary Fiduciary Services or through 3(38) Discretionary Fiduciary Services. Each is discussed in more detail below.

- **3(21) Nondiscretionary Co-Fiduciary Services:** SWM will act solely in the interest of the Plan’s Participants (and beneficiaries) in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. SWM will solely be making recommendations to the Sponsor, and the

Sponsor retains full discretionary authority or control over assets of the Plan. With the Sponsor, SWM will:

- Provide recommendations to select, monitor and replace investments for the Plan in accordance with the Plan's investment objectives, risk tolerance and goals
  - Periodically review the investment options and recommend changes as needed
  - When applicable, assist Sponsor with creating a series of risk-based models, in addition to reallocating and rebalancing said models, as needed
  - Provide recommendations for the Plan's Qualified Default Investment Alternatives ("QDIA") through the series of Target Date Funds ("TDF")
- **3(38) Discretionary Fiduciary Services:** SWM will exercise discretionary authority over the plan assets. Section 402(c)(3) of ERISA allows Sponsor to delegate responsibility for selecting, monitoring and replacing plan assets to an "investment manager" that meets the requirements of Section 3(38) of ERISA. Section 405(d)(1) of ERISA provides that if an investment manager is properly appointed, then "no trustee shall be liable for the acts or omissions of such investment manager or managers or be under an obligation to invest or otherwise manage any asset of the plan which is subject to the management of such investment manager." SWM will:
    - Select, monitor and replace investments for the Plan in accordance with the Plan's investment objectives, risk tolerance and goals
    - Periodically review the investment options and make changes as needed
    - Create a series of risk-based models, in addition to reallocating and rebalancing said models, as needed
    - Select investments for the Plan's Qualified Default Investment Alternatives ("QDIA") through the series of Target Date Funds ("TDF")

SWM will not take custody of Plan assets as assets will be held by a third-party custodian. SWM will not provide individual investment advice but will assist the Sponsor with group investment education sessions.

### ***Services Limited to Specific Types of Investments***

SWM generally limits its investment management to the use of mutual funds and exchange traded funds (ETFs) with underlying asset classes of both U.S. and international that may include: equities, fixed income and/or, REITs. SWM may also use individual fixed income securities when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

Clients should be aware that specific client investment plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets. Clients may not impose restrictions in investing in certain securities or types of securities.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. **SWM does not participate in any wrap fee programs.**

## E. Assets Under Management

SWM has the following assets under management ("AUM"):

| Discretionary Amounts: | Non-discretionary Amounts: | Date Calculated: |
|------------------------|----------------------------|------------------|
| \$307,342,097          | \$16,477,279               | 02/28/2019       |

## Item 5: Fees and Compensation

### A. Fees ("Fees")

#### ***Investment Advisory Service Fees***

The maximum annual Fee is 0.99% of AUM with a minimum account size of \$500,000. The minimum annual account fee is \$4,950. Fees, as well as account size minimum, are negotiable in certain circumstances where the needs of the client and specific client circumstances warrant. However, the minimum annual account fee may still apply. In instances where the account size falls below the minimum or is waived, the account will be subject to the minimum annual account fee, which may result in a higher percentage fee. The final fee will be included as an exhibit in the Investment Advisory Contract.

The Fee payment will be based on the value of the assets in the account as of the close of business on the last business day of the period as valued by the custodian of the assets. Fees are paid monthly in arrears. Clients may terminate their contracts with thirty (30) days' written notice to either party. Because fees are charged in arrears, no refund policy is necessary. However, any accounts that are terminated by either party will have the contracted advisory fee continue to accrue for the contracted 30-day notice (termination) period. The remaining, and accruing, advisory fee for that 30-day notice period may be charged to the client immediately upon notice of termination. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract.

Investment advisory fees are withdrawn directly from the Client's accounts with client written authorization. As such, the IA is required to: a) Obtain client authorization for the direct deduction of fees from the Client account, and b) Disclose that the Custodian will send a statement to the Client wherein Advisor fees are listed.

#### ***Financial Planning Service Fees***

These services are designed for Clients who contract for FPS one-time or on an ongoing basis. The maximum initial FPS Fee is \$5,900. Fees may be reduced based on client needs and project scope. Fees are payable in full and in advance. If Client terminates this agreement before completion or delivery of the financial plan, any fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination, as determined by SWM. The Fees for FPS will be a fixed amount, and not based upon any percentage of assets.

After the first year, if client chooses, they may elect ongoing financial planning support and service from SWM. The fee for the ongoing FPS service will vary based upon complexity but will be no more than \$5,900 per year. The ongoing fee will be invoiced annually on the anniversary of the FPS Agreement.

IAS services and FPS services are separate services. Clients who engage SWM for both IAS and FPS may have a portion of their fee waived where the needs of the client and specific client circumstances warrant.



### ***Retirement Plan Advisory Service Fees***

The maximum annual fee is 0.89% of AUM with a minimum account size of \$1,000,000. The minimum annual account fee is \$8,900. Fees, as well as account size minimum, are negotiable in certain circumstances where the needs of the client and specific client circumstances warrant. However, the minimum annual account fee may still apply. In instances where the account size falls below the minimum or is waived, the account will be subject to the minimum annual account fee, which may result in a higher percentage fee. The final fee will be included as an exhibit in the Investment Fiduciary & Retirement Plan Consulting Agreement. Fees will be reviewed annually, for any applicable adjustments, on the Plan's anniversary date. Unless specified otherwise, Fees will be based on the value of the account as of the last business day of the preceding Fee period or the average daily balance for the preceding fee period, subject to custodian or recordkeeper Fee payment system.

Unless terminated, this Agreement is ongoing. Client may terminate this Agreement within five (5) business days of executing this Agreement without incurring a penalty or charge. Otherwise, either party may terminate this Agreement upon thirty (30) days prior written notice to the other party and Advisor will be entitled to a pro-rata amount of compensation.

Other fees for Retirement Plan Services may apply, including but not exclusive, to on-site per diem charges by SWM at a rate negotiated within the contract and paid in arrears.

## **B. Payment of Fees**

### ***Payment of Investment Advisory Service Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. The Fee will be based on the value of the assets in the account as of the close of business on the last business day of the month as valued by the custodian of the assets. Fees are paid monthly in arrears.

### ***Payment of Financial Planning Service Fees***

FPS Fees are payable in full and in advance.

### ***Payment of Retirement Plan Advisory Service Fees***

The Sponsor shall pay Fees directly to Advisor or cause the Plan custodian/recordkeeper to pay Fees directly to Advisor. Unless specified otherwise, Fees will be based on the value of the Account as of the last business day of the preceding Fee period or the average daily balance for the preceding fee period, subject to custodian or recordkeeper Fee payment system.

Fees shall be payable within fifteen (15) days after the billable period via wire or ACH unless otherwise agreed to by Advisor. In the event any Fees remain unpaid after 30 days, Client authorizes custodian or recordkeeper to pay the Fees directly from Plan assets.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SWM. Please see Item 12 of this brochure regarding broker/custodian.

For Retirement Plan Advisory Services, the Plan is responsible for fees imposed by unaffiliated third parties. Such charges include, but are not limited to, custodial fees, brokerage commissions, transaction fees, clearing or settlement services, third-party investment management fees charged by mutual funds or third party managers, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the Plan, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), certain deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

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

FPS Fees are payable in full and in advance.

#### **E. Outside Compensation for the Sale of Securities to Clients**

Neither SWM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds. SWM will **not** receive commissions, 12b1 fees, sales charges, fund expenses, or any other miscellaneous sales fees or other forms of compensation.

Further, except for items of de minimis value, Associates may not accept gifts, service, favors, special accommodations, or other things of material value from a client, prospect, service provider (related or third-party) or other entity that does business on behalf of SWM. The receipt of an occasional dinner, a ticket to a sporting event or the theater, or comparable entertainment shall be considered to be of de minimis value if the person or entity providing the entertainment is present.

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

SWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **Item 7: Types of Clients**

SWM generally provides investment advisory services to the following types of clients:

- Individuals
- Foundations
- Institutional Retirement Plans
- Corporations or Business Entities
- Municipalities

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

#### **A. Methods of Analysis and Investment Strategies**

##### ***Methods of Analysis and Investment Strategies***

For Investment Advisory Service ("IAS") clients, SWM's strategy is to construct a portfolio based on the client's risk assessment, goals and financial condition, while for Retirement Plans, SWM will select a prudent line-up of mutual funds, to include the designated QDIA funds, and may design model portfolios for the participants to choose based on their risk assessment. The IAS portfolios, or retirement plan fund line-ups, generally look across a wide range of asset classes using low-cost and broadly diversified investments. To represent the broad diversification of the various markets segments, low cost mutual funds, index funds and exchange-traded funds (ETFs) will be the product of choice whenever possible or practical. These funds are well-suited because they are designed to mimic market returns in those respective asset classes less a small fund expense. Index funds typically have low turnover of securities that make them more tax-efficient than other mutual fund types. Thus, the analysis is more focused on the market segments, and asset allocation, rather than on individual securities. **Investing in securities involves a risk of loss that clients should be prepared to bear.**

As is the case with all securities and investments, investment portfolios can appreciate or depreciate. Past performance of any investment advisor, index or security is not an indication of future performance or results. SWM does not guarantee or warranty that their investment services will result in a profit.

## **B. Material Risks Involved**

### ***Methods of Analysis***

The method employed by SWM is based on Modern Portfolio Theory. This approach attempts to maximize the expected return of a portfolio – for a given level of risk – by diversifying that portfolio over a wide range of asset classes. With the understanding that certain asset classes change values in differing ways, combining asset classes that are not highly correlated with each other seeks to reduce the total variance (risk) of the portfolio. However, given that global markets and individual segments inherently fluctuate, the risk assumed is that the market or market segments represented in individual portfolios may fail to reach the expectations of SWM and/or investors.

### ***Investment Strategies***

SWM investment strategy is designed to closely mimic market rates of both return and risk. However, frequent trading, when done, can adversely affect investment performance, particularly through increased brokerage and other transaction costs and taxes. SWM does not engage in, nor promote, frequent trading.

Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using this strategy. **Investing in securities involves a risk of loss that clients should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

SWM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that clients should be prepared to bear.**

As is the case with all securities and investments, investment portfolios can appreciate or depreciate. Past performance of any investment advisor, index or security is not an indication of future performance or results. SWM does not guarantee or warranty that their investment services will result in a profit.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SR) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither SWM nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither SWM nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Andrea N. Mullins is the Chief Compliance Officer of SWM. In addition, she is an independent trustee/chairperson for the Valued Advisers Trust ("VAT"), and an independent trustee of Angel Oak Funds Trust and Angel Oak Strategic Credit Fund ("Angel Oak"). SWM does not invest in any of the VAT or the Angel Oak funds as they do not meet SWM's investment criteria.

Vikram Kuriyan is the Chief Market Strategist for SWM. Periodically, he advises SWM on high level strategies. He is not involved in the day-to-day operations nor the selection or execution of securities. Outside of SWM, Dr. Kuriyan is the Vice Chairman and Chief Portfolio Strategist for SystemTwo Advisors, L.P ("SystemTwo"). At SystemTwo, he is not involved in the day-to-day operations nor the selection or execution of securities. Dr. Kuriyan is Chairman of GWA. GWA provides various indices to global institutional investors. He has no control of the underlying investors that subscribe to GWA's indices. Dr. Kuriyan does not have any influence on securities in which the investors transact. In addition, Dr. Kuriyan is an advisor to the India Securities & Exchange Board, a faculty member of the Indian School of Business, an Independent Trustee to the Forefront Income Trust, a Board of Director to the TVS Shriram Growth Fund (registered in India) and a Trustee of the CFA Institute Research Foundation. SWM does not invest in the Forefront Income Trust nor the TVS Shriram Growth Fund as they do not meet SWM's investment criteria.

### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

SWM does not utilize nor select other advisors or third-party managers. All assets are managed by SWM.

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

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions including Procedures and Reporting, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Political & Charitable Contributions, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, and Compliance Officer Duties. Our Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

SWM does not recommend that clients buy or sell any security in which a related person to SWM or SWM has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, Access Persons<sup>2</sup> of SWM may buy or sell securities for themselves that they also buy or sell for Clients. This may provide an opportunity for representatives of SWM to buy or sell the same securities before or after buying or selling the same securities to clients which possibly could result in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. However, given the nature of the securities that SWM invests for its clients, mainly large mutual funds and ETFs with high degrees of market liquidity, it would be difficult for a representative of SWM to profit from such transactions. Due to the size, liquidity, nature and scope of the securities that SWM buys or sells for its Clients, there should not be a situation where any conflicts of interest arise relative to a SWM associate buying or selling the same security held by, or contemplated being bought or sold for, a Client. However, should there be any potential or real conflict of interest, SWM will avoid the conflict of interest if possible and will document any transactions that could be construed as a conflict of interest.

<sup>2</sup> Access Persons are defined as any supervised person who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any fund the advisor or its control affiliates manage; or is involved in making securities recommendations to clients, or has access to such recommendations that are nonpublic. All of the firm's directors, officers, and partners are presumed to be Access Persons.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, Access Persons of SWM may buy or sell securities for themselves that they also buy or sell for Clients. This may provide an opportunity for representatives of SWM to buy or sell the same securities before or after buying or selling the same securities to clients which possibly could result in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. However, given the nature of the securities that SWM invests for its clients, mainly large mutual funds and ETFs with high degrees of market liquidity, it would be difficult for a representative of SWM to profit from such transactions. More specifically, mutual funds are traded at the end of the day price therefore anyone trading the security will get the same price. The ETFs that are bought or sold for clients are generally large, actively traded and highly liquid therefore could not negatively impact Client trades or positions. Due to the size, liquidity, nature and scope of the securities that SWM buys or sells for its Clients, there should not be a situation where any conflicts of interest arise relative to a SWM associate buying or selling the same security held by, or contemplated being bought or sold for, a Client. However, should there be any potential or real conflict of interest, SWM will avoid the conflict of interest if possible and will document any transactions that could be construed as a conflict of interest.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

For our IAS clients, their assets are held in custody at TD Ameritrade Institutional ("TDA"), CRD# 7870, a subsidiary of TD Ameritrade Holding Corporation, was chosen based on their relatively low transaction fees, access to mutual funds and ETFs, responsive service and integrated technology. SWM does not charge a premium or commission on transactions, beyond the actual trading or custodial cost imposed by the custodian. SWM will require that all non-ERISA clients establish brokerage accounts with TDA, a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although SWM may require that clients establish accounts at TDA, it is the Client's

decision to custody assets with TDA. SWM is independently owned and operated and not affiliated with TDA or any other custodian or broker/dealer.

For our Retirement Plan Advisory Services clients, assets are held by an independent custodian who is selected by the plan sponsor. SWM is not responsible or liable for recommendations or services rendered by third party service providers chosen by the plan sponsor.

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

TDA provides SWM with access to its institutional trading and custody services, which are typically not available to TDA retail investors. TDA'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.

For SWM client accounts maintained in its custody, TDA generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through TDA or that settle into TDA accounts.

TDA also makes available to SWM other products and services that benefit SWM but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of SWM's accounts, including accounts not maintained at TDA. TDA's products and services that assist SWM in managing and administering 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 SWM's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

In evaluating whether to recommend or require that clients custody their assets at TDA, SWM 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 it considers and not solely on the nature, cost or quality of custody and brokerage services provided by TDA, which may create a potential conflict of interest.

SWM may also receive market research, economic information or commentaries ("Materials") from other entities that sponsor securities that SWM may or may not purchase for clients. SWM may choose whether or not to use any of these Materials and access to these Materials is not subject to any trading activity with any of these entities. SWM may receive Materials from, but not limited to: Vanguard, Dimensional Fund Advisors, Standard & Poors (SPDRs) and Blackrock (iShares). SWM does not receive any compensation from these entities.

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

SWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

With the exception of Retirement Plan Advisory Clients as noted above in section 12A, SWM will not allow clients to direct SWM to use a specific broker-dealer to execute transactions. Clients must use SWM recommended custodian (broker-dealer). By requiring clients to use our specific custodian, SWM may be unable to achieve most favorable execution of client transactions and this may cost clients' money over using a lower-cost custodian.

#### **B. Aggregating (Block) Trading for Multiple Client Accounts**

SWM may aggregate orders (also called “block trades”) for execution across multiple clients when the intent is to buy or sell the same security for multiple clients. It may be attractive to aggregate orders for clients due to potentially favorable execution prices and related commission rates as well as to ensure fairness to each client. When allocating aggregated order executions – for both partial and completed aggregate orders – the allocation of both shares and commissions are done on a basis consistent with the proportions of the individual client orders. Note that block trading does not apply to mutual funds since this type of investments are executed at the same price at the end of each trading day.

### **Item 13: Reviews of Accounts**

#### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed on a regular basis by either Matt DiGennaro (Chief Executive Officer and managing member) or Doug Case (Chief Investment Officer). Doug Case is the Chief Investment Officer and reviews clients’ accounts with regards to their investment policies and risk tolerance levels.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive, at least monthly from the custodian, a written report that details the client’s account including assets held and asset value which will come from the custodian.

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

#### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

SWM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to SWM clients.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

SWM has an agreement with the CPA firm, Roberge Poskus International (“RPI”) and the two principals at LCG Advisors, LLC (“LCG”) for referrals to SWM in exchange for a fee. RPI and LCG may be paid a percentage of the overall client advisory fee for the referral of their clients and/or prospects to SWM. The referral fee will be percentage of advisory fees charged by SWM to each referred client. This referral fee will be fully disclosed to any affected client(s) in advance, in writing.

## **Item 15: Custody**

For IAS clients, SWM, with client written authority, has limited custody of client's assets through direct fee deduction of SWM's Investment Advisory fees only. Constructive custody of all client assets and holdings are maintained at TD Ameritrade ("TDA" or "Custodian"), a subsidiary of TD Ameritrade Holding Corporation. Clients will receive the required account statements monthly from TDA which will show the monthly fee deduction for SWM. The custody statement should be carefully reviewed for accuracy. Other than the direct deduction of SWM Investment Advisory fees from the custodian, generally, SWM will not have custody of any client funds or securities. In addition, SWM will not have the ability to send or direct third-party wires nor possess any client passwords or credit card numbers. Clients may request for payments in the form of a check to be made payable to a third party. In this situation, clients must have a standing letter of authorization (SLOA) on file with both SWM and the custodian which includes client signature, the third party's name and the third party's address. Upon initial setup, the custodian will notify the client of each third party SLOA and will subsequently deliver annual confirmation notices to the client.

If, for some reason, SWM acts as a client's power of attorney and/or trustee, SWM will be considered as having custody of a client's account because it has access to and control of client's funds and securities. SWM will not maintain physical custody of a client's funds or securities and custodial services are provided through the Custodian. At SWM's direction, and without a client's prior authorization, SWM can authorize Custodian to withdraw funds and securities and to deduct client fees from a client's Account.

For our Retirement Plan Advisory Services clients, assets are held by an independent custodian who is selected by the plan sponsor. SWM is not responsible or liable for recommendations or services rendered by third party service providers chosen by the plan sponsor.

## **Item 16: Investment Discretion**

For those client accounts where SWM provides ongoing supervision, the client has given SWM written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides SWM discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

## **Item 17: Voting Client Securities (Proxy Voting)**

SWM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

SWM neither requires nor solicits prepayment of a client's investment advisory fee, six months or more in advance and therefore does not need to include a balance sheet with this brochure.



**B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither SWM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

**C. Bankruptcy Petitions in Previous Ten Years**

SWM has not been the subject of a bankruptcy petition in the last ten years.