

Sherwood Financial Partners, LLC Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Sherwood Financial Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (805) 870-5591 or by email at: info@sherwoodfp.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 Sherwood Financial Partners, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Sherwood Financial Partners, LLC's CRD number is: 301329.

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Registration as an investment adviser does not imply a certain level of skill or training.

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Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Sherwood Financial Partners, LLC on 03/21/2024 are described below. Material changes relate to Sherwood Financial Partners, LLC's policies, practices or conflicts of interests.

- Sherwood Financial Partners, LLC updated its Other Business Activities. (Item 10.C)

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Item 4: Advisory Business

A. Description of the Advisory Firm

Sherwood Financial Partners, LLC (hereinafter "SFPL") is a Limited Liability Company organized in the State of California. The firm was formed in February 2019, and the principal owner is Matthew Davis.

B. Types of Advisory Services

Portfolio Management Services

SFPL offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SFPL 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 to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

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

SFPL evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SFPL 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.

SFPL seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of SFPL's economic, investment or other financial interests. To meet its fiduciary obligations, SFPL attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, SFPL's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is SFPL's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

SFPL has discretion to choose third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, SFPL will always ensure those other advisers are properly licensed or registered as an investment adviser. SFPL conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings, and review of the third-party adviser's performance and investment strategy. SFPL then makes investments with a third-party

investment adviser by investing with the third-party adviser. SFPL will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

Family Office Engagement

SFPL's Family Office Engagement is a service offering for high-net-worth families which span multiple generations. These services aim to provide practical management of the finances for entire households and one-stop concierge assistance. Clients under a Family Office Engagement also receive the Portfolio Management Services described above, and the fee structure is based on assets under management.

Intelligent Investing Engagement

Sherwood's Intelligent Investing engagement consists of basic financial planning and initial and discretionary investment portfolio management through an automated investment program ("the Program"). As part of SFPL's Intelligent Investing service, SFPL allocates client assets among ETFs and a cash allocation in accordance with clients' stated investment objectives.

Use of Schwab Institutional Intelligent Portfolios

As mentioned above, Sherwood manages client portfolios through the Program, an automated investment program through which clients are invested in a range of investment strategies SFPL constructs and manages. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("Schwab"). The Program is operated by us using the Institutional Intelligent Portfolios platform ("Platform") offered by Schwab Performance technologies ("SPT"), a software provider to independent investment advisors and an affiliate of Schwab. Sherwood is independent of and not owned by, affiliated with, or sponsored or supervised by SPT, Schwab, or their affiliates. SFPL is the client's investment adviser and primary point of contact with respect to the Program. SFPL is solely responsible for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an on-going basis. SFPL has contracted with SPT to provide Sherwood the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables Sherwood to make the Program available to clients online and includes a system that automates certain key parts of SFPL's investment process. Clients do not pay brokerage commissions or any other fees to Schwab as part of the Program.

Financial Planning

Financial plans and financial planning may include but are not limited to investment planning, life insurance, tax concerns, retirement planning, college planning, and debt/credit planning.

In offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to affect the transaction through the investment adviser.

Basic Tax Preparation

SFPL provides basic federal and state tax preparation services to individuals and small businesses.

Services Limited to Specific Types of Investments

SFPL generally limits its investment advice to mutual funds and ETFs, although SFPL primarily recommends value-based indexing with active management on the bond side. SFPL may use other securities as well to help diversify a portfolio when applicable.

Written Acknowledgement of Fiduciary Status

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

C. Client Tailored Services and Client Imposed Restrictions

SFPL will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by SFPL on behalf of the client. SFPL may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees and transaction costs. SFPL does not participate in wrap fee programs.

E. Assets Under Management

SFPL has the following assets under management:

| Discretionary Amounts: | Non-discretionary Amounts: | Date Calculated: |
|------------------------|----------------------------|------------------|
| \$ 291,568,048.00 | \$ 9,807.00 | December 2023 |

Item 5: Fees and Compensation

A. Fee Schedule

Lower fees for comparable services may be available from other sources.

Portfolio Management Fees

| Total Assets Under Management | Annual Fees |
|----------------------------------|-------------|
| Portfolio Management | 0.80% |
| Family Office Engagement | 0.60% |
| Intelligent Investing Engagement | 0.40% |

The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period.

These fees are generally negotiable, and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of SFPL's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

Selection of Other Advisers Fees

SFPL will receive its standard fee on top of the fee paid to the third-party adviser. This relationship will be memorialized in each contract between SFPL and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency.

SFPL may engage in the selection of third-party money managers but does not have any such arrangements in place at this time. This service may be canceled immediately upon written notice.

Financial Planning Fees

The hourly fee for these services is \$500.

Clients may terminate the agreement without penalty, for full refund of SFPL's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

Basic Tax Preparation Fees

The hourly fee for these services is \$500.

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

Payment of Selection of Other Advisers Fees

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected.

Payment of Financial Planning Fees

Financial planning fees are paid via credit card or Automated Clearing House (ACH) transaction.

Hourly financial planning fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

Payment of Basic Tax Preparation Fees

Basic tax preparation fees are invoiced and billed directly to the client and clients may select the method in which they are paid (credit card or Automated Clearing House (ACH) transaction). Fees are paid in arrears.

C. Client Responsibility for Third Party Fees

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

D. Prepayment of Fees

SFPL collects fees in advance. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate* times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

E. Outside Compensation for the Sale of Securities to Clients

Neither SFPL nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

SFPL 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

SFPL generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Charitable Organizations

The minimum account size for SFPL's services is \$1,500,000 however SFPL, in its sole discretion, may provide services to clients who do not meet this threshold.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

SFPL's methods of analysis include Fundamental analysis and Modern portfolio theory.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various assets.

Investment Strategies

SFPL uses long term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Modern portfolio theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio

exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Selection of Other Advisers: Although SFPL will seek to select only money managers who will invest clients' assets with the highest level of integrity, SFPL's selection process cannot ensure that money managers will perform as desired and SFPL will have no control over the day-to-day operations of any of its selected money managers. SFPL would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment “style drift” or even regulatory breaches or fraud.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that are one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same

level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another, and losses may be magnified if no liquid market exists for the ETF's shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

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 (SRO) 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 SFPL nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither SFPL nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Vincent Earl Chambers is a lawyer and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. SFPL always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of SFPL in connection with such individual's activities outside of SFPL.

Taylor Anderson is a mortgage loan originator and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. SFPL always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of SFPL in connection with such individual's activities outside of SFPL.

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

SFPL has discretion to choose third-party investment advisers to manage all or a portion of the client's assets. Clients will pay SFPL its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between SFPL and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. SFPL will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. SFPL will ensure that all recommended advisers are licensed, or notice filed in the states in which SFPL is recommending them to clients.

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

A. Code of Ethics

SFPL has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. SFPL's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

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

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of SFPL may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of SFPL to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SFPL will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

From time to time, representatives of SFPL may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of SFPL to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, SFPL will never engage in trading that operates to the client's disadvantage if representatives of SFPL buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

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

Custodians/broker-dealers will be recommended based on SFPL's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and SFPL may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences, and other resources provided by the brokers that may aid in SFPL's research efforts. SFPL will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

SFPL will require clients to use Schwab Institutional, a division of Charles Schwab & Co., Inc.

1. Research and Other Soft-Dollar Benefits

While SFPL has no formal soft dollar's program in which soft dollars are used to pay for third party services, SFPL may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). SFPL may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and SFPL does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. SFPL benefits by not having to produce or pay for the research, products or services, and SFPL may have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that SFPL's acceptance of soft dollar benefits may result in higher commissions charged to the client. SFPL prioritizes the quality of client products and services over soft dollar benefits and SFPL will pay for outside research when necessary.

2. Brokerage for Client Referrals

SFPL 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

SFPL will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

B. Aggregating (Block) Trading for Multiple Client Accounts

If SFPL buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, SFPL would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. SFPL would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

Item 13: Review of Accounts

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

All client accounts for SFPL's advisory services provided on an ongoing basis are reviewed at least Quarterly by Hannah Boundy, Partner, with regard to clients' respective investment policies and risk tolerance levels. All accounts at SFPL are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Hannah Boundy, Partner. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

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).

With respect to financial plans, SFPL's services will generally conclude upon delivery of the financial plan.

C. Content and Frequency of Regular Reports Provided to Clients

Each client of SFPL's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. SFPL will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

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)

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

With respect to Schwab, SFPL receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab 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 Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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 SFPL client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to SFPL other products and services that benefit SFPL but may not benefit its clients' accounts. These benefits may include national, regional, or SFPL specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of SFPL by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist SFPL in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of SFPL's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping, and client reporting. Many of these services generally may be used to service all or some substantial number of SFPL's accounts. Schwab Advisor Services also makes available to SFPL other services intended to help SFPL manage and further develop its business enterprise. These services may include professional

compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance, and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to SFPL by independent third parties. Schwab Advisor Services 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 SFPL. SFPL is independently owned and operated and not affiliated with Schwab.

B. Compensation to Non - Advisory Personnel for Client Referrals

SFPL does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, SFPL will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Custody is also disclosed in Form ADV because SFPL has authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, SFPL will follow the applicable safeguards.

Item 16: Investment Discretion

SFPL provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, SFPL generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, SFPL's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives), or client instructions otherwise provided to SFPL.

Item 17: Voting Client Securities (Proxy Voting)

SFPL 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

SFPL neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither SFPL nor its management has any financial condition that is likely to reasonably impair SFPL's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

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