



### **Form ADV Part 2A Brochure**

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This brochure provides information about the qualifications and business practices of Soundmark Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 425-820-1769 or [info@soundmarkwealth.com](mailto:info@soundmarkwealth.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 Soundmark Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Soundmark Wealth Management, LLC is a registered investment adviser. Registration as an investment adviser does not require any certain level of skill or training.

**Material Changes (Item 2)**

This section of the brochure helps you quickly identify material changes from the last update on May 8, 2023.

The following material changes since that last filing:

- Update to type of fees structure in Item 5.

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#### **Advisory Business (Item 4)**

*This section of the brochure tells you about our business, including ownership, and a description of the services we offer.*

Soundmark Wealth Management, LLC is referred to in this document as “Soundmark Wealth Management,” “the Company,” “us,” “we,” or “our.” In this document we refer to current and prospective clients of Soundmark Wealth Management as “you,” “client,” or “your.”

Soundmark Wealth Management, (previously Sagemark Wealth Management) was created in 2008 and is owned by Bill Schultheis.

#### ***Types of Advisory Services***

##### Investment Supervisory Services

Clients enter into a written Investment Management Agreement (IMA), where Soundmark Wealth Management and our investment advisor representatives (IARs) provide asset management and financial planning services on a continuous and ongoing basis guided by the individual needs of the client. Using the information provided by you, the advice provided to you is tailored to your individual situation. We regularly inquire about, and you are responsible for providing information about, your investment goals, time horizon, and risk tolerance. These investment supervisory services are generally not provided to your holdings or net worth, but rather, only to assets specifically designated by you and agreed to, by us, as managed assets.

##### Advice on Matters Not Involving Securities

Soundmark Wealth Management may from time-to-time provide advice on topics not involving securities. Not all clients receive this type of advice.

##### Financial Planning

The personal financial planning process begins by gathering all your relevant data, assessing your goals and determining the assumptions on which your plan will be based. We will then develop and present you with written recommendations. We will explain the potential impact recommendations will have with regard to you achieving or exceeding your goals and objectives. At your discretion, you will have the ability to accept, reject, or modify the recommendations as presented. Not all clients will receive all the services available.

The services offered may include the following:

- Retirement Planning
- Trust and Estate Planning
- Investment Consulting
- Education Planning
- Legal and Tax Advisory Coordination
- Risk Management and Insurance

- Cash Flow Planning
- Social Security Optimization
- Tax Planning
- Charitable Giving

If requested by the client, Soundmark Wealth Management may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professionals. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Soundmark Wealth Management

Some clients are provided a written plan that may include a personal balance sheet and certain projections. Any reports, financial statement projections, and analyses are intended exclusively for your use in developing and implementing your financial plan. In view of this limited purpose, the statements should not be considered complete financial statements. Soundmark Wealth Management will not audit, review, or compile financial statements, and accordingly, we will not express an opinion or other form of assurance on them, including the reasonableness of assumptions and other data on which any prospective financial statements are based. It is likely that there will be material differences between projected and actual results because events vary, and circumstances frequently do not occur as expected.

Our analyses will be highly dependent on certain economic assumptions about the future. Therefore, you should establish familiarity with historical data regarding key assumptions such as inflation and investment rates of return, as well as an understanding of how these assumptions can significantly affect the results of our analyses. We may counsel you as to the consistency of your assumptions with relevant historical data, but we will not express any assurance as to the accuracy or reasonableness of your specific data and assumptions. You are ultimately responsible for the assumptions and personal data upon which our procedures and projections are based. The financial plan assumptions and reports are primarily a tool to alert you to certain possibilities. The reports are not intended to, nor do they provide any guarantee, about future events including your investment returns. The implementation of the plan is solely your responsibility.

#### Client Obligations

The client is ultimately responsible for implementing the recommendations provided, and it is the client's responsibility to promptly notify Soundmark Wealth Management if there is ever any change in their financial situation or investment objectives.

#### Limitations of Financial Planning and Non-Investment Consulting/Implementation

As indicated above, and to the extent requested by a client, Soundmark Wealth Management may provide financial planning regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Soundmark Wealth Management does not serve as an

attorney or accountant, and no portion of its services should be construed as legal or accounting services. Accordingly, Soundmark Wealth Management does not prepare estate planning documents or tax documents. To the extent requested by a client, Soundmark Wealth Management may recommend the services of other professionals for certain non-investment implementation purpose (i.e., attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Soundmark Wealth Management and/or its representatives.

The planning and projections provided for some of our clients do not address all potential aspects of financial planning. Typically, our planning and projections address retirement planning, college funding, and other specific planning services as outlined above. Risk management issues such as life, health, disability, and long-term care insurance may not be addressed, and you are encouraged to seek professional counsel in these areas.

#### Held Away Asset Management

Soundmark Wealth Management provides investment advice to some of its clients with held away assets, such as 401(k)s. In the accounts Soundmark Wealth Management manages on a discretionary basis, we will use funds and other asset classes the clients don't necessarily have access to in their held away accounts. This allows Soundmark Wealth Management to create a more diversified portfolio tailored to the client's goals and risk tolerance.

#### ERISA Plan Services

Soundmark Wealth Management is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (ERISA) with respect to investment management services and investment advice provided to ERISA plan clients, including ERISA plan participants. Soundmark Wealth Management is also a fiduciary under the Internal Revenue Code (IRC) with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRAs and IRA owners (collectively, "Retirement Account Clients"). As such, Soundmark Wealth Management is subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transaction rules which are intended prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption (PTE).

#### ***Types of Investments Used***

We consider many different types of securities when providing investment advice. If you come to us with existing investments, we evaluate them with respect to your financial goals, risk tolerance, and investment time horizon. Depending upon your situation, the account(s) managed by us may contain individual stocks, corporate and/or government bonds, mutual

funds, or exchange traded funds (ETFs). In some situations, we may recommend that insurance be a part of your investment portfolio.

### ***Tailored Services and Investment Restrictions***

We attempt to tailor your investment portfolio to your situation as you have described it to us. Therefore, it is important that you let us know about changes to your financial situation, goals, or investment time horizon. You may impose restrictions on investing in certain securities or types of securities. You must clearly identify these restrictions to us in writing.

### **Rollovers from Retirement Plans**

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options):

1. Leave the money in the former employer's plan, if permitted.
2. Rollover the assets to the new employer's plan if one is available and rollovers are permitted.
3. Rollover to an Individual Retirement Account (IRA).
4. Liquidate the account, which could result in adverse tax consequences.

If we recommend that a client rollover their retirement plan assets into an account managed by Soundmark Wealth Management, such a recommendation creates a conflict of interest if we will earn an advisory fee on the rolled over assets. No client is under any obligation to rollover retirement plan assets to an account managed by Soundmark Wealth Management. Under Rule PTE 2020-02, Soundmark Wealth Management is required to perform an analysis of the holdings in your plan to ensure that the rollover is in your best interest.

### ***Assets Under Management***

As of December 31, 2023, Soundmark Wealth Management manages approximately \$411,035,246 in client assets. All assets are managed on a discretionary basis.

### **Fees and Compensation (Item 5)**

*This section of the brochure describes how we are compensated for the services we offer.*

### ***Compensation Methodology and Rates***

#### **Assets Under Management**

Most clients are charged for our asset management services based on a percentage of the assets being managed. The following tiered fee structure is a sample of our fees for investment supervisory services. Your specific annual fee arrangement will be described in the written Investment Management Agreement (IMA) entered between Soundmark Wealth Management and you. Investment advisory fees charged by us are negotiable at our sole discretion. All clients do not pay the same fee. Soundmark Wealth Management may choose to charge a



minimum fee based on assets under management, and this fee may be greater than the stated tiered rate.

<b>Assets Under Management*</b>	<b>Annual Rates</b>
First \$1,000,000	1.0%
Next \$3,000,000	0.75%
Excess of \$4,000,000	0.50%

*\*Soundmark Wealth Management bills on all assets under management, including cash positions.*

The annual fee for our services is billed quarterly, in advance, based on the value of the account at the end of the previous quarter. If the management agreement does not span the entire quarterly billing period, the fee will be pro-rated based on the number of days the account is open during the billing period. Your account custodian will send client statements, at least quarterly, showing all disbursements for the account including the amount of the advisory fee, if deducted directly from the account. It is the shared responsibility of Soundmark Wealth Management and you to verify the accuracy of the fee calculation as the account custodian will not determine whether the fee has been properly calculated. See Item 12, "Brokerage Practices," in this brochure for more information about your account custodian.

You may terminate the IMA without fee or penalty by providing written notice to Soundmark Wealth Management within five (5) business days from the execution of the agreement. Thereafter, either party may terminate the IMA by providing written notice. Any fees collected in advance of services being performed will be returned to you on a pro-rated basis. This calculation is based on the number of days in the quarter that the assets were under our management.

#### Householding of Accounts

Individual accounts for members of the same family, defined as spouses and dependent children, are "household" and assessed fees based on the total balance of all family accounts under the management of Soundmark Wealth Management. Accounts for business entities and their related accounts, including those of the business owner, are assessed fees based on the account balances of all such related accounts.

Generally, employees and immediate family members of Soundmark Wealth Management are not charged a management fee.

#### Fixed Percentage of Asset Under Management Fees

You may enter into an Investment Management Agreement where the fee is a fixed percentage of assets under management ("AUM"). That fee is determined through negotiations and agreement between you and Soundmark Wealth Management. If you are paying a fixed percentage of AUM fee, you could pay a fee higher or lower than one based upon the above tiered fee schedule. A fixed percentage of AUM fee will not exceed 2%. In the event a fixed percentage of AUM fee engagement is terminated, unearned fees will be

returned to you on a pro-rated basis.

#### Fixed Fees

You may enter into an Investment Management Agreement where the fee for services is determined through negotiations and agreement between you and Soundmark Wealth Management. Fixed fees are not necessarily based upon the value of assets managed or time expended providing services. Fixed fees are normally agreed to for one year, then renegotiated and agreed to for future periods. If you are paying a fixed fee, you could pay a fee higher or lower than one based upon the value of assets managed. In the event a fixed fee engagement is terminated, unearned fees will be returned to you on a pro-rated basis.

#### Financial Planning and Consulting Services (Stand-Alone)

Soundmark Wealth Management may provide financial planning and/or consulting services (including investment and non-investment related matters) on a stand-alone separate fee basis. Soundmark Wealth Management's planning and consulting fees are negotiated at the time of engagement and are based upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging Soundmark Wealth Management to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with Soundmark Wealth Management setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Soundmark Wealth Management commencing services.

If requested by the client, Soundmark Wealth Management may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professionals. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Soundmark Wealth Management. It remains the client's responsibility to promptly notify Soundmark Wealth Management if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Soundmark Wealth Management's previous recommendations and/or services.

#### ***How Clients Pay Advisory Fees***

Fees are generally deducted directly from your account. When you open your account(s) you provide the account custodian with written authorization to have fees deducted from the account(s) and paid to Soundmark Wealth Management. In some cases, clients have arranged to be billed directly. When this occurs, management fees are not reflected on brokerage statements.

#### ***Other Types of Fees and Expenses***

In addition to the investment advisory fees you pay to us, you will pay transaction fees (commissions) to your custodian or broker-dealer for executing securities transactions and

charges for special services elected by you or Soundmark Wealth Management. These fees may include:

- Periodic distribution fees
- Electronic fund and wire transfer fees
- Certificate delivery fees
- Reorganization fees
- Account transfer fees (outbound)

- Returned check fees
- International security transfer fees
- Overnight mail and check fees
- Rule 144 transfer fees
- Transfer Agent fees

This list is not meant to be all inclusive. Any fee on a special service incurred by the client will be fully disclosed. Please refer to Item 12 of this document for an explanation of our brokerage practices.

#### Investment Company Fees

Investment company funds (e.g., mutual funds or ETFs) that are held by you will bear their own internal transaction and execution costs, as well as directly compensate their investment managers along with internal administrative services. Some funds pay 12b-1 fees, distribution fees, and/or shareholder service fees to broker-dealers that offer investment company funds to their clients. These fees affect the net asset value of the fund shares and are indirectly borne by fund shareholders, such as you.

Some fund companies have imposed a redemption fee. A redemption fee is another type of fee that some funds charge their shareholders when shares are sold or redeemed within a short period of time from the purchase of the fund shares. Although a redemption fee is deducted from redemption proceeds, just like a deferred sales load, it is not considered to be a sales load. Unlike a sales load, which is generally used to compensate brokers, a redemption fee is typically used to defray fund costs associated with a shareholder's redemption and is paid directly to the fund, not to a broker. The SEC generally limits redemption fees to 2%. In most cases, the funds will use the "First-in, First-out" (FIFO) method to determine the holding period. Under this method, the date of the redemption will be compared with the earliest purchase date of shares held in the account. While it is not the general practice of Soundmark Wealth Management to sell client securities in a period that would generate a redemption fee, we might do so if we believe the sale is in your best interests, or if fund shares must be redeemed to pay fees from the account.

A complete explanation of these charges is contained in the Prospectus and Statement of Additional Information for each investment company fund. You can request a prospectus through the investment company's website, or via telephone or mail.

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

*This section of the brochure explains any performance-based fees we may charge you for and how they may be different from other clients' charges.*

### ***Performance Based Fees***

Soundmark Wealth Management does not charge fees that are based upon a share of capital gains or capital appreciation of client assets.

### ***Side-By-Side Management***

We provide investment advisory services to other clients in addition to you. Not all clients receive the same investment advice, nor do they pay the same fee. We always strive to act in the best interest of each client.

## **Types of Clients (Item 7)**

*This section of the brochure describes who we generally provide our services to.*

### ***Individuals***

Soundmark Wealth Management provides advisory services to a variety of types of clients including individuals, trusts, and individual's pension plan accounts.

### ***Organizations***

Soundmark Wealth Management may also provide advisory services to foundations and endowments.

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

*This section of the brochure explains how we formulate our investment advice and manage client assets.*

### ***Methods of Analysis – Modern Portfolio Theory***

As part of our analysis of investments, we use a method called Modern Portfolio Theory (MPT). MPT attempts to maximize an investment portfolio's expected return for a given amount of portfolio risk (risk is defined as volatility of the value of the investment portfolio, or to minimize risk for a given level of expected return). We attempt to do this by carefully choosing the allocation of various assets in an investment portfolio.

MPT is a mathematical formulation of diversification, with an aim of selecting an assortment of investment assets that has collectively lower risk than any individual asset. MPT also assumes that investors are rational, markets are efficient, and that the future performance of investments will have some similarity to their historical performance. These assumptions are not guaranteed and might not come to pass. Past performance might not be indicative of future performance.

### ***Investment Strategies***

Soundmark Wealth Management uses a buy and hold strategy, creating client portfolios using diversified, no-load (index), passively managed mutual funds, ETFs and bond funds. Soundmark Wealth Management does not rely on active management of its clients' accounts.

We feel this method is well suited for both taxable accounts and qualified retirement accounts, such as IRAs.

## ***Risks***

### General Risks to Investing

Investing is not without risk and involves the risk of loss of principal which you should be prepared to bear. We try to reduce risk by diversifying a portfolio across multiple asset classes.

Despite these strategies, historical evidence clearly shows that every asset class has experienced severe declines in value—sometimes sustained over many years—throughout several periods of time this century and last. Our strategies to minimize risk may not achieve that goal, as the benefits of diversification decline if asset classes become more correlated.

As with any investment, you could lose all or part of your investments managed by Soundmark Wealth Management, and your account's performance could trail that of other investments.

### Asset Class Risk

Securities in your portfolio(s) or in underlying investments such as mutual funds may underperform in comparison to the general securities markets or other asset classes.

### Concentration Risk

To the extent that Soundmark Wealth Management recommends portfolio allocations that are concentrated in a particular market, industry or asset class, your portfolio may be susceptible to loss due to adverse occurrences affecting that market, industry, or asset class.

### Equity Securities Risk

Equity securities are subject to changes in value that may be attributable to market perception of a particular issuer or general stock market fluctuations that affect all issuers. Investments in equity securities may be more volatile than other types of investments.

### Management Risk

The performance of your account is subject to the risk that our investment management strategy may not produce the intended results.

### Market Risk

Your account could lose money over short periods due to short-term market movements and over longer periods during market downturns. The value of a security may decline due to general market conditions, economic trends, or events that are not specifically related to the issuer of the security or to factors that affect a particular industry or industries. During a general downturn in the securities markets, multiple asset classes may be negatively affected.

### Passive Investment Risk

Soundmark Wealth Management may use a passive investment strategy that is not actively managed where we do not attempt to take defensive positions in declining markets.

### Regulatory Risk

Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

### Bond Portfolio Risk

A bond portfolio may lose value based on changes in interest rates or economic conditions.

### Cybersecurity Risk

The computer systems, networks and devices used by Soundmark Wealth Management and our service providers employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, and/or devices can potentially be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access and/or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Soundmark Wealth Management, and our providers, have procedures in place should there be an attack on any of our systems.

### **Disciplinary Information (Item 9)**

*This section of the brochure lists legal and disciplinary information for Soundmark Wealth Management, its owner, and management team.*

Neither Soundmark Wealth Management nor any of its employees have been involved in any civil or criminal investment-related events.

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

*This section of the brochure describes other financial services industry affiliations we may have that could present a conflict of interest with you.*

Neither Soundmark Wealth Management employees nor its owner have any industry affiliations or participate in any activities which present a conflict of interest with their clients.

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

*This section of the brochure describes our code of ethics, adopted pursuant to SEC rule 204A-1, and how we deal with client and related person trading.*

### ***Code of Ethics***

We have adopted, as required by the Investor Advisers Act of 1940, a Code of Ethics designed to prevent and detect violations of securities rules by our employees and affiliated persons. Our controls in this area focus upon securities transactions made by our employees that have access to material information about the trading of Soundmark Wealth Management. We will provide a copy of our Code of Ethics to clients or prospective clients upon request.

### ***Material Financial Interest and Personal Trading***

From time-to-time, the interests of the owner and employees of Soundmark Wealth Management may coincide with yours and other clients. Individual securities may be bought, held, or sold by the owner or employee of Soundmark Wealth Management that is also recommended to or held by you or another client. If potential insider information is inadvertently provided or learned by the owner or employee, it is our policy to strictly prohibit its use.

It is the policy of Soundmark Wealth Management to permit the firm, its employees and investment advisor representatives (IARs) to buy, sell, and hold the same securities that the IARs also recommend to clients. It is acknowledged and understood that we perform investment services for different types of clients with varying investment goals, risk profiles, and time horizons. As such, the investment advice offered to you may differ from other clients and investments made by our IARs. We have no obligation to recommend for purchase or sale a security that Soundmark Wealth Management, its owner, affiliates, employees, or IARs may purchase, sell, or hold. When a decision is made to liquidate a security from all applicable accounts, priority will always be given to client orders before those of a related or associated person to Soundmark Wealth Management. In some cases, the trades of the clients and advisory personnel will be combined in a single block trade, and all trades will receive the average price. We have procedures for dealing with insider trading, employee-related accounts, "front running," and other issues that may present a potential conflict when buy/sell recommendations are made. These procedures include reviewing employee security



transactions and holdings to eliminate, to the extent possible, the adverse effects of potential conflicts of interest on clients.

### **Brokerage Practices (Item 12)**

*This section of the brochure describes how we recommend broker-dealers for client transactions.*

#### ***Factors Considered When Recommending Broker-Dealers***

We use a qualified custodian and/or broker-dealer, currently Charles Schwab & Co., Inc. The following factors were taken into consideration when choosing the custodian:

- Reasonableness of commissions and other costs of trading
- Ability to facilitate trades
- Access to client records
- Computer trading support
- Other operational considerations

These factors are reviewed from time to time to ensure the best interests of our clients are upheld.

#### **Research and Other Benefits**

The Custodian provides us with access to its institutional trading and operations services, which are typically not available to retail investors. These services are offered to independent investment advisors at no charge in exchange for keeping a minimum amount of account assets at the Custodian. Schwab's services include research, brokerage, and custody. Schwab offers access to mutual funds and other investments that are available only to institutional investors or require a significantly higher minimum investment. The Custodian also makes other products and services available that benefit us but may not benefit our clients. Some of these other products and services help us manage and administer client accounts, include software and other technology 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)
- Provide research, pricing information, and other market data
- Facilitate payment of our fees from your account(s)
- Help with back-office support, recordkeeping, and client reporting

These services may be used with all or a substantial number of clients' accounts, including accounts not maintained at the Custodian. We do not attempt to allocate the benefit to accounts proportionately to the accounts that generate the benefit.

Some of the products or services provided by Schwab do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, including those services that do not aid in investment decision-making or trade execution. These business management and development services, in addition to those listed above, may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the Custodian may use independent third parties to offer these services to Soundmark Wealth Management. Schwab may discount or waive fees it would otherwise charge for some of these business management and development services or pay all or a part of the fees of a third-party providing these services to us. Because we receive discounts, research, products, and/or services, we may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research, products, and/or services, rather than on the client's interest in receiving most favorable execution. The Custodian or broker-dealer recommended by Soundmark Wealth Management may charge commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for services and benefits.

#### Directed Brokerage

As a matter of policy, as outlined within the company's Policies and Procedures, we do not allow directed brokerage trades from clients.

#### Trade Error Policy

In the event of a trade error, we will, in most situations, place a correcting trade with the broker-dealer that has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account, unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. Inc. (Schwab) is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, Soundmark Wealth Management will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they will be netted.

### **Review of Accounts (Item 13)**

*This section of the brochure describes how often client accounts are reviewed and by whom.*

#### ***Reviews***

Soundmark Wealth Management monitors client portfolios on an ongoing basis according to the parameters set forth in the client's Investment Policy Statement. For those clients whom Soundmark Wealth Management has provided personal financial planning and/or insurance management, reviews are conducted annually. These reviews are conducted by your Soundmark Wealth Management investment advisor representative.

### Understanding the Client – Investment Plan

- Soundmark Wealth Management makes every effort to gain a complete understanding of a client's objectives, income requirements, risk tolerance, liquidity requirements, time horizon, tax considerations, unique needs and preferences, allowable investments, and investment restrictions. Other topics which are addressed, as needed, include: retirement planning, estate planning, insurance, education costs and cash-flow management and how these areas impact/tie into the management of the portfolio. This information is obtained via client interviews and conversations.
- The Investment Plan is discussed with the client at each account review, at a minimum annually, to ensure the plan is still appropriate.
- Any change to the asset allocation must be documented with a new Investment Policy Statement, signed by the client and the advisor.
- A new Investment Plan is written as circumstances warrant.

### Monitoring the Account

- Asset Allocation – Soundmark Wealth Management's portfolio management system generates a daily report, identifying any portfolios which have drifted outside the minimum / maximum range from their respective target asset allocations. The system's "dashboard" alerts Soundmark Wealth Management advisors to rebalance these portfolios, trimming overweight positions and replenishing underweight positions with the proceeds.
- Cash Balances for Income Clients –Portfolio managers monitor daily reports which summarize the cash balances for those clients taking regular income withdrawals.
- Cash Balances for Fees – Cash balances are reviewed prior to fees being withdrawn each quarter to ensure there are sufficient funds available.
- Individual investments, along with overall investment strategy, are monitored and discussed on a company-wide basis at quarterly investment meetings attended by IARs. All IARs meet monthly to review key decisions and practices.

### Review Procedures

- Soundmark Wealth Management strives to meet with each client no less than once a year. Account reviews will be initiated by Soundmark Wealth Management and/or the client. Face-to-face reviews, either in person or virtually (e.g., Zoom) are the best way to ensure accounts are being managed in a manner consistent with each client's expectations. Soundmark Wealth Management advisors prepare in advance for each account review, and at a minimum, your Soundmark Wealth Management advisors are prepared to discuss the following items with each client:
  - Asset allocation
  - Current investments
  - Performance
  - Trading activity
  - Current market conditions

- Contributions and withdrawals
- Taxes
- Financial Planning (i.e., retirement/cash-flow planning)
- Review of the Investment Plan to include any changes in the client investment objectives.

If the client is unable or unwilling to meet, the IAR will perform a comprehensive review of the account(s) and communicate any relevant questions or comments to the client via phone or email. This information will be documented in the company's client database.

### ***Reports***

Soundmark Wealth Management does not prepare or send written reports to all clients. We have arranged for your independent qualified account custodian to prepare and distribute account statements directly to you on no less than a quarterly basis.

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

*This section of the brochure discloses our arrangements with people who are compensated for referring us business.*

### ***Referral Relationships***

At the time of publication, Soundmark Wealth Management does not engage with third party solicitors for referrals. This policy could change in the future.

### **Custody (Item 15)**

*This section of the brochure encourages you to check the statements sent to you by your account custodian to ensure the accuracy of the fee calculation.*

You have authorized us to deduct quarterly investment advisory fees directly from one or more of your accounts managed by Soundmark Wealth Management. These deductions from your account(s) are shown on the periodic statements sent by your qualified custodian directly to you. You are encouraged to review these statements carefully and compare the amounts on the custodian statements with any statements we send, and the fee schedule outlined in your Investment Management Agreement.

### **Investment Discretion (Item 16)**

*This section of the brochure discloses the power we have to make trades in your account.*

Soundmark Wealth Management's clients grant us a limited power of attorney to select, purchase, or sell securities without obtaining your specific consent within the account(s) you

have under our management. The limited powers of attorney are granted in the written Investment Management Agreement entered between us. There are no restrictions upon the securities that may be purchased, sold, or held in your account, unless you provide these restrictions to us in writing.

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

*This section of the brochure explains our proxy voting policy and your ability to get proxy voting information from us.*

At this time, it is Soundmark Wealth Management's policy to not vote proxies for securities held in your investment account. Your account custodian or transfer agent will send proxy statements directly to you.

### **Financial Information (Item 18)**

*This section of the brochure is where investment advisors that collect more than \$1200 in fees per client, six months or more in advance, would include a balance sheet.*

Soundmark Wealth Management is not aware of any circumstance that is reasonably likely to impair our ability to meet contractual commitments to you or our other clients.

### **Prepayment of Fees**

Soundmark Wealth Management does not require pre-payment of investment advisory fees of greater than \$1200 more than six months in advance.

### **Privacy Statement**

*We, like other professionals who advise on personal financial matters, are required by federal law to inform our clients of our policies regarding the privacy of client information.*

In the course of providing our clients with certain advice, we may receive nonpublic personal financial information such as financial statements, account statements, and tax returns from our clients, their accountants and other representatives. All nonpublic personal information that we receive regarding our clients or former clients is held in strict confidence in accordance with our professional obligations, except with your consent, as required by law or to explain our actions to professional organizations that we are members of. We may share certain information with third parties who assist us in providing our services to you (such as administrative and client service functions) or marketing services, as permitted by law, subject to the obligation of these third parties not to use or disclose such information for any other purpose.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases to comply with professional

guidelines. In order to guard your nonpublic personal information from unauthorized disclosure, we maintain physical, electronic, and procedural safeguards.

If your financial situation, goals, or risk tolerance has changed since you last notified us in writing, please contact us immediately.

