

# WRAP BROCHURE

Part 2A Appendix 1 of Form ADV  
Wrap Fee Program Brochure



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This Wrap Fee Program Brochure provides information about the qualifications and business practices of Sugarloaf Wealth Management, LLC ("SWM"). If you have any questions about the contents of this Wrap Fee Program Brochure, please contact us at 770-985-5473 or [sugarloaf@swmlc.com](mailto:sugarloaf@swmlc.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.

Sugarloaf Wealth Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply a certain level of skill or training.

Additional information about Sugarloaf Wealth Management, LLC is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

BROCHURE  
DATED

**27**  
**March**  
**2024**



## ITEM 2

**MATERIAL CHANGES**

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Since our last annual amendment, dated March 30, 2023, we have had the following material changes.

- ❖ Form ADV Part 2A Item 4.A. The description of Portfolio Management services was expanded to include third-party model providers.

Our Brochure may be requested at no cost to you by contacting us at 770-985-5473 or emailing [sugarloaf@swmlc.com](mailto:sugarloaf@swmlc.com).

Our Brochure is also available on our web site [www.swmlc.com](http://www.swmlc.com).

Additional information about Sugarloaf Wealth Management, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Sugarloaf Wealth Management, LLC who are registered, as investment adviser representatives of Sugarloaf Wealth Management, LLC. Please contact Todd Smallwood, Chief Compliance Officer, if you have any questions about the contents of this brochure.



## ITEM 3

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## ITEM 4

## SERVICES, FEES, AND COMPENSATION

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### Wrap Fee Services We Offer

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We offer a variety of advisory services. You may receive all, none, or some combination of the services we offer. See Item 5: Fees and Compensation listed in the ADV Part 2A: Firm Brochure for further discussion of our services.

This appendix describes services we provide under our Wrap Fee Program. We provide the same level of commitment and service to our clients no matter if they participate in the wrap fee program or not

SWM offers a Wrap Fee Program for legacy clients who do not want to pay for each transaction that occurs in their account. We are no longer offering this program to new clients. Under this program, clients receive both investment advisory services and trade execution for a single, combined annualized program fee. This means that clients will not see transaction fees in their accounts or on custodian statements. The program fee clients pay each quarter covers those fees.

Transaction charges are assessed to SWM. We may charge clients a higher annual account fee to cover these transaction costs. This type of fee arrangement will create an incentive to trade client accounts less often to reduce transaction fees or use securities that have a reduced or no transaction charge connected to them even if these securities will be more expensive for clients due to their higher internal expenses.

The program fee may or may not be more than the total cost of services if they were provided separately. Listed are some factors that may impact this:

- ❖ The level of the wrap fee charges
- ❖ The amount of trading activity
- ❖ The value of services provided

Generally, Wrap Fee Programs are less expensive for actively traded accounts. However, they may result in higher overall costs when there is little trading activity in the account. Clients should discuss this subject thoroughly with their advisor to ensure that a Wrap Fee account is appropriate for their needs.

### Our Fees for Investment Management Under the Wrap Fee Program

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In this section we explain how we are compensated for the services we provide under the Wrap Fee Program. We believe that our fees are competitive with firms offering similar services. However, lower fees for comparable services may be available to you from other sources. You could invest in mutual funds and other investments directly without our assistance. In that case, you would not receive our assistance in determining which investments are most appropriate to your financial situation and objectives. We also would not be available to help you maintain a disciplined approach to portfolio reallocation and to help minimize emotional reactions to market events. Also, some investments may not be available to you without the services of an investment Advisor.



## A. Portfolio Management Fees

We provide portfolio management services on an annual fee basis. The fee, referred to as an “Advisory Fee” in the agreement signed by our clients, is typically based on a percentage of the assets that we manage. In a fee-based account the fee includes the services of your Advisor as part of the advisory relationship.

The Advisory Fees\* typically charged to the Account(s) participating in our Wrap Fee Program are as follows:

Account Assets	Advisory Fee
\$0 to \$250,000	1.50%
\$250,001 - \$750,000	1.25%
\$750,001 - \$1,000,000	1.00%
\$1,000,001 - \$2,000,000	0.95%
\$2,000,001 - \$3,000,000	0.85%
\$3,000,001+	0.75%

*\*The Breakpoint fee schedule is only available to legacy clients that previously had a breakpoint fee schedule and is not offered to new clients.*

We will evaluate existing Wrap Fee Accounts to determine whether it might be in their best interest to convert to the new Non-Wrap fee schedule that we offer for all new accounts, which is as follows:

Account Assets	Advisory Fee
\$0 to \$1,000,000	1.00%
Next \$2,000,000	0.75%
Next \$2,000,000	0.50%
Over \$5,000,000	0.30%

This is a “tiered fee schedule.” Under this schedule, the asset-based fee will vary for different levels of your account balance. For example, the first \$1,000,000 will be billed at one rate and the next two million would be billed at a lower rate and so on. Use of a tiered fee schedule will result in a blended asset-based fee rate. However, in deciding to pay a fee rather than commissions, clients should understand that the fee may be higher than the commissions would be in a commissionable account during periods of lower trading. You should periodically re-evaluate along with your Advisor whether the use of an asset-based fee account(s) continues to be appropriate for you.

Regardless of whether the Breakpoint of Tiered Schedule applies, the Advisory Fee will be calculated as a percentage of the market value of the Client’s assets under management on the last trading day of the previous calendar quarter. For purposes of determining the Client’s assets under management, any Account(s) owned by members of Client’s household, which we refer to as a relationship, will be aggregated. Commission-based Accounts with trails are included in household asset level aggregation. Advisory Fees for billable variable annuity subaccounts will be billed quarterly, in arrears. All other Advisory Fees are billed quarterly, in advance. We determine the dollar amount of the Advisory Fee by multiplying the aggregate value of the household assets under management on the last business day of the quarter by  $\frac{1}{4}$  of the annual Advisory Fee. In any partial calendar quarter, the Advisory Fee will be pro-rated based upon the number of business days that the Account was open during the quarter. Advisory Fees are negotiable, and not all clients of the Firm will be charged the same fee or according to the same fee schedule.



Our compensation is not based upon a share of capital gain or capital appreciation of any portion of Client's assets or funds.

While it is our policy to charge investment management fees to you in accordance with the fee schedules in effect at the time of executing the Investment Management Agreement (Client Agreement), we may negotiate fees with you on a case-by-case basis. We will take into account, among other things, the nature and complexity of the service provided to you, our relationship with you, the value of the assets being managed, the potential for additional business or clients, the amount of work, the attention needed to manage your accounts and whether you are in our Wrap Fee program or a Non-Wrap program. Your actual fees will be described in the Investment Advisory Agreement.

By signing the Investment Advisory Agreement, you typically grant us the authority to debit advisory fees directly from your account, but you could grant us that authority in a separate document. If we have that authority, you will receive an account statement from the account custodian, no less than quarterly, showing all account holdings, transactions in your account, and fees charged by us. We urge you to review the information on the statement for accuracy and compare the information to any reports received directly from us. Please refer to Item 15 of the Brochure for additional disclosures relating to custody.

Each client agreement may be canceled at any time, by either party, for any reason. Upon termination of any account, any prepaid, unearned fees will be promptly refunded on a pro-rata basis based upon the number of days remaining in the billing period after termination, and any earned, unpaid fees will be due and payable.

The minimum account relationship size (all accounts in a client's household) for our portfolio management service is \$500,000. Third Party Advisory Services minimum account size varies by third party manager. We have discretion to waive the minimum on all our programs. Third party investment Advisors may each respectively agree to waive their minimums at our request.

The fees deducted are reported to you on your account statement. Please review it for accuracy. Fees will be deducted first from any money market funds or cash balances. If such assets are insufficient to satisfy payment of the fee, a portion of the portfolio assets will be liquidated to cover the fee. Typically, the management fee is deducted directly from your account, a process to which you consent to in advance by signing the Investment Advisory Agreement. You do have the option to be invoiced should you prefer that.

Generally, your fee will be calculated on the entire balance in your account, including cash balances. Cash balances can be excluded from the fee calculations in some cases, if we agree in writing. This decision typically depends upon the level of cash being held and the amount of time the assets have been or will remain in cash. Additionally, each Advisor has the option to either include or exclude individual securities and/or accounts when assessing the management fee. Any such excluded asset will be reflected in the Client's agreement. This decision typically depends upon whether the client wants to have the securities actively managed and monitored or is simply having the position or the account being held as a matter of convenience or for aggregation purposes to reach the next tier or breakpoint on the fee schedule.

Fee based compensation aligns our interest with yours because our compensation increases when the assets we manage for you increase. However, this link between the value of your account and our compensation creates a conflict of interest. If your account value decreases,



so does our compensation. This gives us an incentive to discourage you from taking money from your account even if it may be in your best interest to do so.

We strive to maintain a high degree of objectivity and to ensure that our advice is not based on these incentives. However, the conflict of interest exists, and you must be aware of this when you consider our recommendations. Our goal is that our advice to you always remains in your best interest and that we will disregard any financial impact these decisions may have on our firm. Clients should discuss this subject thoroughly with their Advisor to ensure that a fee-based account is appropriate for their needs.

## **B. Third-Party Portfolio Management Fees**

Third-Party Managers charge different types of fees, which are paid in different ways. For example, some fees are separate from the investment adviser's (e.g., SWM in this example) and are either paid by the client to the third party or the third party is granted permission to withdraw the fees from the client's account(s). Another scenario would be one in which the client's investment adviser (e.g., SWM in this example) pays the third party out of its fees. Because we do currently utilize any third-party managers in managing client accounts, we anticipate doing so in the future. Before using such a management service, the third-party manager's fee will be discussed thoroughly with each client and will be the subject of either a separate agreement or separate disclosure document.

### **Fees Charged by Others Relating to Portfolio Management**

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All fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by the custodian, mutual funds, exchange-traded funds, or variable annuity sub-accounts. You will be solely responsible, directly, or indirectly, for these additional expenses.

Mutual funds and similar investment vehicles pay managers to manage the assets of the fund, and the expenses of the fund, including said management fees, are deducted from all of the fund assets, are chargeable against the net asset value of fund shares owned by the Client, and are therefore borne separately by the Client. Other fees and expenses that the Client may pay outside of this Agreement include retirement plan fees, mutual fund sales loads, 12(b)-1 marketing fees charged by mutual funds, contingent deferred sales charges, annuity fees including mortality and expense charges, and surrender charges. The Firm and your Advisory Representative do not retain 12b-1 fees paid by the mutual funds. A description of the types of fees and expenses actually charged by a particular investment are described in the prospectus or contract, as applicable, of the particular investment.

To the extent that we provide advisory services to variable annuity policyholders, variable annuity companies impose internal fees and expenses on the investments, including contingent deferred sales charges and early redemption fees. Because it is an insurance product, variable annuity companies also impose mortality charges, which are typically in a range of 1.30% - 1.70% annually. These fees are in addition to the investment advisory fees paid to us. Complete details of the internal expenses associated with the purchase of a variable annuity product are disclosed in the prospectus.



Also, please be aware for those annuity contracts that are maintained directly at the annuity company we typically receive a trailer commission from the annuity company in addition to our management fee on that contract. This creates a conflict of interest as it provides us with a financial incentive to keep you in that contract so that we can continue to receive the trail commission from the annuity company, instead of moving you to an account managed on the Fidelity platform where we would no longer receive the trail commission.

To the extent that any client utilizes margin, margin strategies entail additional fees and expenses, as the client must pay interest on any amounts borrowed against the account. When using margin, investment advisory fees are calculated on the net account balance (rather than the total market exposure) to avoid any incentive for us to use margin to potentially increase the fee paid by the client. The sale of certain options may have the effect of temporarily increasing the net value of the account and thus, increase the amount of the client's advisory fee. Please refer to Item 15 of our Form ADV Part 2A Disclosure Brochure for additional disclosures relating to custody.

See Item 12: Brokerage Practices for additional information regarding fees and other charges.

We also receive commissions or other compensation as registered representatives and insurance agents. This compensation is separate and distinct from our advisory compensation and is discussed in greater detail below.

Advisory clients may also maintain non-advisory brokerage accounts. Representatives of SWM that provide investment advice to you are also separately licensed as registered representatives of Triad Advisors ("Triad"). Triad is a dually registered broker/dealer and investment adviser and is a member of the Financial Industry Regulatory Association ("FINRA"). Representatives of SWM are compensated through commissions assessed on the transactions executed in non-advisory brokerage accounts. This creates an incentive for the representative to recommend investment products based on the compensation received rather than on your needs. To address this conflict, we maintain policies and procedures to ensure recommendations made to you are in your best interest. While representatives of SWM receive commissions on non-advisory accounts, they are not permitted to receive commissions on advisory accounts. In addition, advisory fees are not charged on commission-based brokerage accounts. Please refer to Item 12 of our Form ADV Part 2A Disclosure Brochure for additional disclosures relating to Brokerage Practices.

We will provide wealth management (asset management) services to you through various risk-based model portfolios, which range from Conservative to Aggressive Growth. If you have a taxable account, you may also be placed in a Tax Efficient model to limit taxable gains. Our models are based on research largely provided by third parties not affiliated with SWM. The research provided is used to construct and monitor models that will provide exposure to the primary asset classes. The investments chosen for the models are quantitatively screened with an emphasis on yield (income) and/or growth characteristics. A portion of the investments within some of the models will contain market hedges (typically via options) to help offset downside risk in the markets. The models will typically consist of Exchange Traded Funds ("ETF's"), Individual Stocks, Mutual Funds, Real Estate Investment Trust (REITs"), and/or Options. Investments in these models will be monitored reallocated and/or replaced periodically.

In some circumstances, there may be periods where we feel it is in your best interest to manage





your account without our investment decisions being driven by the research provided to us. Your Advisory Representative may also choose to add additional positions that he or she feels are suitable (or delete if unsuitable) to your circumstances.

**ITEM 5****ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

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**Minimum Account Size**

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The minimum relationship size (accounts owned by members of client's household) for each of the advisory services offered follows. We have discretion to waive the minimum on all our programs.

- ❖ Wealth Management Programs (including Wrap Fee) - \$500,000.00
- ❖ Financial Planning/Consulting Services - \$1,000
- ❖ Retirement Plan Consulting Services - No stated minimum

**Types of Clients**

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The Wrap Fee Program is available to Individuals (including High-Net-Worth Individuals), Trusts, Estates, Charitable Organizations, Small Business Owners, Pension and Profit-Sharing plans, and other persons or entities.

**ITEM 6****PORTFOLIO MANAGER SELECTION**

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Your Advisory Representative is the portfolio manager available with respect to the Wrap Fee Program. Because your Advisory Representative is the portfolio manager in this Program you acknowledge that you have chosen him or her to act in this capacity. Advisory Representatives are selected based on various criteria including experience. Please refer to the SWM Form ADV Part 2B for your Advisory Representative.

**About our Advisory Services**

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We do not specialize in any particular type of service, nor do we limit our securities recommendations to any particular securities. Presently there are no material differences in the way we manage accounts under the Wrap Fee Program compared to our non-wrap fee accounts. As stated above, we receive a portion of the wrap fee for our portfolio management.

**Performance-Based Fees and Side-By-Side Management**

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Neither Sugarloaf Wealth Management nor our Advisors accept any performance-based fees (i.e., fees based on a share of capital gains or capital appreciation of the assets of a client)



## Methods of Analysis, Investment Strategies and Risk Loss

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Advisors rely on various types of tools and methods to assist in recommending or selecting investment strategies to you. As noted in our Brochure Item 4, your Advisor formulates an investment strategy based on discussions with you regarding, among other things, your personal investment objectives and goals, time horizon, risk tolerance, account restrictions, needs, personal circumstances and overall financial situation. Based on those discussions, a portfolio of investments is constructed for you.

We provide advice and recommendations relating to investments such as mutual funds, exchange-traded funds (“ETFs”), variable annuities, fixed income securities, options, and equities. We will assist the client in constructing their initial asset allocation and subsequent maintenance. When analyzing investments that may be appropriate, we utilize outside research that uses Fundamental and Technical Analysis depending on the investment objective and strategy selected by the client.

- ❖ Fundamental analysis is security analysis grounded in basic factors such as the financial condition and management of a company, earnings, and balance sheet variables, which are used to predict the future value of an investment. Information such as interest rates, GDP, inflation, and unemployment may be used to predict the direction of the economy and therefore the stock market.
- ❖ Technical analysis is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical analysis focuses on matters such as trade volume, price action, demand, and volatility to help determine the market forces at work on a certain security or on the markets as a whole.

We use third parties to provide us with suggested investment models and strategies and to identify and communicate to us the timing and direction of allocation changes to those models and strategies. From time to time, we will take positions that are inconsistent with the research that we receive and with a portfolio’s main investment strategy. This would be done for instance to attempt to minimize capital gains in taxable accounts, or to respond to adverse market, economic, political, or other conditions. At our sole discretion, we can choose to act or not act on the information we receive from these providers. These decisions are made by our investment committee with respect to the management of our model portfolios.

Your Advisor can engage in a tactical strategy that may involve active trading. Tactical strategies can be risky, and your portfolio can be more volatile with shorter term fluctuations from more frequent trading. This type of strategy may not be appropriate for clients with a low risk tolerance. You should be prepared for higher volatility and may lose funds when you invest in securities. Active trading can result in tax consequences due to shorter-term purchases and sells. Consult your tax professional for advice.

Investing in securities involves risk of loss that clients should be prepared to bear. We use our best judgment and good faith efforts in providing advisory services to clients. We cannot warrant or guarantee any level of account performance, or that an account or investment will be profitable over time. Not every investment decision or recommendation made by us will be profitable. Investments in securities are subject to risks. We attempt to minimize these risks by constructing diversified portfolios appropriate for your level of risk tolerance.

Additionally, you should note that your portfolio will reflect your Advisors’ decisions with regards to investment purchases and sells, the amount and length of time that cash is held



and when you became a client of SWM. For these and other reasons, the performance of your portfolio may differ from clients of SWM with similar objectives, goals, and risk tolerances.

### Voting Client Securities

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We do not have the authority to vote proxies and do not render any advice with respect to voting of proxies for the securities in client accounts. We will have no obligation to render advice or take any action with respect to any securities subject to any legal proceedings, such as class action lawsuits or bankruptcy proceedings. Typically, custodians will have proxies sent directly to you. Some custodian agreements allow you to mark a box that will result in the custodian mailing proxies to us. It is important that you realize that if you elect to have your proxies sent directly to us, we will not vote them but will shred them upon receipt.

#### ITEM 7

### CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

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Your personal identification, account, and holdings data are disclosed to your Advisor to enable your Advisor to help determine the Program Investments that are suitable for you.

Your Advisor provides us with access to the following client related information: (i) account opening documents (which include, among other things, your investment objective, risk tolerance and any account restrictions you imposed on management of assets); (ii) your investment guidelines (if applicable); and (iii) reports relating to the performance of your account. Please refer to the Sugarloaf Wealth Management Privacy Policy.

#### ITEM 8

### CLIENT CONTACT WITH PORTFOLIO MANAGERS

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#### Client-Advisor Relationship

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You are encouraged to contact your Advisor with respect to any changes regarding your investment objectives, risk tolerance and requested restrictions with respect to management of your Program Investments. You should direct any questions that you have regarding the Program to your Advisor.

#### ITEM 9

### ADDITIONAL INFORMATION

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#### Disciplinary Information

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Sugarloaf Wealth Management or its management. We have no disciplinary actions to disclose.

#### Other Financial Industry Activities & Affiliation

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In addition to providing investment advisory services, we offer estate settlement services to our clients. We may work with individual or clients' attorneys and accountants to develop and implement a plan to effectively allocate the assets retained in an estate. Clients who are



provided this service will be charged a flat fee or a fee based upon a percentage of the assets maintained in the estate. The minimum fee for estate settlement services will be \$1,500 per project. We have discretion to waive the minimum fee. This fee is separate and distinct from any fees charged by us for advisory services.

The accounting firm Rhodes, Young, Black & Duncan, CPA (RYBD) may recommend us to accounting clients in need of advisory services. Likewise, we may recommend RYBD to you for accounting services. Accounting services provided by RYBD are separate and distinct from our advisory services and are provided for separate and typical compensation. There is no referral fee arrangement between RYBD the firm and SWM. Advisory clients are not obligated to use RYBD for any accounting services. However, we may offer you bundled advisory and accounting/tax services in our agreement with you, and should you choose this bundled arrangement, you would be required to sign a separate agreement with RYBD for those accounting and/or tax services and a portion of the fee you pay to us would be passed on to RYBD as compensation for their services. You may be able to obtain these same bundled services cheaper at other firms.

Our Advisors are also separately licensed registered representatives of Triad. Triad is a diversified financial services company engaged in the sale of investment products and is not affiliated with SWM. Your Advisor may recommend securities offered by Triad to advisory clients. They will receive commissions if products are purchased through them. As such, your Advisor has an incentive to sell commissionable products because of the additional financial benefit. To address this conflict, we maintain policies and procedures to ensure recommendations made to you are in your best interest.

SWM is also a registered insurance agency, and some Members or Advisors of SWM are licensed insurance agents. As part of the financial planning services provided to clients, we may recommend the purchase of insurance products. We would receive commissions as insurance agents in connection with such products. Thus, there is an incentive to recommend insurance products that would result in additional compensation for us. To address this conflict, we maintain policies and procedures to ensure recommendations made to you are in your best interest.

The advisory services offered by us are entirely separate and distinct from (though complimentary to) the advisory services of Triad. Your Advisor does not provide investment advice on Triad's behalf. Triad does not warrant the sources of information, investment strategies, or the contents of any information provided by SWM. The brokerage services offered by these individuals through Triad are offered pursuant to the business name of Sugarloaf Wealth Management, LLC. SWM is considered an Office of Supervisory Jurisdiction (OSJ) of Triad by FINRA.

### Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

We have adopted a Code of Ethics for all our employees. This Code expresses our commitment to ethical conduct and is used to guide the personal conduct of our various team members. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- ❖ The duty at all times to place your interests first;
- ❖ The requirement that all personal securities transactions be conducted in such a manner



as to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;

- ❖ The fiduciary principle that information concerning the identity of your security holdings and financial circumstances are confidential; and
- ❖ The principle that independence in the investment decision-making process is paramount.

We may recommend securities to you or buy or sell securities for your account at or about the same time we buy or sell the same securities in our own account/s. In those instances, the Firm maintains policies and procedures to avoid, detect, and correct conflicts of interest that arise if you and the Advisory Representative (including Related Persons) invest in the same security on the same side of the market on the same day. We also require access persons to receive advance approval prior to investing in any initial public offerings, private placements, and certain restricted individual securities.

As a matter of policy, SWM would never recommend to clients, or buy or sell for client accounts, securities in which our firm or its related persons has a material financial interest.

Our employees are allowed to buy and sell individual securities for their personal accounts that you may also invest in. This will create a conflict of interest if they receive a better price than you do on that trade. To manage this conflict, we direct that our Advisors delay trading of the same securities in their personal accounts until the next day unless they are assured that you the client will receive the same or better execution price if the orders are placed the same day. To supervise this issue, we require employees who possess access to advisory recommendations to provide personal quarterly transaction reports to our compliance department.

Any third-party managers we use are not affiliated with us and will be governed by their own policies and procedures. You should refer to their ADV brochure documents for information on their Code of Ethics.

Our Code of Ethics requires that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

We will be glad to provide you with a complete copy of our Code of Ethics upon request.

## Review of Accounts

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### Portfolio Management Reviews

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At least annually we will offer to review your account(s) with you, but this can be more frequent if you request it. This is a time for you and your Advisor to discuss the impact of market and economic conditions on your portfolio or any changes in your financial or personal situation and/or investment objectives due to such things as marriage, divorce, retirement, changes in health status.

Depending on account activity, our custodians will provide monthly and/or quarterly statements. These statements will show all activity in your accounts during that period including any fees paid from the account. You may request additional reports prepared by us, which may contain performance, portfolio holdings, market value, and/or cost basis. Clients using the services of a third-party manager may receive additional reports prepared by that manager.



The portfolio management services provided by us are conducted on a continuous basis. External events, economic or market related, are also analyzed on an ongoing basis to determine if more frequent reviews are necessary.

### Financial Planning/Consulting Services

At the onset of a financial planning engagement, SWM's advisory representative conducts a thorough review of the client's personal financial condition and assesses their goals and objectives.

Financial planning clients are initially provided a report containing an analysis of their current and projected financial condition. The report may also include recommendations with respect to security selection, investment products and/or insurance products. At the client's request, the financial plan can be updated at any time for a separate fee.

### Client Referrals and Other Compensation

SWM offers a range of investments and services to its clients. As you work with your Advisor to determine the right investments and services to achieve your investment goals, it is also important for you to understand how SWM and your Advisor are compensated. Certain forms of compensation can create conflicts of interest, and it is important for you to assess these conflicts of interest when making investment decisions.

We maintain policies and procedures to ensure recommendations are suitable and require that Advisors always act in your best interest. We also maintain a supervisory structure to monitor the advisory activities of your Advisor to reduce potential conflicts of interest. You are encouraged to ask us about any conflict presented.

### Client Referrals

SWM has arrangements with individuals ("Solicitors") under which the Solicitors introduce potential advisory clients to the Firm in exchange for a referral fee. Solicitor arrangements are conducted in accordance with the SEC's "Marketing Rule" (Rule 206(4)-1 and 206(4)-2 as amended and effective November 4, 2022). If you are introduced to us through a Solicitor, a separate disclosure statement is provided to you advising that a referral fee is being paid to an individual that is unaffiliated with the Firm and whether that individual is also a client of the Firm. The referral fee will be defined in the disclosure statement and is typically equal to a percentage of the advisory fees collected from the clients the Solicitor referred to us.

### Other Compensation

All our Advisors are also Registered Representatives of Triad. This arrangement allows us to offer advisory services and programs sponsored or approved by Triad. Triad sets limits on how much we can charge for these advisory services. Some advisory programs have higher fee limits than others. As such, there is an incentive for us to recommend advisory services or programs with higher limits. In addition, Triad may charge us certain usage fees and expenses to use their advisory programs, which may decrease the amount of money we make when offering investment advice. Therefore, there is an incentive to provide advisory programs and services that may be cheaper for us to use even if another advisory program is more suitable to the client's needs.



Triad offers our Advisory Representatives educational, training, and incentive programs for those Advisors that achieve higher rankings of security revenue generated among Triad's sales force. There are no goals or quotas. Furthermore, there is no way to determine what level of revenue would be sufficient to achieve the ranking. There is an incentive for us to manage accounts in ways that assist us in meeting these production goals even if such strategies may not be the most suitable for the account.

Certain Third-Party Advisory Service programs, custodians, and/or our broker/dealer also provide us with the opportunity to attend training or education conferences. Such conferences include the payment or reimbursement of travel, meals and lodging expenses for attendees. Payment/reimbursement of expenses is not contingent upon the sale of any specific product. However, we have an incentive to recommend those firms that provide us with these benefits over those that do not.

Our Advisors may participate in programs offered by Fidelity and Triad. In these programs, transaction charges for purchasing certain securities that participate in these programs may be reduced or waived. This provides us with an incentive to invest client accounts in these securities over securities that do not participate in these programs to reduce our transaction costs even if such investments are not the most suitable for your account because their use will result in higher costs to you due to their higher internal expenses.

In addition to reimbursement of training and educational meeting costs, SWM and its Advisory Representatives may receive promotional items, meals or entertainment or other non-cash compensation from representatives of third parties such as mutual fund companies, insurance companies, and alternative investment products, as permitted by regulatory rules. Additionally, sales of any mutual funds, variable insurance products and alternative investment products, whether or not they are those of strategic partners, can qualify Advisors for additional business support and for attendance at seminars, conferences and entertainment events.

### Financial Information

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SWM does not require nor solicit the prepayment of \$1,200 in fees per client, six months or more in advance.

We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitment to you.