



**Schwallier Wealth Management LLC,
DBA Schwallier Wealth Management**

Firm Brochure

Appendix 1 – Wrap Brochure

March 25, 2024

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Grand Rapids, MI 49534

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This wrap fee program brochure provides information about the qualifications and business practices of Schwallier Wealth Management. If you have any questions about the contents of this brochure, please contact us at (616) 855-2051. 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 Schwallier Wealth Management is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Schwallier Wealth Management is 143329.

ITEM 2 - MATERIAL CHANGES

Since our last annual updating amendment dated 03/30/2023, we have amended this brochure to disclose the following material changes:

- 1) The firm has added the Information related to Transition Assistance received from LPL (Item 9)
- 2) The firm implemented a wrap fee program through LPL. Please see the new Appendix 1 to this firm brochure.

Item 3 – Table of Contents

Item 2 - Material Changes.....	2
Item 3 – Table of Contents	3
Item 4 – Services, Fees and Compensation	4
Item 5 – Account Requirements and Types of Clients.....	7
Item 6 – Portfolio Manager Selection and Evaluation.....	7
Item 7 – Client Information Provided to Portfolio Managers	10
Item 8 – Client Contract with Portfolio Managers	10
Item 9 – Additional Information.....	10

ITEM 4 – SERVICES, FEES AND COMPENSATION

OWNERSHIP/ADVISORY HISTORY

Schwallier Wealth Management LLC (“we”, “our”) DBA Schwallier Wealth Management was established as a Michigan Limited Liability Company in April 2007. It was subsequently registered as an SEC-registered investment adviser. The Adviser’s current owner is Adam Schwallier (“Mr. Schwallier”).

INVESTMENT AND PORTFOLIO MANAGEMENT SERVICES

Our portfolio management engagement with a client includes, as appropriate, the following:

- Providing assistance in reviewing the client’s current investment portfolio against the client’s personal and financial circumstances as disclosed to the firm in response to a questionnaire and/or in discussions with the client and reviewed in meetings.
- Analyzing the client’s financial circumstances, investment holdings and strategy, and goals.
- Providing assistance in identifying a targeted asset allocation and portfolio design.
- Implementing and/or recommending an appropriate investment portfolio.
- Implementing changes in the client’s investment portfolio in consideration of changes in the client’s personal circumstances, investment objectives, and tolerance for risk, the performance record of any of the client’s investments, and/or the performance of any fund retained by the client, as well as based on changing economic and market outlooks.

Our services are discretionary. However, we offer non-discretionary services when requested. With non-discretionary portfolio management services, prior to the execution of any trades, we will telephone the client to receive his/her authorization. Upon receiving the client’s authorization, we will execute the trade per his/her instructions.

If you engage our firm for discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. This discretionary authority will also provide our firm with authorization to delegate discretionary investment management services to other unaffiliated investment adviser or portfolio manager selected by us based on your investment objectives and portfolio strategy. Discretionary authority is granted by the advisory agreement and the appropriate trading authorization forms. In our sole discretion, we can accept instructions from you that limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account). Such requests must be presented to our firm in writing. To the extent we engage another investment adviser or portfolio manager to assist us with managing your account on a discretionary basis, we will regularly monitor the performance of your accounts.

FEES

Assets Under Management (“AUM”) based:

Fees for portfolio management services may be billed as a percentage of the assets under management. Depending on the custodial platform used and the date that a relationship with us

begins, fees will be calculated, accrued and due quarterly in arrears or quarterly in advance. This will be spelled out in the Investment Management Agreement.

Our standard fee schedule is as follows:

<u>Assets Under Management</u>	<u>Percent Annual Fee</u>
Under \$2,500,000	1.00%
\$2,500,000 to \$5,000,000	0.90%
\$5,000,000 to \$10,000,000	0.80%
\$10,000,000 and above	Negotiable

The annual fee is determined based on a percentage of the total value of all accounts the client has with us and will be applied to all accounts regardless of the value of each individual account. Unlike many companies who use tiered rates, which means you only receive the lower rates on a portion of your account, the above rates are flat. You will be charged the applicable rates shown on the entire total account balance. We require a minimum fee of \$3,000 per client.

However, we reserve the right to charge a fee that may be different from the percentages based on client circumstances it deems pertinent. The fee on accounts with a value lower than \$300,000 is negotiated and generally does not exceed 1.2%. Please note that we generally do not accept accounts lower than \$250,000.

Our fees include brokerage charges, transaction fees, and other related costs and expenses. However, mutual funds and exchange traded funds also charge internal management fees, as disclosed in a fund's prospectus, which are separate and distinct from the firm's fee.

A client may terminate the Investment Management Agreement for any reason at any time and, within the first five (5) business days after signing the contract, and receive a 100% refund of any fees paid without any cost or penalty. Thereafter, the Agreement may be terminated at any time by giving seven (7) days written notice. The written notice of termination must be sent to Schwallier Wealth Management, 607 Cascade West Parkway SE, Grand Rapids, MI 49546. In the event of a refund, a check will be sent back for the pro-rata portion due back to the client.

Net Worth based:

Fees for portfolio management services may be billed as an annual fixed dollar fee based on the Client's household net worth in accordance with the below fee schedule:

Household Net Worth as determined by Client's balance sheet	Annual Fee Rate
Under \$1,000,000	\$7,500
\$1,000,000 to \$2,000,000	\$12,000
\$2,000,000 to \$4,000,000	\$18,000
\$4,000,000 to \$6,000,000	\$28,000
\$6,000,000 to \$8,000,000	\$35,000
\$8,000,000 to \$12,000,000	\$40,000
\$12,000,000 to \$20,000,000	\$45,000
Net worth above \$20,000,000	Negotiable

The fee is negotiable and may be higher or lower based on the complexity of the client and a variety of other factors. Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian. Near the start of each year, clients will receive an invoice breaking down the fee for the upcoming year along with the

formula used to calculate the fee. At the end of each year, the net worth will be re-evaluated to determine if a change in fee is necessary for the following year. In the event the fee level is scheduled to increase for any reason, the client will be notified via e-mail and provided the new fee amount. In the event the client does not respond or acknowledge within 30 days of notice, the Adviser will increase the fee as scheduled accordingly.

Fees charged by Adviser may be negotiated and vary among clients for similar services.

Fees will not be based upon a share of capital gains or capital appreciation of the funds or of any portion of the funds under advisory contract. The Adviser's fees are separate and distinct from other fees or expenses that may include brokerage charges, transaction fees, and other related costs and expenses. Additionally, clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by mutual fund managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, as disclosed in a fund's prospectus, which are separate and distinct from the firm's fee.

A client may terminate the Investment Management Agreement for any reason at any time and, within the first five (5) business days after signing the contract and receive a 100% refund of any fees paid without any cost or penalty. Thereafter, the Agreement may be terminated at any time by giving seven (7) days written notice. The written notice of termination must be sent to: Schwallier Wealth Management, 607 Cascade West Parkway SE, Grand Rapids, MI 49546. In the event of a refund, a check will be sent back for the pro-rata portion due back to the client.

Other Types of Fees and Charges

Program accounts will incur additional fees and charges from parties other than us as noted below. These fees and charges are in addition to the advisory fee paid to us. We do not share in any portion of these third-party fees.

LPL, as the custodian and broker-dealer providing brokerage and execution services on program accounts, will impose certain fees and charges. LPL notifies clients of these charges at account opening and we can provide a copy at the client's request. LPL will deduct these fees and charges directly from the client's program account.

There are other fees and charges that are imposed by other third-parties that apply to investments in program accounts. Some of these fees and charges are described below:

- If a client's assets are invested in mutual funds, exchange traded funds or other pooled investment products, clients should be aware that there will be two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay us the advisory fee with respect to those assets. Most of the mutual funds available in the program can be purchased directly. Therefore, clients could generally avoid the second layer of fees by not using our management services and by making their own investment decisions.
- Certain mutual funds impose fees and charges such as contingent deferred sales charges, early redemption fees and charges for frequent trading. These charges can apply if the client transfers into or purchases such a fund with the applicable charges in a program account.

- If client holds a variable annuity as part of an account, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor.

Further information regarding fees assessed by a mutual fund, or variable annuity is available in the appropriate prospectus, which is available upon request from us or from the product sponsor directly.

Other Important Considerations

- The advisory fee is an ongoing wrap fee for investment advisory services, the execution of transactions and other administrative and custodial services. The advisory fee can cost the client more than purchasing the program services separately, because the client could pay an advisory fee plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the type and size of the account, historical or expected size or number of trades for the account, and number and range of supplementary advisory and client-related services provided to the client.
- The advisory fee also can cost the client more than if assets were held in a traditional brokerage account. In a brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a program account.
- The investment products available to be purchased in the program can be purchased by clients outside of a program account, through broker-dealers or other investment firms not affiliated with us.

RETIREMENT ROLLOVER CONFLICTS OF INTEREST

When we recommend you rollover a retirement account for us to manage, this creates a financial incentive because we charge a fee for our services. We attempt to mitigate the conflict of interest by acting in your best interest and applying an impartial conduct standard to all rollovers. Please note that you are not under any obligation to roll over a retirement account to an account managed by us.

ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

We offer our services to individuals, high net worth individuals, and corporations or other businesses. We do not require a minimum account size.

ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION

In our wrap program, we generally do not employ the services of another investment advisers or portfolio managers. We, through our associated persons, are responsible for the investment advice and management offered to clients. For more information about the associated person managing the account, the client should refer to the Brochure Supplement (ADV Part 2B) for the associated person, which the client should have received along with this Brochure at the time client opened the account. However, there are times when another investment adviser is brought in to manage a

portion of a client's account. When doing so, we match the client with a portfolio manager based on the clients' investment objectives, needs and financial goals. We conduct a quarterly review of the portfolio manager by reviewing the performance of our clients' accounts. We also review each portfolio manager's Form ADV annually.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

When we manage client accounts, we use a combination of the following types of analysis:

Fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's *actual* business and its future prospects. The analysis is performed on historical and present data. On a broader scope, one can perform fundamental analysis on industries or the economy as a whole. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. The risk associated with fundamental analysis is that despite that appearance that a security is undervalued, it may not rise in value as predicted.

Technical Analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. The risk associated with technical analysis is that there is no broad consensus among technical traders on the best method of identifying future price movements.

Tactical Asset Allocation is an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors. This strategy is designed to allow portfolio managers to create extra value by taking advantage of certain situations in the marketplace. It is as a moderately active strategy because portfolio managers return to the portfolio's original strategic asset mix when desired short-term profits are achieved.

Our analysis of securities and advice relating thereto may be based upon information obtained from financial newspapers and magazines, research materials prepared by others, corporate ratings services, and annual reports, prospectuses and filings made with the Securities and Exchange Commission. We can also utilize computer models for performance analysis, asset allocation and risk management.

INVESTMENT RISKS AND RECOMMENDED SECURITIES RISKS

We primarily use exchange traded funds. On occasion we may also use other securities such as, but not limited to: Equity Securities; Bonds and other corporate debt instruments; Mutual Fund Securities; Government Debt instruments including Treasury Bills and Municipal securities; Certificates of Deposit; Money Market Funds and Cash.

All investments bear different types and degrees of risk and **investing in securities involves risk of loss that clients should be prepared to bear**. While we use investment strategies that are designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk.

Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. A client needs to ask questions about risks he/she does not understand. We would be pleased to discuss them.

An investment could lose money over short or even long periods. A client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets. The client's account performance could be hurt by:

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- **Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates. Interest rate risk will vary for the Firm, depending on the amount of Client assets invested in bonds.
- **Manager risk:** The chance that the proportions allocated to the various securities will cause the Client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **International Investing Risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, and regulatory and financial reporting standards, that differ from those of the U.S.
- **Credit risk:** This is the risk that an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of your investment and/or the future purchasing power of your assets.
- **Liquidity Risk:** Liquidity risk exist when particular investments are difficult to purchase or sell, possibly preventing the ability to sell such illiquid securities at an advantageous time or price, or possibly requiring the client to dispose of other investments at unfavorable times or prices in order to satisfy its obligations.
- **Option Risk:** Investment in option contracts are not guaranteed. Options should be considered riskier than stocks, bonds or cash. You should familiarize yourself with the type of option (i.e., put or call) and strategy your Advisor is contemplating. Transactions in options carry a high degree of risk.

Buying an option is subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at the time. If the purchased options expire worthless, you will suffer a total loss of you investment, which will consist of the option premium plus transaction costs.

Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest.

If the option is “covered” by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered the risk of loss can be unlimited.

VOTING CLIENT SECURITIES

We do not accept authority to vote proxy solicitations for client securities. Clients retain the right to vote proxies that are solicited for securities held in the account. Clients will receive proxies or other solicitations from the custodian. If clients have questions regarding the solicitation, they should contact us or the contact person that the issuer identifies in the proxy materials. In addition, we do not accept authority to act with respect to legal proceedings relating to securities held in the account.

ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

We obtain the necessary financial data from the client and assist the client in setting an appropriate investment account that can include a portfolio manager. We obtain this information by having the client complete an advisory agreement and other documentation. The portfolio managers will be able to see the client’s account holdings and be able to trade the account based on the chosen investment objectives. Clients are encouraged to contact us if there have been any changes in their financial situation or investment objectives. They should also contact us, if they wish to impose any reasonable restrictions on the management of the account or modify existing restrictions. Clients should be aware that the investment objective selected for the wrap program is an overall objective for the entire account and can be inconsistent with a holding and the account’s performance at any time. Clients should further be aware that achievement of the stated investment objective is a long-term goal for the account.

ITEM 8 – CLIENT CONTRACT WITH PORTFOLIO MANAGERS

Clients should contact us at any time with questions regarding program accounts.

ITEM 9 – ADDITIONAL INFORMATION

DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events within the past 10-years that would be material to a client's evaluation of us or the integrity of our management. We have no information applicable to this Item because we have not been the subject of any administrative, civil, criminal or regulatory proceedings.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We and our investment adviser representatives do not have a relationship, affiliations or arrangement with any issuer of securities, broker-dealer, other investment advisers or any other securities industry company.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons. It describes our high standard of business conduct and fiduciary duty to our clients. The Code of Ethics includes, among other things, provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons must acknowledge the terms of the Code of Ethics annually or as amended.

MATERIAL INTEREST IN SECURITIES

We do not have a material interest in any securities.

INVESTING IN OR RECOMMENDING THE SAME SECURITIES

Our staff is permitted to engage in personal securities transactions. These transactions create potential conflicts of interest if they were to trade in advance in a security that is owned by a client or considered for purchase or sale on behalf of a client. We have adopted policies and procedures that are reasonably designed to affect transactions for you in a manner consistent with the fiduciary duty owed to you as a client. Our staff who buy or sell the same securities bought or sold for a client can do so only if they comply with our written policies and procedures.

Review of Accounts

All accounts will be reviewed by one of the firm's licensed professionals on at least an annual basis.

Review Triggers

Reviews may also be triggered by events within client's lives, as well as pertinent news events, changes in federal and state regulatory or tax regimes, and overall economic events.

Reports and Account Statements

Clients with accounts under management by the firm will receive at least a quarterly report from the qualified custodian which will include valuations as of the end of each quarter along with current asset allocations. Other reports may from time to time be provided to clients from financial planning tools that we utilize in the financial planning process.

Client referrals and Other Compensation

OTHER COMPENSATION

LPL provides various benefits and payments to advisory firms that are new to the LPL platform to assist them with the costs (including forgone revenues during account transition) associated with transitioning their business to the LPL platform (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in

funding the advisor's business, offsetting account transfer fee (ACATs) payable to LPL as a result of the advisor's clients transitioning to LPL's custodian platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, staffing support and termination associated with moving accounts.

The receipt of Transition Assistance creates a conflict of interest relating to SWM's advisory business because it creates a financial incentive for our representatives to recommend that their clients open accounts with LPL.

We attempt to mitigate these conflicts of interest by evaluating and recommending that clients use LPL's services based on the benefits that such services provide to our clients, rather than the Transition Assistance received. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in a brokerage account at LPL.

CLIENT REFERRALS

We can pay referral fees (non-commission based) to independent solicitors (non-registered SWM representatives) for the referral of their contacts to us in accordance with the Investment Advisers Act of 1940's General Marketing Rule. Such referral fees represent a share of the investment advisory fee charged to clients. This arrangement will not result in higher costs to clients. In this regard, we maintain Promoter Agreements in compliance with the Rule and applicable state and federal laws.

Custody

All client funds, securities and accounts are held at third-party custodians. Portfolio management clients will be asked to authorize us with the ability to instruct the custodian to deduct our management fees directly from the client's account. This authorization will apply to our management fees only. A client may cancel this authorization at any time. The Account's custodian will send a quarterly account statement, indicating the amount of fees withdrawn from the client's Account. We urge clients to carefully review their statements and notify us of any discrepancies as soon as possible.

Financial Information

BALANCE SHEET

At no time will fees of more than \$1200 be charged six or more months in advance. As such, a balance sheet is not required to be provided at this time.

FINANCIAL CONDITION

We are required in this Item to provide clients with certain financial information or disclosures about our financial condition if we have a financial commitment that impairs our ability to service clients. We do not have a financial commitment that impairs our ability to service clients.

BANKRUPTCY

We have not been the subject of a bankruptcy proceeding.