



STEWARDSHIP  
ADVISORS, LLC  
*Walking with you on your journey*

Stewardship Advisors, LLC  
321 W. Main Street  
Mount Joy, PA 17552

Tel: (717) 492-4787  
Fax: (717) 283-4049  
[www.mystewardshipadvisor.com](http://www.mystewardshipadvisor.com)

Form ADV Part 2  
Firm Brochure  
March 22, 2024

This brochure provides information about the qualifications and business practices of Stewardship Advisors, LLC. Please contact our Chief Compliance Officer, Mr. Mark Brinser, at (717) 492-4787 if you have any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Stewardship Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 277099.

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

## **Item 2 - Material Changes**

Since our previous annual amendment on March 23, 2023, Stewardship Advisors, LLC ("Stewardship" or "Firm") updated our ADV brochures to reflect a change of Custodian from TD Ameritrade Institutional to Charles Schwab & Co., Inc ("Schwab"). Also, since our prior annual amendment, Stewardship began managing assets for some clients on a non-discretionary basis. Stewardship also no longer offers an hourly fee rate for financial planning. Stewardship no longer utilizes socially responsible investment models, instead utilizing only ESG (economic, social, & governance) models. As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and as there may be other small changes not included here. In addition, Logan Kready and Zak Drescher each acquired a 5% ownership interest in Stewardship and W. Lee Shertzer's ownership interest decreased.

### **Item 3 - Table of Contents**

## **Contents**

Item 1 - Cover Page .....	1
Item 2 - Material Changes .....	2
Item 3 - Table of Contents .....	3
Item 4 - Advisory Business .....	4
Item 5 - Fees and Compensation .....	8
Item 6 - Performance-Based Fees and Side-By-Side Management .....	11
Item 7 - Types of Clients .....	11
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	11
Item 9 - Disciplinary Information .....	14
Item 10 - Other Financial Industry Activities and Affiliations .....	14
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	15
Item 12 - Brokerage Practices .....	15
Item 13 - Review of Accounts .....	18
Item 14 - Client Referrals and Other Compensation .....	19
Item 15 - Custody .....	20
Item 16 - Investment Discretion .....	20
Item 17 - Voting Client Securities .....	21
Item 18 - Financial Information .....	21

## **Item 4 - Advisory Business**

### **Description of the Firm**

Stewardship Advisors, LLC is a Pennsylvania domiciled limited liability company formed in November of 2011; initially created for general business purposes (e.g., operating expenses, etc.). The Firm initially registered as an investment advisor with the Commonwealth of Pennsylvania in October of 2015, followed by our SEC registration in July of 2016.

The firm's control person is W. Lee Shertzer.

### **Description of Services Offered**

Stewardship Advisors, LLC provides financial planning services that focus on areas such as cash flow and budgeting, funding a college education, retirement planning, risk management, estate, or tax planning, among others. Ongoing and continuous supervision of clients' portfolios are provided through our portfolio management services offering as well as engaging the services of institutional investment managers. We provide educational workshops involving a broad range of financial planning and investing topics. The firm also offers our services to retirement plan sponsors that are described in a separate brochure available on [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

Prior to engaging Stewardship Advisors, LLC for our services, you must first execute a written engagement agreement with our firm. Thereafter discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. Depending on the scope of the engagement, you may be asked to provide copies of the following documents early in the process:

- Wills, codicils, and trusts
- Insurance policies
- Mortgage information
- Tax returns
- Student loans
- Divorce decree or separation agreement
- Current financial specifics including W-2s or 1099s
- Information on current retirement plans and benefits provided by your employer
- Statements reflecting current investments in retirement and non-retirement accounts
- Employment or other business agreements you may have in place
- Completed risk profile questionnaires or other forms provided by our firm

It is important that you provide us with an adequate level of information and supporting documentation throughout the term of the engagement, including but not limited to: source of funds, income levels, and an account holder or their legal agent's authority to act on behalf of the account, among other information that may be necessary. This helps us determine the appropriateness of our planning strategies and/or investment recommendations. The information and/or financial statements you provide needs to be accurate.

It is also essential to keep us informed of significant issues that may call for an update to your plan. Events such as changes in employment or marital status, an unplanned windfall, etc., can have an impact on your circumstances and needs. We need to be aware of such events, so that we may make adjustments as necessary in order to keep you on track toward your goals.

### ***Financial Planning Services***

The incorporation of most or all of the following planning components allows for not only a thorough analysis but

also a refined focus of your goals and objectives. Your plan may be as broad-based or narrowly focused as you desire. Note that when our planning focuses only on certain areas of your interest or need, your overall situation or needs may not be fully addressed due to limitations you may have established. We will present you with a summary of our recommendations, guide you in the implementation of some or all of them per your decisions, as well as encourage ongoing reviews thereafter. You retain full discretion over all implementation decisions and are free to accept or reject any recommendation we make.

#### Cash Flow Analysis and Debt Management

A review of your income and expenses may be conducted to determine your current surplus or deficit. Based upon the results, we might recommend prioritizing how any surplus should be used, or how to reduce expenses if they exceed your income. In addition, advice on the prioritization of which debts to repay may be provided, based upon such factors as the debt's interest rate and any income tax ramifications. Recommendations may also be made regarding the appropriate level of cash reserves for emergencies and other financial goals. These recommendations are based upon a review of cash accounts (such as money market funds) for such reserves and may include strategies to save desired reserve amounts.

#### Risk Management

A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").

#### Employee Benefits

A review is conducted and analysis is made as to whether you, as an employee, are taking maximum advantage of your employee benefits. We will also offer guidance on your employer-sponsored retirement plan and/or stock options, along with other benefits that may be available to you.

#### Personal Retirement Planning

Retirement planning strategies typically include projections of your likelihood of achieving your financial goals, with financial independence usually the primary objective. For situations where projections show less than the desired results, a recommendation may include showing you the impact on those projections by making changes in certain variables (i.e., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

#### College Funding

Advice involving college funding may include projecting the amount that will be needed to achieve post-secondary education funding goals, along with savings strategies and the "pros-and-cons" of various college savings vehicles that are available. We are also available to review your financial picture as it relates to eligibility for financial aid or the best way to contribute to family members, such as grandchildren, if appropriate.

#### Tax Strategies

Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, recommendations may be offered as to which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with consideration that there is always a possibility of future changes to federal, state, or local tax laws and rates that may impact your situation. Upon your request, we will assist you in preparing tax forms or data collection for your accountant's review.

### Estate Planning

Our review typically includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and other related documents. We may assess ways to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. We recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your prior approval.

### Divorce Planning

Separation or divorce can have a major impact on your goals and plans. We will work with you to help you gain an understanding of your unique situation and provide you with a realistic financial picture so that you are in a better situation to communicate with your legal counsel, mediator or soon to be ex-spouse. We can assist in the completion of cash flow and net worth projections, budget analysis, as well as help you to understand what the consequences and/or benefits of a settlement.

### Investment Consultation

Our investment consultation component often involves providing information on the types of investment vehicles available, employee retirement plans and/or stock options, investment analysis and strategies, asset selection and portfolio design. The strategies and types of investments that may be recommended are further discussed in Item 8 of this brochure.

### Business Consultation

We are available to assist small businesses in a variety of ways to include business strategy, debt management, general financial advice, risk management, as well as assisting you with matters involving coordination with your financial institution, retirement plan advisor, and attorney or accounting firm.

### **Broad-Based v. Modular Financial Planning**

A broad-based plan is an endeavor that requires detail. Certain variables can affect the development of the plan, such as the quality of your own records, complexity and number of current investments, diversity of insurance products and employee benefits you currently hold, size of the potential estate, and special needs of the client or their dependents, among others. At your request, we may concentrate on reviewing only a specific area (modular or component planning), such as investment allocation at your employer's retirement plan, funding an education, an estate planning issue, or simply evaluating the sufficiency of your current retirement plan. Note that when these services focus only on certain areas of your interest or need, your overall situation or needs may not be fully addressed due to limitations you may have established. Whether we have created a broad-based or modular plan, we will present you with a summary of our recommendations, guide you in the implementation of some or all of them per your decision, as well as offer you periodic reviews thereafter. In all instances involving our financial planning engagements, our clients retain full discretion over all implementation decisions and are free to accept or reject any recommendation that we make.

### **Portfolio Management Services**

You may also engage our firm to implement investment strategies that we have recommended to you. Depending on your risk profile, goals and needs, among other considerations, your portfolio will involve the employment of one of our investment strategies as well as either a broad range or more narrowly focused choice of investment vehicles which are further discussed in Item 8 of this brochure.

Where appropriate, we will prepare investment guidelines reflecting your objectives, time horizon, tolerance for

risk, as well as any reasonable account constraints you may have for the portfolio. These guidelines will be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. Since this effort is the product of information and data you have provided, you may be asked to review it and provide your final approval. We will then develop a customized portfolio for you based on your unique situation, investment goals and tolerance for risk. We serve as your portfolio manager on a discretionary or nondiscretionary basis (defined in Item 16), and the engagement typically includes:

- Determination of risk tolerance
- Investment strategy
- Investment guideline development
- Asset allocation
- Asset selection
- Regular monitoring
- Periodic rebalancing

Following our review and/or plan development, we may recommend that you engage an institutional investment manager to serve your portfolio. Prior to recommending a sub-advisor or third-party investment manager, we will conduct what we believe to be an appropriate level of due diligence that includes ensuring that the investment manager is appropriately notice-filed within your state of residence. Clients may be required to maintain a minimum account size to be eligible for this service.

Under this type of engagement, we will gather input from you about your financial situation, investment objectives, reasonable restrictions you may want to impose on the management of the account, and we will then provide this information to the investment manager to develop your portfolio. Sub-advisors and third-party investment managers will invest on behalf of a client account in accordance with the strategies set forth in their own disclosure documents which will be provided to you by our firm prior to your employing these strategies. The selected investment manager assumes typically discretionary authority over an account, and some of these programs may not be available for those clients who prefer an account to be managed under a nondiscretionary engagement or whom may have other unique account restrictions. At least annually thereafter a review will be performed from both a compliance and performance perspective to determine whether the selected investment manager remains an appropriate fit for your portfolio.

### ***Educational Workshops***

We provide periodic complimentary educational seminar sessions for those desiring information on personal finance and investing. Topics may include issues related to general financial planning, educational funding, estate planning, retirement strategies, implications involving changes in marital status, and various other current economic or investment topics. Our workshops are educational in nature and do not involve the sale of insurance or investment products.

### **Wrap Fee Program**

We previously offered a wrap fee investment program for those investors with an account value of \$250,000 or greater of investable assets that are managed by our firm, however, Stewardship is moving away from the wrap fee program and are no longer accepting participants into the program.

### **Client Assets Under Management**

As of December 31, 2023, our firm managed approximately \$319,800,000 in assets under management on a discretionary basis and \$1,300,000 on a non-discretionary basis for total assets managed of approximately \$321,100,000.

## **Item 5 - Fees and Compensation**

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in your engagement agreement with our firm. Fees are to be paid by check or draft from US-based financial institutions. With your prior authorization, payment may also be made through a qualified, unaffiliated PCI compliant third-party processor, or withdrawal from your investment account held at your custodian of record. Fees paid to our firm will be noted in your account statement you will receive from your custodian. Our fees are negotiable, with the final determination to be made by the firm.

### **Method of Compensation and Fee Schedule**

#### ***Project-Based Engagements***

Our project-based financial planning services are designed for those who prefer a shorter-term engagement involving our financial planning services. We are compensated for project-based services via a fixed fee ranging from \$1,000 to \$10,000 per plan. The fee will be determined by the complexity of the engagement, the time involved developing the plan, number of accounts involved, etc. Half the quoted fee will be due upon execution of the engagement agreement, and the remaining portion upon plan delivery.

#### ***Annual Consultation Arrangement***

Through our annual consultation engagement, we will assist you over the course of the year, creating your foundation and working with you to ensure various steps or action items are accomplished. We are available to help you in opening and maintaining an investment account at the custodian of your choice and we will provide portfolio allocation adjustments when necessary. The annual consultation fee is \$100 to \$1,000 per month, paid in equal monthly or quarterly installments per your preference, and takes into consideration factors such as the complexity of your financial profile and requirements, the time involved developing your plan and assisting you in its execution, assets that comprise your overall portfolio, as well as the number of individual accounts comprising your portfolio and where those accounts are maintained.

The first period's fee is due upon execution of the engagement agreement, which may require proration based on the days remaining in the billing cycle, and the remaining portion is paid in advance in equal installments thereafter until the end of the 12-month period. Note that the fee is due within the first 10 calendar days of each billing period. The agreed upon services will be rendered throughout the 12-month period; annual consultation fees are not to be extended or carried over into a subsequent period. The fee will remain in effect for successive 12-month periods unless the engagement is amended or terminated.

#### ***Portfolio Management Services Fees - Internal Portfolio Management***

When we provide our portfolio management services, the account will be assessed an on-going annualized asset-based fee that will be determined by the reporting period ending value of your account (e.g., the last market day of the quarter). Our fee is based on a straight tier; all accounts are charged a single percentage rate that declines as asset levels increase. For the benefit of discounting your asset-based fee, we will attempt to aggregate accounts for the same household. These fees will be billed quarterly, in advance, per the following table.

<b>Assets Under Management</b>	<b>Annualized Asset-Based Flat Fee Rate</b>
<b>\$0 - \$249,999</b>	<b>1.50% (150 basis points)</b>
<b>\$250,000-\$499,999</b>	<b>1.25% (125 basis points)</b>



\$500,000-\$999,999	1.00% (100 basis points)
\$1,000,000-1,499,999	0.90% (90 basis points)
\$1,500,000-1,999,999	0.80% (80 basis points)
\$2,000,000-\$2,999,999	0.70% (70 basis points)
\$3,000,000-4,999,999	0.60% (60 basis points)
\$5,000,000-\$7,499,999	0.50% (50 basis points)
\$7,500,000-\$9,999,999	0.45% (45 basis points)
\$10,000,000-Above	Negotiable

Accounts will be assessed in accordance with asset values disclosed on the statement the client will receive from the custodian of record for the purpose of verifying the computation of the advisory fee. In the rare absence of a reportable market value, our firm may seek a third-party opinion from a recognized industry source (e.g., unaffiliated public accounting firm), and the client may choose to separately seek such an opinion at their own expense as to the valuation of “hard-to-price” securities if necessary.

Your first billing cycle will begin once your agreement is executed with our firm and assets have settled into your account held by the custodian of record. Advisory fees for partial quarters as well as mid-cycle additions or withdrawals of \$50,000 or more will be prorated based on the remaining days in the reporting period in which our firm services the account. Fee payments will generally be assessed within the first 10 calendar days of each billing cycle.

By signing our firm’s engagement agreement, as well as the selected custodian account opening documents, you will be authorizing the withdrawal of our advisory fees from your account. The withdrawal will be accomplished by the custodian of record at the request of our firm, and the custodian will remit our fee directly to our firm. All fees deducted will be noted on account statements that you will receive directly from the custodian of record on at least a quarterly basis. Alternatively, you may request to directly pay our advisory firm its portfolio management fee in lieu of having the advisory fee withdrawn from your investment account. Your payment must be received by our firm within the first 10 calendar days of each quarter.

Accounts maintained at American Funds Service Company are assessed on an “offset quarter,” with periods ending February, May, August, and November; not on a calendar-quarter basis. An exception to the American Funds billing schedule would be 529 Plan funds. In order to avoid tax issues with advisor fees deducted from 529 plan assets, the bill for 529 plan assets will be calculated and deducted against other client accounts maintained at Stewardship Advisors, LLC or invoiced directly to the client, as per the agreement signed.

### ***Portfolio Management Services Fees - Third-Party Investment Managers***

The annualized asset-based fee ranges from 0.50% to 2.00% (50 to 200 basis points) and our firm will receive a portion of the fee ranging from 0.25% to 1.50% (25 to 150 basis points) for our consultation service, which we will describe to you in your engagement agreement with our firm. Payment may be made on a monthly or quarterly basis, either in advance or arrears, depending on the selected investment manager.

### ***Private Investment Fees***

For clients Stewardship places in private investments, the client will be billed at the fee schedule agreed to in their portfolio management or wrap fee addendum while giving them the benefit of any fee reductions thresholds crossed by aggregating all investment accounts including any alternative investments. We reserve the right to bill at a lower fee schedule for certain alternative investments. Advisory fees and reported values will be determined by

the reporting account value as of the last market day of each quarter. In the absence of a reportable market value (which is frequently the case with alternative or private investments) at our discretion, our firm may rely on the reported value of the underlying portfolio company or private fund, seek a third-party opinion from a recognized source (unaffiliated accounting firm), or utilize the original deposit amount provided by the investment continues to be an ongoing concern.

### ***Educational Workshops Fees***

Workshops sessions are complimentary; no fee is assessed by our firm.

### **Additional Client Fees**

Any transactional or service fees (sometimes termed *brokerage fees*), individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder and per the separate fee schedule of the custodian of record. We will ensure you receive a copy of our custodian's fee schedule at the beginning of the engagement, and you will be notified of any future changes to these fees by the custodian of record and/or third-party administrator for certain tax-qualified plans. Fees paid to our firm by our clients for our advisory services are separate from any internal fees involving mutual funds as outlined in their prospectus, including, but not limited to 12b-1 fees, expense ratios, etc., exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other similar investments.

Per annum interest at the current maximum statutory rate may be assessed on fee balances due more than 30 days; we may refer past due accounts to collections or legal counsel for processing. We reserve the right to suspend some or all services once an account is deemed past due.

Stewardship Advisors, LLC and our associates do not charge or receive a commission or mark-up on your securities transactions, nor does the firm receive "trailer" or SEC Rule 12b-1 fees from an investment company.

### **Termination of Services**

Either party may terminate the agreement at any time by communicating the intent to terminate in writing. If you verbally notify our firm of the termination and, if in two business days following this notification, we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute. Our firm will not be responsible for investment allocation, advice or transactional services (except for limited closing transactions) upon receipt of a termination notice.

It will also be necessary that we inform the custodian of record and/or third-party investment manager that the relationship between parties has been terminated.

If a client did not receive our Form ADV Part 2 firm brochure at least 48 hours prior to entering into the firm's agreement, then that client will have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. If a client terminates a project-based financial planning service after this five-day period, the client will be assessed fees at the firm's current hourly rate for any time incurred in the preparation of the client's analysis or plan. When a retainer or portfolio management service client terminates their agreement after the five-day period, the client will be assessed fees on a per-day prorated basis for services incurred from either (i) as a new client, the date of the engagement to the date of the firm's receipt of the written notice of termination, or (ii) all other accounts, the last billing period to the date of the firm's physical or constructive receipt of written termination notice.

If you were required to provide an initial deposit of \$1,200 or more for a financial planning engagement, you provided all requisite information, and your plan has not been delivered to you within six months' time from the date of the engagement, you may be entitled to a refund.

The firm will return any prepaid, unearned fees within 30 days of the firm's receipt of termination notice. Earned fees in excess of any prepaid deposit will be billed at the time of termination. Our return of payment to a client for our financial planning services will only be completed via check from our firm's US-based financial institution. We will only coordinate remuneration of prepaid asset-based fees to an investment account via the account custodian. Return of prepaid fees will never involve a personal check, cash, or money order from our firm or from an associate of our firm.

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

We do not charge performance fees or engage in side-by-side management.

#### **Item 7 - Types of Clients**

We are available to serve individuals and high net worth individuals, as well as charitable organizations, businesses of all size, and their retirement plans. Stewardship Advisors, LLC has a minimum investment amount of \$25,000 to establish an account, however this does not apply to our financial planning only clients. We will inform you in advance of any minimum criteria should a third-party investment manager be engaged. We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements or preexisting relationships. The firm reserves the right to decline services to any prospective client for any nondiscriminatory reason.

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

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

We employ a blend of fundamental and technical analyses. For example, fundamental analysis involves evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Technical analysis may involve studying the historical patterns and trends of securities and their markets in an effort to determine potential future behaviors, the estimation of price movement, and an evaluation of a transaction before entry into the market in terms of risk and profit potential.

Firm research may be drawn from sources that include financial periodicals and research published by economists and other industry professionals.

##### **Investment Strategies**

##### ***Strategic Asset Allocation***

We utilize a strategic asset allocation approach to investing, with a long-term view of the markets. We recommend investment models to suit various risk tolerances. We typically recommend portfolios that contain ETFs and mutual funds.

##### ***Environmental, Social and Governance Allocation ("ESG")***

We also provide a values-based portfolio for clients that can deliver positive social or environmental impact alongside financial returns. Our ESG portfolio focuses on environmental issues such as climate change, pollution, and energy efficiency. The portfolio also screens out investments that generate revenue from the sale of alcohol, tobacco, gambling, and controversial weapons ("social issues").

##### **Risk of Loss**

Our firm believes our strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that an investment objective or planning goal will be achieved. Investing in securities involves risk of loss that clients should be prepared to bear. We have offered examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each of them prior to investing.

### ***Active Management Risks***

A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover.” This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management.

### ***Company Risk***

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

### ***ETF and Mutual Fund Risks***

The risk of owning ETFs and mutual funds reflect their underlying securities (e.g., stocks, bonds, etc.). These forms of securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. We do not recommend leveraged or inverse ETFs due to their inherent heightened risk.

### ***Failure to Implement***

Each client is free to accept or reject any or all of the recommendations made by our firm. While no advisory firm can guarantee future performance, no plan can succeed if it is not implemented. Clients who choose not to take the steps recommended in their financial plan may face an increased risk that their stated goals and objectives will not be achieved.

### ***Financial Risk***

Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

### ***Force Majeure Risk***

This is the risk that there may be an act of God, terrorist act, global health pandemic, failure of utilities or other similar circumstance not within the reasonable control of Stewardship that may have an unknown and potentially catastrophic effect on the global markets. Stewardship has a business continuity plan to mitigate the effects of a force majeure risk, however, these events may still affect Stewardship, our clients, and the financial markets.

### ***Fundamental Analysis***

The challenge involving fundamental analysis is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value.

### ***Index Investing***

Certain ETFs and indexed funds have the potential to be affected by “active risk” or “tracking error risk;” a deviation from a stated benchmark.

### ***Inflation Risk***

When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing

power is eroding at the rate of inflation.

### ***Market Risk***

When the stock market as a whole or an industry as a whole fall, it can cause the prices of individual stocks to fall indiscriminately. This is also called *systemic* or *systematic* risk.

### ***Passive Investing***

A portfolio that employs a passive, efficient markets approach has the potential risk at times to generate lower-than-expected returns for the broader allocation than might be the case for a more narrowly focused asset class, and the return on each type of asset may be a deviation from the average return for the asset class.

### ***Long-Term Investment***

Investments in alternative investments generally involve a long-term commitment, and there is no assurance of any return on investment prior to or upon liquidation of the investment. Investors should be prepared to hold their securities for the life of the investment.

### ***Illiquidity of Limited Investment Ownership Interests.***

Ownership interests in limited investments are often highly illiquid, may have no public market, or are not transferable except in limited circumstances.

### ***Geopolitical Risk***

Geopolitical and other events (e.g., war or terrorism) may disrupt securities markets and adversely affect global economies and markets, thereby decreasing the value of an account's investments. Sudden or significant changes in the supply or prices of commodities or other economic inputs such as oil may have material and unexpected effects on both global securities markets and individual countries, regions, sectors, companies, or industries, which could significantly reduce the value of an account's investments. War, terrorism, and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally.

### ***QDI Ratios***

While many ETFs and index mutual funds are known for their potential tax-efficiency and higher "qualified dividend income" (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of an ETF or mutual fund portfolio), may be considered "non-qualified" under certain tax code provisions. A holding's QDI will be considered when tax-efficiency is an important aspect of the client's portfolio.

### ***Research Data***

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

### ***Technical Analysis***

The risk of investing based on technical analyses is that it may not consistently predict a future price movement; the current price of a security may reflect all known information. This may occur due to analyst bias or misinterpretation, a sector analysis error, late recognition of a trend, etc.

### **ESG Risks**

Stewardship uses Morningstar's ESG screening tool. There is a risk that the investments listed as meeting our ESG criteria as a result of our screening, were incorrectly entered in the Morningstar screening tool and thus do not meet our ESG criteria. ESG (Environmental, Social, and Governance) investing seeks to align client's investment interests with a sustainable set of standards to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how companies manage relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights. One of the largest issues with ESG investing is getting reliable and accurate information to evaluate ESG criteria for companies. Also, while companies that meet ESG criteria are generally believed to be more ethical and have high environmental standards, the trade-off is that these companies may have lower profits anticipated in the short term with the potential for better profits over the life of the company due to the ethical choices, however, there is a risk that even companies believed to have met ESG criteria could be subject to events that would reduce their income and reputation and open the company up to lawsuits and regulatory inquiries. Not all companies considered ESG companies meet ESG criteria in all areas. In addition, there is a risk that a company is accidentally included with ESG companies in ETF and mutual fund investments, but they do not actually meet the ESG criteria. In addition, with the increase in popularity of ESG investing in the past few years, there is also the potential that ETFs or mutual funds that focus on ESG investing may trade at a premium.

### **Item 9 - Disciplinary Information**

Neither the firm nor our management have been involved in a disclosure event.

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

Firm policies require associated persons to conduct business activities in a manner that avoids conflicts of interest between the firm and its clients, or that may be contrary to law. Our firm will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest involving its business relationships that might reasonably compromise its impartiality or independence.

- ✓ For accredited investors we may recommend the purchase of alternative investments. One Alternative Investment option is with Prestige Funds. Jerry Hostetter is the President of Prestige Investment Group ("PIG"). PIG manages Prestige Funds. Jerry is related (brother-in-law) to one of the firm's Partner, Thomas Talbott, which presents a conflict of interest.

Whether serving a client in one or more capacities, each associate will disclose in advance how they are being compensated and if there is a conflict of interest involving any advice or service they may provide. At no time will there be *tying* between business practices and/or services; a condition where a client or prospective client would be required to accept one product or service which is conditional upon the selection of a second, distinctive tied product or service.

The external investment managers that we may recommend for your portfolio are required to be registered as investment advisors. If we recommend that your portfolio be created and maintained by an external investment manager, we will first ensure that their firm is appropriately registered and/or notice-filed within your state of residence. As referenced in Item 5 of this brochure, each firm is compensated for their respective services by the client through a portion of the fee that is assessed. We may have an incentive to recommend one investment manager over another if less favorable compensation or services arrangements are offered by another. In light of this conflict of interest, we will review our recommendations and "mix of business" in light of our client's needs, goals and objectives with respect to all of our portfolio management offerings.

There is also the potential for clients' fees assessed via these engagements to be higher than had a client obtained them directly from an external investment manager or the client were able to purchase similar underlying investments on their own. Clients are encouraged to review all of our offerings and their stated fees prior to the engagement, and each client has the option to purchase recommended or similar investments through their own selected service provider. It should be noted that certain third-party managers/sub-advisors and/or underlying investments may not be available to self-directed investors or at the same cost.

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

Our firm has a fiduciary duty to our clients, which means the firm and our associates will act in the utmost good faith, performing in a manner believed to be in the best interests of its clients.

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

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Our firm policies include prohibitions against insider trading, the circulation of industry rumors, and certain political contributions, among others. We periodically review and amend our Code of Ethics to ensure that it remains current, and we require firm personnel to annually attest to their understanding of and adherence to the firm's Code of Ethics. A copy of the firm's Code of Ethics is made available to any client or prospective client upon request. To request a copy of our Code of Ethics, please contact the Firm using the contact information on the Cover Page of this brochure.

Firm associates that are CERTIFIED FINANCIAL PLANNER™ Practitioners also adhere to the Certified Financial Planner Board of Standards, Inc.'s Code of Ethics & Professional Responsibility which you may find at [www.cfp.net](http://www.cfp.net).

##### **Firm Recommendations and Conflicts of Interest**

As previously noted, there is a conflict of interest with Prestige Investment Group. Our Firm remains focused on ensuring that recommended securities are based upon the individual needs of the clients, not resultant on fees received for such services. You are under no obligation to act on a recommendation from our firm and, if you elect to do so, you are under no obligation to complete them through our Firm or a service provider whom we may recommend.

We do not trade for our own account (e.g., proprietary trading). The Firm's related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client. Employees wishing to trade in the same securities as clients must receive pre-approval from our CCO, or designee, or engage in a trade aggregated with client trades. Employees and related persons of the firm will report, and the firm will periodically review, personal securities accounts and holdings for any potential trade indicating that the employee is trading ahead of clients or engaging in insider trading. Upon discovering a violation of policy, the firm may impose any sanctions as deemed appropriate, including disgorgement of profits, trade reversals, and up to and including termination.

#### **Item 12 - Brokerage Practices**

##### **Factors Used to Select Broker/Dealers for Client Transactions**

Stewardship Advisors, LLC does not maintain physical custody of your assets. Your account must be maintained by a qualified custodian (generally a broker/dealer, bank or trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority.

When we are engaged to provide an investment consultation via a planning service component, we may recommend the service provider with whom your assets are currently maintained. Should you prefer a new service provider, we may make a recommendation based on your needs, overall cost, and ease of use, and following our review of the recommended provider.

Accounts served by a third-party investment manager are to be maintained at one or more custodians that have been selected by the respective third-party investment manager and they will be disclosed in the third-party investment manager's disclosure documents and account opening forms.

We prefer that our portfolio management services clients use Charles Schwab, a division of Charles Schwab & Co., Inc. ("Schwab"), MTG, LLC doing business as Betterment Securities. Members FINRA/SIPC, or SEI. While we recommend a custodian of record, you will decide whether to do so and will open your account in your name with them by entering into an agreement directly with them. We do not technically open the account for you, although we will assist you in doing so. If you do not wish to place your assets with a recommended custodian, we may be able to serve as your investment advisor with another custodian of your choice if the other custodian's policies allow us to do so.

Our custodians offer independent investment advisors various services which include custody of client assets, trade execution, clearance and settlement, etc. Our firm may receive certain benefits from a custodian through participation in its independent advisor support program (please refer to Item 14 for further details), however, there is no direct link between our firm's participation in their program and the investment advice we may provide to our clients. Our firm periodically conducts an assessment of any recommended service provider which generally involves a review of the range and quality of services, reasonableness of fees, among other items, in comparison to industry peers.

In certain situations, we may recommend American Funds Service Company or Nebraska Educational Savings Trust (NEST) as custodian of record.

#### Best Execution

"Best execution" means the most favorable terms for a transaction based on all relevant factors, including those listed in the earlier paragraph titled *Factors Used to Select Broker/Dealers for Client Transactions* and in Item 14. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian's transactions represent the best "qualitative execution" while taking into consideration the full range of services provided.

---

Our firm will seek services involving competitive rate but it may not necessarily correlate into the lowest possible rate for each transaction. We have determined having our portfolio management clients' accounts trades completed through our recommended custodian is consistent with our obligation to seek best execution of client trades. A review is regularly conducted with regard to recommending a custodian to our clients in light of our duty to seek best execution.

Stewardship Advisors, LLC may, in our discretion, accept the client's transfer of preexisting retail mutual funds into their account. A transfer-in-kind of retail share class mutual funds may potentially benefit the client since they are able to invest in their portfolio more quickly, mitigate tax and/or short-term trading liabilities, and/or avoid contingent deferred sales charges (CDSC). Our firm regularly reviews accounts that have transferred different share classes of mutual funds and will convert share classes to a lower expense share class when we believe doing so would be beneficial to the client. In addition, if account assets remain in a retail share class and within a CDSC period, we may exclude those assets from our advisory fee until they have been converted to what we believe is a more appropriate share class.



### Directed Brokerage

Our internal policy and operational relationship with our custodian require client accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades; whether that is an affiliate of our preferred custodian or another executing broker of our custodian's choice. As a result, you may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a custodian for our advisory clients, and that custodian may choose to use the execution services of its broker affiliate for some or all of our client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services described in this section from that custodian.

Client accounts maintained at our custodian are unable to direct brokerage. As a result, they may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case if they had the opportunity to direct brokerage.

For accounts maintained at a custodian of the client's choice (e.g., held-away accounts), the client may choose to request that a particular broker is used to execute some or all account transactions. Under these circumstances, the client will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving their account with that broker, and whether the selected broker is affiliated with their custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we will be unable to aggregate transactions for execution via our custodian with other orders for accounts managed by our firm. As a result, the client may pay higher commissions or other transaction costs, potentially experience greater spreads, or receive less favorable net prices on transactions for their account than would otherwise be the case.

### Aggregating Securities Transactions

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed "blocked," "bunched" or "batched" orders. Aggregated orders are effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may, but is not obligated to, aggregate orders and we do not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter *SMC Capital, Inc.*

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, nondiscretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

We review firm trading processes on a periodic basis to ensure they remain within stated policies and regulation. You will be informed, in advance, should trading practices change at any point in the future.

### Client Referrals from Custodians

We do not receive referrals from our preferred custodian, nor are client referrals a factor in our selection of a custodian.

### **Item 13 - Review of Accounts**

#### **Scheduled Reviews**

##### ***Financial Planning Services***

Periodic financial check-ups or reviews are recommended if you are receiving our financial planning services. Depending on the type of engagement with our firm, they may occur on a monthly, quarterly or at least on an annual basis. Reviews will be conducted by your investment advisor representative and typically involve analysis and possible revision of your previous financial plan or investment allocation. A copy of revised plans or asset allocation reports will be provided to the client upon request. Unless provided for in your engagement agreement, reviews are generally conducted under a new or amended agreement and will be assessed at our current fee rate.

##### ***Third-Party Investment Management Services***

For accounts served by a recommended third-party investment manager, your investment advisor representative will periodically review reports provided to you by your third-party investment manager. We will contact you at least annually to review your financial situation and objectives. We will communicate information to your third-party investment manager as warranted and assist you in understanding and evaluating the services provided by the third-party manager. In certain instances, you may be able to communicate directly with your selected third-party investment manager but we ask that you coordinate the session through our firm.

##### ***Portfolio Management Services***

Investment account allocations are reviewed on a quarterly or more frequent basis by our investment team. Client level reviews are also completed by your investment advisor representative, and we recommend that they occur on at least an annual basis. A copy of a revised investment guideline or asset allocation reports will be provided to the client upon request using the contact information on the cover page of this brochure.

#### **Interim Reviews**

##### ***Financial Planning Services***

You should contact our firm for additional reviews when you anticipate or have experienced changes in your financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.), or if you prefer to change requirements involving your investment account. Interim reviews are conducted by your investment advisor representative, and a copy of revised plans or asset allocation reports will be provided to the client upon request.

##### ***Portfolio Management Services***

Additional reviews by your portfolio manager and your investment advisor representative may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. A portfolio may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

##### ***Client Reports and Frequency***

Whether you have opened and maintained an investment account on your own or with our assistance, you will

receive quarterly or more frequent account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where your investments are held. We urge you to carefully review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Our firm uses a third party to produce written performance reports which are calculated using a time-weighted methodology that are reviewed for accuracy by compliance personnel prior to delivery. The reports are intended to inform clients about their investment performance over the current period, as well as over the longer term since the account's inception; both on an absolute basis and as compared to a known benchmark. Clients are urged to carefully review and compare account statements that they have received directly from their custodian of record with any report they may receive from our firm or any other source that contains investment performance information.

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

##### **Economic Benefit from External Sources**

Per Items 4 and 5 of this brochure, for our initial and continuing consultation we receive a portion of the asset-based fee that is paid by a client to a third-party investment manager. Please refer to Item 10 for additional information with respect to our offerings and the potential conflict of interest this may present.

As disclosed in Item 12, Stewardship Advisors, LLC receives economic benefit from our custodians in the form of various products and services they make available to the firm and other independent investment advisors that may not be made available to a "retail investor." There is no direct link between our firm's participation in their program and the investment advice we may provide to our clients. These benefits may include the following products and services (provided either without cost or at a discount):

- ✓ receipt of duplicate client statements and confirmations
- ✓ research related products and tools
- ✓ access to trading desks serving our clients
- ✓ access to block trading services
- ✓ the ability to have advisory fees deducted directly from a client's accounts (per written agreement)
- ✓ resource information related to capital markets and various investments
- ✓ access to an electronic communications network for client order entry and account information
- ✓ access to mutual funds with no transaction fees and/or select investment managers
- ✓ discounts on marketing, research, technology, and practice management products or services provided to our firm by third-party providers

Some of the noted products and services made available by a custodian may benefit our advisory firm but may not directly benefit a client account, and certain research and other previously referenced services may qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services from a custodian benefits our firm because it does not have to produce or purchase them as long as firm clients maintain assets in accounts at a custodian. There is a conflict of interest since our firm has an incentive to select or recommend a custodian based on our firm's interest in receiving these benefits rather than your interest in receiving favorable trade execution.

It is important to mention that the benefit received by our firm through participation in any custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole -- not just those

services that benefit only our advisory firm. Further, we will act in the best interest of our clients regardless of the custodian we may select.

#### Client Referrals

Upon your request, you may be provided a referral to various professionals, such as an accountant or an attorney.

If we receive or offer an introduction to a client involving these other professionals, we do not pay or earn referral fee, nor are there established *quid pro quo* arrangements. Each client retains the right to accept or deny a referral or their subsequent services. Stewardship employees do receive compensation for referring clients to the Firm. This compensation is in addition to their salaries. In addition, Stewardship may pay referral fees for client referrals. Any compensation paid, either to Stewardship employees or to a third party, does not increase Stewardship fees charged to clients.

#### **Item 15 - Custody**

Your assets will be maintained by an unaffiliated, qualified custodian. Your assets are not held by our firm or any associate or our firm. In keeping with this policy involving our client funds or securities, Stewardship Advisors, LLC:

- ✓ Restricts the firm or an associate from serving as trustee or having general power of attorney over a client account;
- ✓ Prohibits any associate from having authority to directly withdraw securities or cash assets from a client account;
- ✓ Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm;
- ✓ Will not collect advance fees of \$1,200 or more for services that are to be performed six months or more into the future; and
- ✓ Will not authorize an associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts) if such access would allow physical control over account assets.

Your account custodian will provide you with your investment account transaction confirmations and account statements, which will include all debits and credits for that period. Statements are provided on at least a quarterly basis and confirmations are provided as transactions occur within your account, unless otherwise agreed upon. Our advisory firm will not create an account statement for a client nor serve as the sole recipient of a client account statement. Clients are urged to carefully review and compare their account statements that they have received directly from their custodian of record with any performance report they may receive from any source.

#### **Item 16 - Investment Discretion**

##### ***Portfolio Management Services***

We generally provide our portfolio management services on a *discretionary* basis. Via limited power of attorney, discretionary authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of your account, without requiring your prior authorization for each transaction in order to meet your stated investment objectives.

This authority will be granted through your execution of both our engagement agreement and the selected custodian's account opening documents. Note that your custodian will specifically limit our firm's authority within your account to the placement of trade orders and the request for the deduction of our advisory fees. Our firm prefers to not manage client accounts on a *nondiscretionary basis* but we may accommodate such requests on a

case-by-case basis. Such account authority requires your ongoing prior approval involving the investment and reinvestment of account assets, portfolio rebalancing, or for our firm to give instructions to the custodian maintaining your account (i.e., wire instructions, etc.). You will be required to execute our firm's clientservices agreement that describes our limited account authority, as well as the custodian of record's account opening document that includes their limited power of attorney form or clause.

You may amend our account authority by providing our firm revised written instructions. As noted in Item 4, we will allow for reasonable restrictions involving the management of your account. It remains your responsibility to notify us if there is any change in your situation and/or investment objective so that we may reevaluate previous investment recommendations or portfolio holdings.

### ***Financial Planning Services***

If you ask us to assist you in any trade execution (including account rebalancing) under an investment consultation component of our financial planning engagement, such as assisting you with your held-away assets, it will typically be accomplished on a nondiscretionary basis.

### **Item 17 - Voting Client Securities**

Our firm does not vote proxies on your behalf, including accounts that we have discretionary authority. We do not offer guidance on how to vote proxies, nor will we offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. We will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

### **Item 18 - Financial Information**

**Nether the firm nor our management have a financial condition likely to impair our ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.**