

## FORM ADV PART 2A INFORMATIONAL BROCHURE



SUMMIT WEALTH GROUP, LLC  
205 Billings Farm Road, Suite 2A | White River Junction, VT 05001  
20B Hampton Road | Exeter, NH 03833  
(802) 295-5300 | [www.summitwg.com](http://www.summitwg.com)  
Thomas Hartman, CCO  
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This brochure provides information about the qualifications and business practices of Summit Wealth Group LLC. If you have any questions about the contents of this brochure, please contact us at (802) 295-5300 or via email at [thartman@summitwg.com](mailto:thartman@summitwg.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Our registration does not imply a certain level of skill or training.

Additional information about Summit Wealth Group LLC (CRD# 282205) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Statement of Material Changes

There are no material changes.

## Item 3: Table of Contents

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## INFORMATIONAL BROCHURE

### SUMMIT WEALTH GROUP LLC

#### Item 4: Advisory Business

Summit Wealth Group LLC (“SWG”) has been in business since January 2014 and registered with the Securities and Exchange Commission since January 2016. Thomas Hartman, Abigail Hurlburt, and Erik Potts are the firm’s principal owners.

SWG provides personalized life planning and wealth management services to individuals, families, trusts, charitable organizations, and foundations, pensions, and corporations. Our mission is to improve our clients’ financial well-being and lives. We strive to know more about each client and their situation than anyone else, so that we can make a meaningful impact on their lives.

##### Financial Life Planning

Our Financial Life Planning process is designed to help you identify your financial goals in life, and how we may help you accomplish them. SWG aims to look at your life in a way that perhaps you haven’t before, to determine what needs to be done to achieve your goals.

Discovery involves gathering information from the client but is not limited to just a client’s financial circumstances. We gather as much information as possible to find out what motivates each client to identify their life goals. This discovery process may take place over multiple meetings with the client. These underlying motivational factors may not always be quantitative but are as important as a number such as age or years to retirement, as they help us find the client’s true goals. The life plan SWG ultimately produces is intended to be a suggested roadmap of how to meet the client’s goals.

Services Provided:

##### Discovery and Planning Process

- Discover and help to prioritize Client’s short- and long-term financial goals and aspirations.
- Identify life transitions that Client is and expects to be experiencing.
- Gather and organize Client’s data and documents.
- Analyze Client’s financial condition, challenges, and opportunities as they relate to the goals of the Client.
- Develop an investment strategy that attempts to balance Client’s goals and tolerance for volatility.
- Help Client with the financial implications of life transitions.
- Provide written recommendations and alternatives to help Client achieve stated goals.
- Help to implement financial decisions.

### Ongoing Financial Advice and Service

- Monitor financial decisions made in the initial discovery process.
- Provide on-going continuous Financial Life Planning.
- Continue to help prioritize and implement Client's short- and long-term goals and aspirations.
- Meet regularly with Client to review goals and progress.
- Asset management services (*See below*).
- Monitor life transitions that Client is and expects to be experiencing.
- Strategize/coordinate with other Advisors (accountants, attorneys, insurance agents, etc.).

SWG may recommend the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from SWG. If you engage any professional recommended by SWG, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

### Wealth Management

Each client who engages SWG for wealth management services may be required to complete a financial plan.

The wealth management process involves developing an investment strategy that attempts to balance a client's goals and tolerance for volatility. We assess a client's risk tolerance through a Risk Tolerance Questionnaire. In some cases, a client's risk tolerance may not be suitable to enable them to meet their goals. SWG may then create planning options and numerous scenarios that SWG feels would enable the client to meet their goals most likely and develops an appropriate asset allocation strategy accordingly.

### Wealth Management Services

- Develop written Investment Policy Statement.
- Portfolio construction, investment selection and execution of trades.
- Periodic performance reporting.
- Periodic advice on accounts held-away from SWG's recommended custodian, when appropriate.
- Re-balance the portfolio when appropriate.
- Re-allocate the portfolio due to changes the Client's objectives or performance of the mutual fund manager selected.

When we perform asset management services, we will do so on a discretionary basis. This means that while we will continue an ongoing relationship with each client, being involved in various stages of their lives and decisions to be made, but we will not seek specific approval of changes to client accounts. Clients can always make deposits or withdrawals in their accounts at any time. Clients should be aware that if SWG is managing your assets, you may not be able to place restrictions on the

types of investments in an account or portfolio. Because we take discretion when managing accounts, clients engaging us will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and SWG.

In very limited circumstances, we may provide investment management services on a non-discretionary basis, which means we will manage the clients' accounts as we do for our discretionary clients, except we will consult with the client prior to implementing any investment recommendation. Clients should be aware that some recommendations may be time-sensitive, in which case recommendations not implemented because we are unable to reach a non-discretionary client may not be made on a timely basis and therefore client's account may not perform as well as it would have had SWG been able to reach the client for a consultation on the recommendation.

#### Tax Preparation

SWG also offers tax preparation services in addition to comprehensive Financial Life Planning and investment management. SWG's tax services are designed to make the tax filing process simple and stress free for each client, while also working to reduce a client's tax liability on current and future returns.

#### Financial Consulting

SWG may provide additional financial consulting services. Clients are required to enter into a written agreement with SWG setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to SWG commencing services.

#### Assets Under Management

As of January 2, 2024, SWG had \$516,062,244 in assets under management, and \$64,985,604 in assets under advisement. SWG defines "assets under advisement" as assets for which we provide investment recommendations, but are not otherwise considered regulatory assets under management.

## Item 5: Fees and Compensation

### A. Fees Charged

All investment management clients will be required to execute an Investment Management Agreement that will describe the type of management services to be provided and the fees, among other items. Clients are advised that they may pay fees that are higher or lower than fees they may pay another advisor for the same services and may in fact pay lower fees for comparable services from other sources. Clients are under no obligation at any time to engage, or to continue to engage, SWG for investment services.

#### Financial Life Planning

Financial Life Planning fees for initial planning work will vary but are generally expected to be in the fixed fee range of \$2,500 to \$7,500 per plan. However, these fees are guidelines, subject to change according to the complexity of the plan and the specific client's circumstances. Such changes may include providing services pro bono for matters such as charities or higher fees for highly complex

matters.

The Financial Life Planning fee also includes any actions on the part of SWG required to implement the plan for a period of up to 12 months from the Agreement signing. In some instances, there may be additional planning not identified in the initial plan that will require more services and resources of SWG. These additional services are provided on an hourly basis, at \$250 per hour.

#### Wealth Management

SWG provides investment management services for an annual fee based upon a percentage of the assets being managed by SWG. This asset-based fee typically varies between .25% and 1.5%. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. This rate is based on a blended tiered fee schedule. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors such as whether or not ongoing financial planning is incorporated into asset management. All clients, but especially those with smaller accounts, should be advised they may receive similar services from other professionals for higher or lower overall costs.

#### Tax Preparation & Planning

Tax Preparation and planning services are charged on a fixed fee subscription basis paid in advance on a calendar year basis. We offer three tiered levels of service from Basic to Advanced depending on complexity. The annual fee ranges from \$750 - \$2,500. Services include tax preparation and filing, tax planning scenario analysis, electronic filing, audit representation, year-round access for all tax matters, and no hourly fees.

#### Financial Consulting

Financial consulting is done on a fixed fee basis. Fixed fees will be between \$5,000 and \$10,000. The fee range stated is a guide. Fees may be higher or lower than this range, based on the nature of the engagement. Fees are negotiable and will depend on the anticipated complexity of the project.

#### B. Fee Payment

##### Financial Life Planning & Financial Consulting

Financial Life Planning and Financial Consulting fees will be due upon receipt of invoice from SWG. Financial Life Planning fees are due at the presentation of the plan. Consulting fees may be billed 50% up front on a case-by-case basis.

##### Wealth Management

For clients whose assets are managed by the firm, investment advisory fees will be debited directly from each client's account. The advisory fee is paid quarterly, in advance, and the value used for the fee calculation is the gross value as of the last market day of the previous quarter. This means that if your annual fee is 1.00%, then each quarter we will multiply the value of your account by 1.00% then divide by 4 to calculate our fee. For assets deposited into or withdrawn from an account, known as capital flows, after the inception of a billing period, the fee payable is prorated based on the number of days remaining in the billing period. Any reduction in fees related to the withdrawal of assets in an account will be credited against the next billing period's investment advisory fees. Additionally, to the extent there is cash in your account, it will be included in the value for the purpose of calculating fees. Once the calculation is made, we will instruct your account custodian to deduct the fee from your

account and remit it to SWG.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each quarter, clients will receive a bill itemizing the fees to be debited, including the formula used to calculate the fee, the amount of assets upon which the fee is based, and the time period covered by the fee. The invoice will also state that the fee was not independently calculated by the custodian. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee.

#### *Third Party Managers*

For clients whose assets are managed through third party managers (please see Item 8 for more information regarding the use of third-party managers), the terms of fee payment may vary dependent upon the manager or managers selected. For example, while SWG generally debits fees quarterly, in advance, some managers calculate fees quarterly in arrears, or potentially even monthly. For details on the exact methodology of calculating fees by each of the managers in a client's portfolio, clients should refer to the Form ADV for such managers.

#### Tax Preparation

Invoices for tax preparation services will be documented on each Client Engagement Letter and are payable in advance on a calendar year basis.

#### C. Other Fees

There are a number of other fees that can be associated with holding and investing in securities. Where applicable, you will be responsible for fees including transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund., Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. When selecting mutual funds that have multiple share classes for recommendation to clients, SWG will consider the internal fees and expenses associated with each share class, and it is SWG policy to choose the lowest-cost share class available, absent circumstances that dictate otherwise. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. SWG can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

#### D. *Pro-rata* Fees

If you become a client during a quarter, you will pay a management fee for the number of days left in that quarter. If you terminate our relationship during a quarter, you will be entitled to a refund of any management fees for the remainder of the quarter. Once your notice of termination is received, we will assess pro-rated fees for the number of days between the end of the prior billing period and the date of termination to be paid in whatever way you direct (check, wire). SWG will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be "de-linked", meaning they will no longer be visible to SWG and will become a retail account with the custodian.

If you terminate our relationship before the completion of the financial plan, any unearned fees will

be returned to you on a pro rata basis.

#### E. Compensation for the Sale of Securities.

To permit SWG clients to have access to as many investment solutions as possible, certain professionals of SWG are registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), a FINRA member broker-dealer. The relationship with PKS allows these professionals to provide additional products to clients' portfolios that would not otherwise be available. Because PKS supervises the activities of these professionals as registered representatives of PKS, the relationship may be deemed material. However, PKS is not affiliated with SWG or considered a related party. PKS does not make investment decisions for client accounts. Registered representative status enables these professionals to receive customary commissions for the sales of various securities, including those recommended to clients. In addition, when mutual funds are utilized, depending on the share class selected, the registered representatives also receive additional ongoing 12b-1 fees from the mutual fund company for mutual fund purchases during the period you maintain the mutual fund investment. Commissions charged and 12b-1 fees received for these products will not offset management fees owed to SWG.

The receipt of commissions and 12b-1 fees for investment products that are recommended to clients gives rise to a conflict of interest for the representative, in that the individual who will receive the commissions is also the individual that is recommending that the client purchase a given product. There is an additional conflict of interest when a registered representative is selecting a more expensive 12b-1 fee paying mutual fund share class when a lower-cost share class is available for the same fund. These conflicts are disclosed to clients verbally and in this brochure. Clients are advised that they are not obligated to implement any recommendation provided by the registered representative or may choose to implement any investment recommendation through another brokers or agents that are not affiliated with SWG. SWG attempts to mitigate this conflict by requiring that all investment recommendations have a sound basis for the recommendation, and by requiring employees to acknowledge their fiduciary responsibility toward each client.

### Item 6: Performance-Based Fees

SWG will not charge performance-based fees.

### Item 7: Types of Clients

Clients advised may include individuals, families, trusts, charitable organizations and foundations, pensions, and corporations. SWG require each client to place at least \$1,000,000 with the firm. This minimum may be waived in the discretion of SWG.

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

It is important for you to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**



As described in Item 4, our goal at SWG is to understand each client's needs and goals, even if they do not obviously directly connect to their financial circumstances or investing. After we determine what a client's goals are, we can manage their assets accordingly. Each client's portfolio may be similar to, or vary greatly from, another client who on the surface seems quite similar. This is because each client's portfolio is constructed based on that client's life goals, needs and other circumstances, which may not be readily apparent to even a close friend.

Once we ascertain your objectives for each portfolio, we will develop a set of asset allocation guidelines, and then in most cases place the assets in an asset allocation strategy. One goal of asset allocation is to maximize the potential for meeting your life goals and investment objectives. An asset allocation strategy is a percentage-based allocation to different investment types. For example, an asset allocation strategy that calls for 40-60% of the portfolio to be invested in equity securities, with the remaining balance in fixed income. Another client may have an asset allocation of 50-60% in fixed income securities, 20% in equities, and the remainder in cash. The percentages in each type that we recommend are based on the typical behavior of that security type, individual securities we follow, current market conditions, your current financial situation, your financial goals, and the timeline to get you to those goals. Once we agree on allocation guidelines, risk tolerance, time horizon, and how to achieve these results, we will develop a plan to guide all parties involved in the execution of these goals, including but not limited to, SWG, the client, the custodian, and the investment managers.

Upon completion of the plan, we will periodically recommend securities transactions in your portfolio to meet the guidelines of the asset allocation strategy. It is important to remember that because market conditions can vary greatly, your asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary.

If we are managing your account directly, the specific securities we recommend for your account will depend on market conditions and our research at the time. Generally, we recommend a mix of mutual funds, index funds, exchange traded funds, stocks, and bonds. Specific funds are chosen based on where its investment objective fits into the asset allocation recommended by SWG, its risk parameters, past performance, peer rankings, fees, expenses, and any other aspects of the fund SWG deems relevant to that particular fund. We base our conclusions on predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses. We will also utilize technical analyses, which means that we will review the past behaviors of the security and the markets in which it trades for signals as to what might happen in the future.

Most mutual funds offer different share classes with varying fee structures, including share classes with sales load, sales charges, or 12B-1 fees. 12B-1 fees are deducted from the mutual funds' assets on an ongoing basis and are paid to broker-dealers and registered representatives whose clients own those shares to cover fund distribution and shareholder services. This receipt of fees presents a potential conflict of interest, as SWG has an incentive to recommend more expensive share classes to clients based on the compensation received, rather than based upon the client's needs. However, it is SWG policy that when specific funds offer more than one share class, SWG will select the lowest-cost share class available to the client, absent circumstances that dictate otherwise.

Additionally, as assets are transitioned from a client's prior advisors to SWG, clients may hold legacy securities and may place restrictions on individual security types. Legacy securities are those that a client owned prior to or separate from its SWG portfolio. If a client transitions mutual fund shares to SWG that are not the lowest-cost share class, and SWG is not recommending disposing of the security altogether, SWG will attempt to convert such mutual fund share classes into the lowest-cost share

classes the client is eligible for, considering any adverse tax consequences associated with such conversion.

Depending on a client's given circumstances, SWG may recommend that a client rollover retirement plan assets to an Individual Retirement Account (IRA) managed by us. As a result, SWG may earn fees on those accounts. This presents a conflict of interest, as SWG has a financial incentive to recommend that a client roll over retirement assets into an IRA we will manage. This conflict is disclosed to clients verbally and in this brochure. Clients are also advised that they are under no obligation to implement the recommendation to roll over retirement plan assets. SWG attempts to mitigate this conflict by requiring that all investment recommendations have a sound basis for the recommendation, and by requiring employees to acknowledge their fiduciary responsibility toward each client.

Additionally, part of the SWG process includes, where appropriate, involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and manage expectations. However, potential for conflicts of interest exist with the exchange of intergenerational information. SWG attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household's consent.

### Third Party Managers

We may recommend that certain portions of a client's portfolio be managed by independent third-party managers or recommend direct investment with independent third-party managers, typically when those managers demonstrate knowledge and expertise in a particular investment strategy. Fees charged by independent third-party managers are in addition to fees charged by SWG.

Prior to referring any client to another manager, SWG will confirm that such manager is registered, or exempt from registration, as an investment adviser. SWG will obtain appropriate due diligence on all independent third-party managers, making reasonable inquiries into their performance calculations, policies and procedures, code of ethics policies and other operational and compliance matters to account for performance and risk management. We examine the experience, expertise, investment philosophies and past performance of third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

Based on a client's individual circumstances and needs, we will determine which selected money manager's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance and the investment philosophy of the selected money manager. We encourage clients to review each third-party manager's disclosure document regarding the particular characteristics of any program and managers selected by us.

We will regularly and continuously monitor the performance of the selected money managers. If we determine that a particular selected money manager is not providing sufficient management services to the client or are not managing the client's portfolio in a manner consistent with the client's investment objectives, we will remove the client's assets from that selected money manager and place the client's assets with another money manager at our discretion and without prior consent from the client.

When clients' assets are allocated to a third-party manager, the manager may collect client's advisory fee, and remit a portion of that fee back to SWG. The fees remitted to SWG are a portion of the manager's fee, and clients will not be charged an additional advisory fee. This fee is not in compensation for a client referral. Rather, it is SWG's compensation for the ongoing diligence of that manager as it is part of client's portfolio.

### Risk of Loss

There are always risks to investing. **Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear.** It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that SWG may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. SWG endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Margin Risk.** "Margin" is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin therefore carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. SWG may utilize margin on a limited basis for clients with higher risk tolerances.

- **Short Sales.** “Short sales” are a way to implement a trade in a security SWG feels is overvalued. In a “long” trade, the investor is hoping the security increases in price. Thus, in a long trade, the amount of the investor’s loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus, in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. SWG utilizes short sales only when the client’s risk tolerances permit.
- **Risks specific to private placements, sub-advisors, and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ.
- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- **Small Companies.** Some investment opportunities in the marketplace involves smaller issuers. These companies may be starting up or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company’s future. For example, a company’s management may lack experience, or the company’s capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short-term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.
- **Concentration Risk.** While SWG selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client’s equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client’s equity portfolio may be affected negatively, including significant losses.
- **Transition risk.** As assets are transitioned from a client’s prior advisers to SWG there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by SWG. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client’s holdings into recommendations of SWG may adversely affect the client’s account values, as SWG’s recommendations may not be able to be fully implemented.
- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.

- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.
- **REITs:** In very limited circumstances, SWG may recommend that portions of client portfolios be allocated to real estate investment trusts, otherwise known as “REITs”. A REIT is an entity, typically a trust or corporation, that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income, and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.
- **Excess Cash Balance Risk.** Client accounts may have cash balances in excess of \$250,000, which is the insurance limit of the Federal Deposit Insurance Corporation. For cash balances in excess of that amount, there is an enhanced risk that operation related counterparty risk related to the account custodian could cause losses in the account. We mitigate this risk by carrying cash balances in amounts either subject to protection or as limited as you, the client, directs. You may elect to participate in a “cash sweep” program through your account custodian which automatically moves excess cash from your investment account into a cash account and then invests that cash into cash-based investments, such as money market funds. We do not receive compensation of any kinds for facilitating your participation in such cash sweep accounts.
- **Environmental, Social and Governance.** While ESG is only one of the many factors SWG will consider in making investment decisions, there is no guarantee that SWG will successfully implement and make investments that create positive environmental, social or governance (“ESG”) impact while enhancing long-term growth and achieving financial returns. Successful investment efforts on the part of SWG will depend upon SWG’s skill in properly identifying and analyzing material ESG and other factors to determine their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on SWG’s view of certain ESG-related factors. As a result, the integration of ESG-related data carries with it the risk that SWG may underperform investments that do not take ESG-related factors into account.

## Item 9:      Disciplinary Information

There are no disciplinary items to report.

## Item 10: Other Financial Industry Activities and Affiliations

### A. Broker-dealer

*Please see response to Item 5E with regards to Purshe Kaplan Sterling Investments Inc.*

### B. Futures Commission Merchant/Commodity Trading Advisor

Neither the principal of SWG, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### C. Relationship with Related Persons

Certain professionals of SWG are separately licensed as independent insurance agents for purposes of servicing existing clients that have insurance products. SWG does not intend to sell new insurance products but has the ability to do so if warranted. As such, these professionals may conduct insurance product transactions for SWG clients in their capacity as licensed insurance agents and will receive customary commissions for these transactions in addition to any compensation received from advisory services. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. These certain professionals therefore have an incentive to recommend insurance products based on the compensation to be received. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage SWG to implement any insurance recommendations. SWG attempts to mitigate this conflict of interest by disclosing the conflict to clients and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with SWG, or to determine not to purchase the insurance product at all. SWG also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of SWG, which requires that employees put the interests of clients ahead of their own.

### D. Recommendations of Other Advisers

SWG occasionally recommends other advisers, and SWG may be compensated by the independent manager for referring clients. For more information regarding SWG's use of third-party managers please see response to Item 8 for a full discussion. A conflict of interest exists for Advisers who recommend the services of a third-party manager who has agreed to share a portion of its management fee with the Adviser as opposed to other managers who have not agreed to pay compensation to the Adviser. Compensation paid to the Adviser from various third-party managers may vary; therefore, there is a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. Fees for such programs may be higher or lower than if client directly obtained services of the third-party manager or if client obtained advisory services separately.

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

#### A. Code of Ethics

A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

#### B. Recommendations Involving Material Financial Interests

Not applicable. SWG does not recommend to clients that they invest in any security in which SWG or any principal thereof has any financial interest.

#### C. Investing Personal Money in the Same Securities as Clients

On occasion, an employee of SWG may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade, so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

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

On occasion, an employee of SWG may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade, so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

## Item 12: Brokerage Practices

#### A. Recommendation of Broker-Dealer

SWG does not maintain custody of client assets, though SWG may be deemed to have custody if a client grants SWG authority to debit fees directly from their account (see Item 15 below). Assets will be held with a qualified custodian, which is typically a bank or broker-dealer. SWG recommends that investment accounts be held in custody by Schwab Advisor Services ("Schwab"), which is a qualified custodian. SWG is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when SWG instructs them to, which SWG does in accordance with its agreement with you. While SWG recommends that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. SWG does not open the account for you, although SWG may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see "Your brokerage and custody costs").

## How we select brokers/custodians

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to SWG as part of our evaluation of these broker-dealers.

## Your brokerage and custody costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

## Products and services available to us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like SWG. They provide SWG and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help SWG manage or administer our clients' accounts, while others help SWG manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to SWG. Following is a more detailed description of Schwab's support services:

### *Services that benefit you*

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

### *Services that may not directly benefit you.*

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts



- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

*Services that generally benefit only us.*

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

#### **Our interest in Schwab's services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We may have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

#### **Directed Brokerage**

SWG generally recommends that clients utilize Schwab Advisor Services. However, in very limited circumstances, SWG will allow directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and SWG will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by SWG. As a result, clients may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to SWG as part of our evaluation of these broker-dealers.

#### **B. Aggregating Trades**

Commission costs per client may be lower on a particular trade if all clients in whose accounts the

trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, if a *pro rata* division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.)

### Item 13: Review of Accounts

All accounts and corresponding financial plans will be managed on an ongoing basis, with formal reviews with the client by a senior or lead advisor on at least an annual basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

The annual report in writing provided by SWG is intended to review asset allocation. All clients will receive statements and confirmations of trades directly from Schwab. Additionally, all clients will receive quarterly itemized bills from SWG. Please refer to Item 15 regarding Custody.

### Item 14: Client Referrals and Other Compensation

#### A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.

*Please refer to Item 12, where we discuss recommendation of Broker-Dealers.*

#### B. Compensation to Non-Advisory Personnel for Client Referrals.

If a client is introduced to SWG by either an unaffiliated or an affiliated solicitor, SWG may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Unaffiliated or affiliated solicitors will be licensed in accordance with applicable state laws. Any such referral fee shall be paid solely from SWG's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to SWG by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of the solicitor relationship, and shall provide each prospective client with a copy of SWG's ADV and a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between SWG and the solicitor, including the compensation to be received by the solicitor from SWG.

The solicitation or referral of prospective clients by an adviser's existing client ("promoter") is a testimonial, and the solicitation or referral of prospective clients by anyone else (also "promoter") is an endorsement. Testimonials also include statements by an adviser's existing client about the existing client's experience with the adviser, even if not explicitly constituting a solicitation or referral of the adviser. Endorsements also include statements by non-clients that indicate approval, support, or recommendation of the adviser, even if not explicitly constituting a solicitation or referral of the adviser.

### Item 15: Custody

There are two avenues through which SWG has custody of client funds; by directly debiting its fees from client accounts pursuant to applicable agreements granting such right, and potentially by permitting clients to issue standing letters of authorization (“SLOAs”). SLOAs permit a client to issue one document that directs SWG to make distributions out of the client’s account(s).

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Each quarter, clients will receive a bill itemizing the fees to be debited, including the formula used to calculate the fee, the amount of assets the fee is based, and the time period covered by the fee. The invoice will also state that the fee was not independently calculated by the custodian. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on your quarterly report prepared by SWG against the information in the statements provided directly from Schwab. Please alert us of any discrepancies.

In addition to the account custodian’s custody procedures, clients issuing SLOAs will be requested to confirm, in writing, that the accounts to which funds are distributed are parties unrelated to SWG.

## Item 16: Investment Discretion

When SWG is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and SWG.

## Item 17: Voting Client Securities

Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. SWG will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. In some circumstances, SWG will give clients advice on how to vote proxies.

## Item 18: Financial Information

SWG does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.