

**Item 1: Cover Sheet**

**FORM ADV PART 2A  
INFORMATIONAL BROCHURE**



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**This brochure provides information about the qualifications and business practices of SLWA LLC. If you have any questions about the contents of this brochure, please contact us at 805-810-0002. 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 San Luis Wealth Advisors LLC (CRD# 309506) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2:        Statement of Material Changes**

In this Item it is required to discuss any material changes which have been made to the brochure. There are no changes to report.

**Item 3: Table of Contents**

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INFORMATIONAL BROCHURE  
SLWA LLC

**Item 4:        Advisory Business**

San Luis Wealth Advisors LLC (SLWA) has been in business since June 2020 as an independent registered investment advisor. However, the firm's principals, Bradley Goodwin, and Luke Kittinger, have together more than 33 years in the industry. SLWA provides investment management services and financial planning to individuals, families, trusts, charitable organizations and foundations, businesses, and pension plans.

SLWA's comprehensive process starts with a discovery meeting which is spent getting to know the client and what is most important to them, where the client is now financially, what they would like their money to accomplish for them, and what their risk tolerance is. When appropriate for the client a customized plan is formed where we will weigh the financial implications of each goal discussed and construct the framework for a plan that supports those goals. The plan will become a working document to help make client decisions. It will be used for investment purposes where we will recommend specific strategies to help match each of the client's goals. Although certain financial circumstances may evolve over time, everything discussed with the client will refer back to the plan to ensure a consistent path to the client's goals is being taken. We believe that managing client assets ourselves in adherence to the custom plan created for each client allows us to mutually and effectively meet client goals and objectives.

When we perform asset management services within a plan, 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, we will not seek specific approval of changes to client accounts. 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 Advisory Agreement that outlines the responsibilities of both the client and SLWA.

In very limited circumstances, we may provide asset management services on a non-discretionary basis, which means 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 SLWA been able to reach the client for a consultation on the recommendation.

SLWA's planning process begins with a discovery meeting where time is taken to gather information, understand client expectations and determine the right fit for pursuing a working relationship. The planning process includes assessing a client's overall financial well-being, collaboratively designing a financial life plan and implementing the agreed upon strategies and actions. The process continues with the development of a blueprint for a continued team effort to manage ongoing plan execution.

## Reinsurance

Certain SLWA clients may be reinsurance companies related to vehicle dealerships. These companies receive premiums for insurance. These premiums are then invested according to an Investment Policy Statement established by an administrator. SLWA will manage the assets according to the Investment Policy Statement but will not be responsible for the administration of the account or payment of claims.

## Retirement Plan Services

SLWA offers fee based qualified retirement plan services that provide non-discretionary and discretionary investment fiduciary services to plan sponsors and trustees of qualified retirement plans. SLWA will assist you in establishing a menu of mutual funds and / or models to offer to participating employees of the qualified retirement plan. Employees will self-direct the investments of their accounts within the plan.

SLWA will recommend investments to the plan sponsor, monitor the plan's investments, suggest replacements as appropriate, develop and monitor risk-based models comprised solely from the plan's investment menu, provide investment advice with respect to the selection of a Qualified Default Investment Alternative ("QDIA"), and provide participant education. SLWA will provide guidance to the plan sponsor in meeting its fiduciary responsibilities, including development of an investment policy statement. The sponsor retains decision making authority and may accept or reject any recommendations.

## Assets Under Management

As of the date of this brochure, SLWA has \$97,201,536 in assets under management across 641 accounts, all managed on a discretionary basis.

## **Item 5: Fees and Compensation**

### **A. Fees Charged**

#### Asset Management

SLWA asset management fees generally range from 0.75% to 1.25% per annum of the net market value of a client's account managed by SLWA. Clients may pay a different fee in each account dependent on the assets within that account. Fees are negotiable and may be higher or lower than this range, based on the nature of the account, and the origin of the client. Factors affecting fee percentages include the size of the account, complexity of asset structures, and any other unique factors that may exist. 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.

Assets held away with private limited partnership will be billed at an annualized rate of 2.0%

#### Financial Planning

For clients whose assets are managed by SLWA, the financial planning fee is generally included in the asset management fee.

#### B. Fee Payment

##### Asset 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. For accounts held with our recommended custodians, the value used for the fee calculation is the average daily balance of the account for the previous quarter. The average daily balance is the sum of your balance on each day of the previous quarter divided by the number of days during that quarter. This means that if your annual fee is 1.00%, we will take the previous quarter's average daily balance, multiply the value by 1.00%, and then divide by the number of days in that calendar year and multiply that number by days in the previous quarter to calculate our fee. For accounts held at other custodians, we will use the last day or the prior period to determine the account value for billing purposes. The calculation will otherwise remain the same. To the extent there is cash in your account, it will be included in the value for the purpose of calculating fees only if the cash is part of an investment strategy. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to SLWA.

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. SLWA is to invoice the qualified custodian for fees. Each quarter, the client will receive a statement from their account custodian showing all transactions in their account, including the fee. SLWA encourages clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on reports prepared by SLWA against the information in the statements provided directly from the custodian. Please alert SLWA of any discrepancies.

#### C. Other Fees

There are a number of other fees that can be associated with holding and investing in securities. You will be responsible for fees including transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or the purchase or sale of a stock. 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. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. SLWA 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 a client becomes a client during a quarter, they will pay a management fee for the number of days left in that quarter. This calculation is made using the end of quarter balance. If clients terminate the relationship during a quarter, they will be entitled to a refund of any management fees for the remainder of the quarter they may have prepaid. Once the notice of termination is received, SLWA 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 clients direct (check, wire). SLWA 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 SLWA and will become a retail account with the custodian.

E. Compensation for the Sale of Securities.

This item is not applicable.

## **Item 6: Performance-Based Fees**

SLWA will not charge performance-based fees.

## **Item 7: Types of Clients**

Clients advised may include individuals, families, trusts, charitable organizations and foundations, businesses, and pension plans. SLWA does not impose a stated minimum fee or minimum portfolio value for starting or maintaining an investment advisory relationship.

## **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.**

### *Investment Allocations & Investment Programs*

Each client’s portfolio will be invested according to that client’s investment objectives, which are ascertained through the financial planning process or through a review of the existing plan. Once we ascertain your objectives for each account, we will develop a set of asset allocation guidelines, and then in most cases place the assets in one of our investment strategies, each with a different asset allocation strategy. Using fundamental analysis, 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.

The investment strategies are not investment products. Clients may have different needs than others within the same investment program. Accordingly, not all clients in each investment program will have the exact same percentages of each underlying investment.

The investment strategies that we recommend are based on the needs of the client as compared with the typical behavior of that security type or manager, current market conditions, the client’s current financial situation, financial goals, and the timeline to meet those goals. Because we develop an investment strategy based on your personal situation and financial goals, your asset allocation guidelines may be similar to or different from another client.

We may periodically recommend changes to the investment strategies and client portfolios to meet the guidelines of the asset allocation for the program or an individual client’s objectives. 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. SLWA has a client base that consists of many high net worth clients who may

have different risk tolerances and allocation guidelines than other clients within the same investment program.

When SLWA makes changes to an investment strategy, these changes may not be made simultaneously. Rather, some accounts may be modified before others. This may result in accounts being traded earlier inadvertently having an advantage over accounts traded later.

Additionally, part of the SLWA process includes, where appropriate, 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 exists with the exchange of intergenerational information. SLWA 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.

### Strategies and Methods of Analysis

SLWA manages client assets using a predominantly top-down approach. We believe that in the current global economy, individual securities will tend to increase in value if the macroeconomic conditions are such that it can increase. The converse would also follow individual securities will go down if the macroeconomic factors are not favorable. Put simply, even a very good company will find increasing its share price difficult in challenging economic conditions. In addition, some sectors or individual securities may perform better or worse depending on where they are in a cycle that may be determined by time or outside economic conditions. It is with these concepts in mind that SLWA begins to construct client portfolios. There may be specific securities where this is limited or no research information available, and in those instances SLWA will not be able to assist clients with recommendations regarding those securities.

### 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 SLWA 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. SLWA 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. Margin carries a higher degree of risk than investing without margin.

- **Short Sales.** “Short sales” are a way to implement a trade in a security SLWA 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, whereas the potential for loss in a long trade is limited and knowable. SLWA 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 SLWA 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 SLWA 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 SLWA. 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 SLWA may adversely affect the client's account values, as SLWA'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:** SLWA 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.

- **MLPs:** SLWA may recommend that portions of client portfolios be allocated to master limited partnerships, otherwise known as "MLPs". An MLP is a publicly traded entity that is designed to provide tax benefits for the investor. In order to preserve these benefits, the MLP must derive most, if not all, of its income from real estate, natural resources and commodities. While MLPs may add diversification and tax favored treatment to a client's portfolio, they also carry significant risks beyond more traditional investments such as stocks, bonds, and mutual funds. One such risk is management risk-the success of the MLP is dependent upon the manager's experience and judgment in selecting investments for the MLP. Another risk is the governance structure, which means the rules under which the entity is run. The investors are the limited partners of the MLP, with an affiliate of the manager typically the general partner. This means the manager has all of the control in running the entity, as opposed to an equity investment where shareholders vote on such matters as board composition. There is also a significant amount of risk with the underlying real estate, resources, or commodities investments. Clients should ask SLWA any questions regarding the role of MLPs in their portfolio.

- **BDCs (Business Development Companies):** Business Development Companies (BDCs) are a specific subset of investment companies that receive preferential tax treatment provided they meet certain investment restrictions and other regulatory requirements. Because BDCs are managed by third parties and are frequently chosen for the perceived strength of their managers, the investment thesis, and tax treatment, the risks associated with a BDC investment generally follow directly from the manager, in that the manager ultimately controls the investments, and can adversely impact the tax

treatment of the vehicle. Additional risks exist and may be specific to the particular BDC. Accordingly, investors should carefully review the BDC's prospectus and any addendums thereto.

- **Options.** The use of options transactions as an investment strategy involves a high level of inherent risk. Although the intent of many of the options-related transactions implemented by SLWA is to hedge against principal risk, certain options-related strategies (i.e., straddles, short positions, etc.), may in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept this enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, clients may direct SLWA, in writing, and not employ any or all such strategies for his/her/their/its accounts. Clients participating in the Options Strategy should *carefully* consider all information regarding the strategy and its risks prior to participating.

## **Item 9: Disciplinary Information**

There are no disciplinary items to report.

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

### **A. Broker-dealer**

This item is not applicable.

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

Neither the principal of SLWA, 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**

Some individuals associated with SLWA are separately licensed as independent insurance agents. As such, these individuals may conduct insurance product transactions for SLWA, in their capacity as a licensed insurance agent, and will receive customary commissions for these transactions in addition to any compensation received through SLWA. This means that when making financial planning recommendations, these SLWA professionals may recommend that a client purchase insurance products, which can be purchased through that same professional for a commission. The receipt of additional compensation for insurance commissions is a conflict of interest, and clients should be aware of this conflict when considering whether to engage SLWA or utilize a SLWA professional to implement any insurance recommendations. SLWA attempts to mitigate this conflict by disclosing the conflict verbally and in this brochure, as well as requiring all employees to confirm their fiduciary responsibility to each client.

From time to time advisors of SLWA may engage in providing real estate and private equity investment services. This will include services related to finding, analyzing, and overseeing management of real estate and private equity investments. SLWA will typically get paid an asset value-based fee on the real estate through the property manager or will directly debit the client's account. In private equity and capital raise campaigns, SLWA will receive a portion of equity in the entity. The receipt of this additional compensation presents a conflict of interest, because an

SLWA professional, or SLWA itself, is receiving additional compensation related to an investment we are presenting for your consideration. SLWA attempts to mitigate this conflict by disclosing these services to the appropriate parties both verbally and in this brochure.

**D. Recommendations of Other Advisers**

SLWA recommends that clients invest in certain private transactions, which include private placements. In some cases, SLWA will be compensated by the entities in which these clients invest through a referral fee or participation in profits from the sponsor. In some cases, either SLWA or the principals of SLWA will also invest in the same investments. Both the compensation from the company as well as the personal investments present a material conflict where SLWA has a financial incentive to recommend that clients invest in such transactions. Participation in an investment opportunity is only presented to a client if SLWA feels it is suitable. Ultimately, it is at the sole discretion of the client to participate in the investment or not. The conflict is mitigated by disclosing it to the client in question, by reiterating to all employees of SLWA the fiduciary obligations of each employee, and through the monitoring of private investments as discussed in the Firm's Code of Ethics.

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

A. 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. SLWA may recommend private securities or limited partnership investments where SLWA or related persons have a financial interest. This recommendation presents a conflict of interest. These conflicts will be disclosed to clients at the time the investment recommendation is made. SLWA attempts to mitigate this conflict by reviewing all accounts fairly and equitably, and by requiring all employees, including the mutual owners, to affirm and agree to comply with SLWA's compliance manual, which is designed to require employees of SLWA to recognize the fiduciary duty to all clients. All clients invested in these securities will do so on a non-discretionary basis and will not be charged an advisory fee by SLWA on any assets allocated to these investments.

C. On occasion, an employee of SLWA 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. On occasion, an employee of SLWA 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**

Factors which SLWA considers in recommending a broker-dealer “(Recommended Firms)” to clients include their financial strength, reputation, execution, pricing, research, and service. Use of the Recommend Firms enables SLWA to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by the Recommend Firms may be higher or lower than those charged by other financial institutions. The commissions paid by SLWA’s clients comply with SLWA’s duty to obtain “best execution.” Clients may pay commissions that are higher than another qualified financial institution might charge to effect the same transaction where SLWA determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. SLWA seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other financial institutions with whom SLWA and the financial institutions have entered into agreements for prime brokerage clearing services. SLWA periodically and systematically reviews its policies and procedures regarding its recommendation of financial institutions in light of its duty to obtain best execution.

The client may direct SLWA in writing to use a particular financial institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that financial institution, and SLWA will not seek better execution services or prices from other financial institutions or be able to “batch” client transactions for execution through other financial institutions with orders for other accounts managed by SLWA (as described below). As a result, the client 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. Subject to its duty of best execution, SLWA may decline a client’s request to direct brokerage if, in SLWA’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless SLWA decides to purchase or sell the same securities for several clients at approximately the same time. SLWA may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among SLWA’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among SLWA’s clients pro rata to the purchase and sale orders placed for each client on any given day. By effecting trades independently, it is possible that a client trading in a security at one time of day and another client trading the same security at a different time will have different prices. SLWA attempts to avoid this by placing trades in “batches”, but in some instances this is not possible. For example, when a client directs the trade themselves, or when the decision to trade in the second client’s account is not made until later in the day.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker

dealers in return for investment research products and/or services which assist SLWA in its investment decision-making process. Research generally will be used to service all of SLWA's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because it may influence SLWA's choice of broker-dealer over another broker-dealer that does not provide the same research and/or services.

#### *Software and Support Provided by financial institutions*

SLWA may receive from the Recommend Firms without cost to SLWA, computer software and related systems support, including: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. These services allow SLWA to monitor client accounts maintained at the Recommend Firms. SLWA may receive the software and related support without cost because SLWA renders investment management services to clients that maintain assets at the Recommend Firms. The software and support are not provided in connection with securities transactions of clients and is not paid for with client funds (i.e. not "soft dollars").

The software and related systems support provided by the financial institutions may benefit SLWA, but not its clients directly. The financial institutions may offer us other services intended to assist us in the management and further development of our business, including educational conferences and events, consulting on technology, compliance, legal and business needs, and access to providers of services we may need. In fulfilling its duties to its clients, SLWA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that SLWA's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence SLWA's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

### **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 member of senior management 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 SLWA is intended to review asset allocation. All clients will receive statements and confirmations of trades directly from the custodian. 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 recommendations of Broker-Dealers.*

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

If a client is introduced to SLWA by either an unaffiliated or an affiliated solicitor, SLWA 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 SLWA's investment management fee and shall not result in any additional charge to the client. If the client is introduced to SLWA 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 SLWA's ADV, and a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between SLWA and the solicitor, including the compensation to be received by the solicitor from SLWA.

#### **Item 15: Custody**

SLWA deducts fees from client accounts but would not have custody of client funds otherwise. Clients will receive statements and trade confirmations directly from their account custodian. 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 month, the client will 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 reports prepared by SLWA against the information in the statements provided directly from the custodian. Please alert SLWA of any discrepancies.

#### **Item 16: Investment Discretion**

When SLWA 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 statements at least quarterly 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 Advisory Agreement that outlines the responsibilities of both the client and SLWA.

#### **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. SLWA will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. SLWA will not give clients advice on how to vote proxies.

#### **Item 18: Financial Information**

SLWA 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.