

# Seabridge Wealth Management, LLC

## Firm Brochure

*This brochure provides information about the qualifications and business practices of Seabridge Wealth Management, LLC. If you have any questions about the contents of this brochure, please do not hesitate to contact us at (727) 456-0011 or by email at: [info@seabridge.net](mailto:info@seabridge.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Seabridge Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Seabridge Wealth Management, LLC's CRD number is: 158398*

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## **Item 2: Material Changes**

Noted below are the material changes in this brochure from the last annual updating amendment of Seabridge Wealth Management, LLC on March 26, 2015.

- Valerie C. DiGennaro was added as a principal owner of Seabridge Wealth Management, LLC.
- Assets Under Management were updated to reflect \$116,260,000 as of 03/14/2016.
- The Retirement Plan Advisory Services and Fees (Corporate 401K plans) were updated.
- Financial Advisory Services and Fees and Payments of Fees were removed.
- Under Fees and Compensation, details on minimum asset size and fees was updated.
- Outside Compensation For the Sale of Securities to Clients was updated.
- Third Party Fees for Retirement Plan Services was updated.
- Methods of Analysis and Strategies was updated.
- Registration Relationships Material to this Advisory Business and Possible Conflicts of Interest was updated to reflect outside business.
- Investing Personal Money The Same Time As Client and Trading Securities The Same Time As Client updated.
- Brokerage Practices and Other Benefits and Soft Dollars was updated.
- Custody was updated.
- Item 19 with reference to State Registered Advisors was removed. Seabridge moved from a state registered advisor to an SEC registered advisor effective 01/13/2016.<sup>1</sup>

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<sup>1</sup> Registration does not imply a certain level of skill or training

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Seabridge Wealth Management, LLC is a Limited Liability Company organized in the state of Florida.

This firm has been in business since June 2011, and the principal owners are Matthew Richard DiGennaro and Valerie Clark DiGennaro. Matthew Richard DiGennaro is a Managing Member and CEO. Valerie Clark DiGennaro is a Member and Head of Sales.

### **B. Types of Advisory Services**

Seabridge Wealth Management, LLC (hereinafter "SWM") offers the following services to advisory clients:

#### ***Investment Advisory Services***

SWM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SWM creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Advisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

SWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SWM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### ***Retirement Plan Advisory Services***

SWM will provide Investment Fiduciary and Retirement Plan Consulting Services to assist Retirement Plans Sponsors ("Sponsor") in meeting its requirement for administering and managing its retirement plan. This can be accomplished in one of two ways: through 3(21) Nondiscretionary Fiduciary Services or through 3(38) Discretionary Fiduciary Services. Each is discussed in more detail below.

- 3(21) Nondiscretionary Fiduciary Services: SWM will act solely in the interest of the Plan's Participants (and beneficiaries) in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under

similar circumstances. SWM will solely be making recommendations to the Sponsor, and the Sponsor retains full discretionary authority or control over assets of the Plan. With the Sponsor, SWM will:

- Provide recommendations to select, monitor and replace investments for the Plan in accordance with the Plan's investment objectives, risk tolerance and goals
  - Periodically review the investment options and recommend changes as needed
  - When applicable, assist Sponsor with creating a series of risk-based models, in addition to reallocating and rebalancing said models, as needed
  - Provide recommendations for the Plan's Qualified Default Investment Alternatives ("QDIA") through the series of Target Date Funds ("TDF")
- 3(38) Discretionary Fiduciary Services: SWM will exercise discretionary authority over the Plan assets. Section 402(c)(3) of ERISA allows Sponsor to delegate responsibility for selecting, monitoring and replacing plan assets to an "investment manager" that meets the requirements of Section 3(38) of ERISA. Section 405(d)(1) of ERISA provides that if an investment manager is properly appointed, then "no trustee shall be liable for the acts or omissions of such investment manager or managers, or be under an obligation to invest or otherwise manage any asset of the plan which is subject to the management of such investment manager." SWM will:
- Select, monitor and replace investments for the Plan in accordance with the Plan's investment objectives, risk tolerance and goals
  - Periodically review the investment options and make changes as needed
  - Create a series of risk-based models, in addition to reallocating and rebalancing said models, as needed
  - Select investments for the Plan's Qualified Default Investment Alternatives ("QDIA") through the series of Target Date Funds ("TDF")

SWM will not take custody of Plan assets as they will be held by a third party custodian. SWM will not provide individual investment advice but will assist the Sponsor with group investment education sessions.

### ***Services Limited to Specific Types of Investments***

SWM generally limits its money management to the use of mutual funds and exchange traded funds (ETFs) with underlying asset classes of both U.S. and international: equities, fixed income, REITs, and/or commodities. SWM may also use individual fixed income securities when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

Clients should be aware that specific client investment plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a

client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

#### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. SWM does not participate in any wrap fee programs.

#### **E. Assets Under Management**

SWM has the following assets under management ("AUM"):

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$116,260,000	\$0.00	03/14/2016

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

#### **A. Fee Schedule**

##### ***Investment Advisory Fees***

Total Assets Under Management	Annual Fee
\$1,000,000 - \$5,000,000	0.95%
\$5,000,001 - \$10,000,000	0.90%
\$10,000,001 - \$25,000,000	0.85%
\$25,000,001 - \$50,000,000	0.80%
Above \$50,000,000	0.75%

The minimum account size is \$1,000,000 and the minimum annual account fee is \$12,000. These fees are negotiable in rare circumstances depending upon the needs of the client and complexity of the situation. In instances where the account size falls below the minimum or is waived, the account will be subject to the minimum annual account fee, which depending on the total assets under management may result in a higher percentage fee than set forth in the advisory fee schedule above. The final fee schedule will be attached as an Exhibit in the Investment Advisory Contract.

The Fee payment will be based on the value of the assets in the account as of the close of business on the last business day of the period as valued by the custodian of the assets. Fees are paid monthly in arrears. Clients may terminate their contracts with thirty (30) days' written notice to either party. Because fees are charged in arrears, no refund policy is necessary. However, any accounts that are terminated by either party will have the contracted advisory fee continue to accrue for the contracted 30-day notice (termination) period. The remaining, and accruing, advisory fee for that 30-day notice period may be charged to the client immediately upon notice of termination. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract.

Investment advisory fees are withdrawn directly from the Client's accounts with client written authorization. As such, the IA is required to: a) Obtain client authorization for the direct deduction of fees from the Client account, and b) Disclose that the Custodian will send a statement to the Client wherein Advisor fees are listed.

The IA will send the Client a statement of fee calculations as fees are deducted from the Client's account.



***Retirement Plan Advisory Fees (Corporate 401k plans, etc.)***

<b>Total Account Assets (as defined above)</b>	<b>Annual Fee (as a % of assets)</b>	<b>Subject to a minimum annual fee for services</b>
\$2,500,000 – \$4,999,999	n/a	\$25,000
\$5,000,000 – \$9,999,999	0.49%	-
\$10,000,000 – \$14,999,999	0.39%	-
\$15,000,000 – \$19,999,999	0.35%	-
\$20,000,000 – \$24,999,999	0.33%	-
\$25,000,000 – \$29,999,999	0.31%	-
\$30,000,000 – \$34,999,999	0.29%	-
\$35,000,000 – \$39,999,999	0.28%	-
\$40,000,000 – \$44,999,999	0.27%	-
\$45,000,000 – \$49,999,999	0.26%	-
\$50,000,000 – \$54,999,999	0.25%	-
\$55,000,000 – \$59,999,999	0.24%	-
\$60,000,000 – \$64,999,999	0.23%	-
\$65,000,000 – \$69,999,999	0.22%	-
\$70,000,000 – \$74,999,999	0.21%	-
\$75,000,000 – \$79,999,999	0.20%	-
\$80,000,000 – \$84,999,999	0.19%	-
\$85,000,000 – \$89,999,999	0.18%	-
\$90,000,000 – \$94,999,999	0.17%	-
\$95,000,000 – \$99,999,999	0.16%	-
\$100,000,000 +	0.15%	-
<i>For example: \$10,000,000*.33% = \$33,000 per year</i>		

The minimum Retirement Plan (“Plan”) size is \$2,500,000 in AUM and the minimum annual account fee is \$25,000. The above fee schedule, as well as account size minimum, is negotiable in certain circumstances where the needs of the client and complexity of the situation warrants. However, the minimum annual account fee may still apply. In instances where the account size falls below the minimum or is waived, the account will be subject to the minimum annual account fee, which will result in a higher percentage fee than set forth in the advisory fee schedule above. The final fee schedule will be attached as an Exhibit in the Investment Fiduciary & Retirement Plan Consulting Agreement.

Unless the record-keeper of the Plan assets only deducts advisory fees quarterly, fees are paid monthly in arrears based on the value of the Plan as of the last business day of the preceding fee period. Clients may terminate their contracts with thirty (30) days’ written notice to either party. Because fees are charged in arrears, no refund policy is

necessary. However, any accounts that are terminated by either party will have the contracted advisory fee continue to accrue for the contracted 30-day notice (termination) period. The remaining, and accruing, advisory fee for that 30-day notice period may be charged to the client immediately upon notice of termination. Clients may terminate their accounts without penalty within five (5) business days of signing the advisory contract.

Clients may elect to use a flat fee arrangement, payable monthly in arrears, for which rate will be agreed upon in advance. The stated annual fee will be increased each year with a cost of living adjustment of three percent (3%).

Clients may elect to use a project-based fee arrangement for which rates and payment will be agreed upon in advance and paid in arrears.

Other fees for Retirement Plan Services may apply, including but not exclusive, to on-site per diem charges by SWM at a rate negotiated within the contract and paid in arrears.

## **B. Payment of Fees**

### ***Payment of Investment Advisory Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. The Fee will be based on the value of the assets in the account as of the close of business on the last business day of the month as valued by the custodian of the assets. Fees are paid monthly in arrears.

### ***Payment of Retirement Plan Advisory Fees***

Unless otherwise required by the Plan record-keeper, fees for this service are paid to SWM monthly, in arrears. Fees are to be paid to SWM via check, ACH, bank wire or direct debit from the custodial account if on an approved SWM platform. Funds are to be received at SWM no later than the 10<sup>th</sup> business day of the month following the billing month. The Fee payment will be based on the value of the Retirement Plan AUM as of the close of business on the last business day of the period as valued by the custodian of the assets.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SWM. Please see Item 12 of this brochure regarding broker/custodian.

For Retirement Plan Advisory Services, the Plan is responsible for fees imposed by unaffiliated third parties. Such charges include, but are not limited to, custodial fees, brokerage commissions, transaction fees, clearing or settlement services, third-party investment management fees charged by mutual funds or third party managers, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the Plan, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), certain deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

#### **D. Prepayment of Fees**

SWM collects Investment Advisory Fees and Retirement Plan Advisory Fees in arrears.

#### **E. Outside Compensation For the Sale of Securities to Clients**

Neither SWM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

SWM will **not** receive commissions, 12b1 fees, sales charges, fund expenses, or any other miscellaneous sales fees or other forms of compensation.

Further, except for items of de minimis value, Associates may not accept gifts, service, favors, entertainment, special accommodations, or other things of material value from a client, prospect, service provider (related or third-party) or other entity that does business on behalf of Seabridge. These items could influence an Associate's decision-making or make them feel beholden to a person or firm. The receipt of an occasional dinner, a ticket to a sporting event or the theater, or comparable entertainment shall be considered to be of de minimis value if the person or entity providing the entertainment is present.

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

SWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

SWM generally provides investment advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Foundations
- ❖ Institutional Retirement Plans
- ❖ Corporations or Business Entities
- ❖ Government Entities
- ❖ Education Institutions

### *Minimum Account Size*

There is an account minimum of \$1,000,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis and Investment Strategies*

For Investment Advisory Service (“IAS”) clients, SWM’s strategy is to construct a portfolio based on the client’s risk assessment, goals and financial condition, while for Retirement Plans, SWM will select a prudent line-up of mutual funds, to include the designated QDIA funds, and may design model portfolios for the participants to choose based on their risk assessment. The IAS portfolios, or retirement plan fund line-ups, generally look across a wide range of asset classes using low-cost and broadly diversified investments. To capture the broad diversification of the various markets segments, low cost mutual funds, index funds and exchange-traded funds (ETFs) will be the product of choice whenever possible or practical. These funds are well-suited because they are designed to mimic market returns in those respective asset classes less a small fund expense. Index funds typically have low turnover of securities that make them more tax-efficient than other mutual fund types. Thus the analysis is more focused on the market segments, and asset allocation, rather than on individual securities. **Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

As is the case with all securities and investments, investment portfolios can appreciate or depreciate. Past performance of any investment advisor, index or security is not an

indication of future performance or results. SWM does not guarantee or warranty that their investment services will result in a profit.

## **B. Material Risks Involved**

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

The method employed by SWM is based on Modern Portfolio Theory. This approach attempts to maximize the expected return of a portfolio – for a given level of risk – by diversifying that portfolio over a wide range of asset classes. With the understanding that certain asset classes change values in differing ways, combining asset classes that are not highly correlated with each other seeks to reduce the total variance (risk) of the portfolio. However, given that global markets and individual segments inherently fluctuate, the risk assumed is that the market or market segments represented in individual portfolios will fail to reach the expectations of investors.

### ***Investment Strategies***

SWM investment strategy is designed to capture market rates of both return and risk. However, frequent trading, when done, can adversely affect investment performance, particularly through increased brokerage and other transaction costs and taxes. SWM does not engage in, nor promote, frequent trading.

Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using this strategy.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

SWM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

As is the case with all securities and investments, investment portfolios can appreciate or depreciate. Past performance of any investment advisor, index or security is not an indication of future performance or results. SWM does not guarantee or warranty that their investment services will result in a profit.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SR) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither SWM nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither SWM nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Andrea N. Mullins is the Chief Compliance Officer of SWM. She is also an independent director for the Valued Advisers Trust ("VAT"), a series of mutual funds. SWM does not invest in any of the VAT funds as they do not meet SWM's investment criteria.

Vikram Kuriyan is the Chief Market Strategist for SWM. He advises SWM on asset allocation and strategies. He is not involved in the day-to-day operations nor the selection or execution of securities. Outside of SWM, Mr. Kuriyan is the Vice Chairman and Chief Portfolio Strategist for SystemTwo Advisors, L.P. ("SystemTwo") where he provides economic and strategic advice. At SystemTwo, he is not involved in the day-to-day operations nor the selection or execution of securities. Mr. Kuriyan is Chairman of GWA. GWA provides various indices to global institutional investors, through its

relationship with FTSE (Financial Times Stock Index) in London. He has no control of the underlying investors that subscribe to GWA's indices. The investors, not Mr. Kuriyan or GWA, have full discretion as to whether they accept the recommendation of the indices provided and are responsible for executing all security transactions for the indices provided.

#### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

SWM does not utilize nor select other advisors or third party managers. All assets are managed by SWM.

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

#### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions including Procedures and Reporting, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Political & Charitable Contributions, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, and Compliance Officer Duties. Our Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

SWM does not recommend that clients buy or sell any security in which a related person to SWM or SWM has a material financial interest.

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

From time to time, Access Persons<sup>2</sup> of SWM may buy or sell securities for themselves that they also buy or sell for Clients. This may provide an opportunity for representatives of SWM to buy or sell the same securities before or after buying or selling the same securities to clients which possibly could result in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. However, given the nature of the securities that SWM invests for its clients, mainly large mutual funds and ETFs with high degrees of market liquidity, it would be difficult for a representative of SWM to profit from such transactions. More specifically, mutual funds are traded at the end of the day price therefore anyone

trading the security will get the same price. The ETFs that are bought or sold for Clients are generally large, actively traded and highly liquid therefore could not negatively impact Client trades or positions. Due to the size, liquidity, nature and scope of the securities that SWM buys or sells for its Clients, there should not be a situation where any conflicts of interest arise relative to a SWM associate buying or selling the same security held by, or contemplated being bought or sold for, a Client. However, should there be any potential or real conflict of interest, SWM will avoid the conflict of interest if possible and will document any transactions that could be construed as a conflict of interest.

<sup>2</sup> Access Persons are defined as any supervised person who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any fund the advisor or its control affiliates manage; or is involved in making securities recommendations to clients, or has access to such recommendations that are nonpublic. All of the firm's directors, officers, and partners are presumed to be Access Persons.

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

From time to time, Access Persons of SWM may buy or sell securities for themselves that they also buy or sell for Clients. This may provide an opportunity for representatives of SWM to buy or sell the same securities before or after buying or selling the same securities to clients which possibly could result in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. However, given the nature of the securities that SWM invests for its clients, mainly large mutual funds and ETFs with high degrees of market liquidity, it would be difficult for a representative of SWM to profit from such transactions. More specifically, mutual funds are traded at the end of the day price therefore anyone trading the security will get the same price. The ETFs that are bought or sold for clients are generally large, actively traded and highly liquid therefore could not negatively impact Client trades or positions. Due to the size, liquidity, nature and scope of the securities that SWM buys or sells for its Clients, there should not be a situation where any conflicts of interest arise relative to a SWM associate buying or selling the same security held by, or contemplated being bought or sold for, a Client. However, should there be any potential or real conflict of interest, SWM will avoid the conflict of interest if possible and will document any transactions that could be construed as a conflict of interest.



## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

For our IAS clients, their assets are held in custody at Schwab Institutional, a division of Charles Schwab & Co., Inc., CRD # 5393, was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. SWM will never charge a premium or commission on transactions, beyond the actual trading or custodial cost imposed by the custodian. SWM will require that all non-ERISA clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although SWM may require that clients establish accounts at Schwab, it is the Client's decision to custody assets with Schwab. SWM is independently owned and operated and not affiliated with Schwab or any other custodian or broker/dealer.

For our Retirement Plan Advisory Services clients, assets are held by an independent custodian who is selected by the Sponsor. SWM is not responsible or liable for recommendations or services rendered by third party service providers chosen by the Sponsor.

#### ***1. Research and Other Soft-Dollar Benefits***

Schwab provides SWM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For SWM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Advisor Services also makes available to SWM other products and services that benefit SWM but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of SWM's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist SWM in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment

of SWM's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

In evaluating whether to recommend or require that clients custody their assets at Schwab, SWM may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

SWM may also receive market research, economic information or commentaries ("Materials") from other entities that sponsor securities that SWM may or may not purchase for clients. SWM may choose whether or not to use any of these Materials and access to these Materials is not subject to any trading activity with any of these entities. SWM may receive Materials from, but not limited to: First Trust Portfolios, Vanguard, Dimensional Fund Advisors, Standard & Poors (SPDRs) and Blackrock (IShares). SWM does not receive any compensation from these entities.

## ***2. Brokerage for Client Referrals***

SWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

With the exception of Retirement Plan Advisory Clients as noted above under section 15A, SWM will not allow clients to direct SWM to use a specific broker-dealer to execute transactions. Clients must use SWM recommended custodian (broker-dealer). By requiring clients to use our specific custodian, SWM may be unable to achieve most favorable execution of client transactions and this may cost clients' money over using a lower-cost custodian.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

SWM may or may not block trade buys or sells across client's accounts. Block trading may benefit a large group of clients by providing SWM the ability to purchase larger blocks resulting in smaller transaction costs to the client.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed on a regular basis by either Matt DiGennaro (Chief Executive Officer and managing member) or Doug Case (Chief Investment Officer). Doug Case is the Chief Investment Officer and reviews clients' accounts with regards to their investment policies and risk tolerance levels.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least monthly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

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

## **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

SWM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to SWM clients.

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

SWM has an agreement with the CPA firm, Roberge Poskus International ("RPI"), for referrals to SWM in exchange for a fee. RPI may be paid a percentage of the overall client advisory fee for the referral of the RPI client to SWM. The referral fee will be percentage of advisory fees charged by SWM to each referred client. This referral fee will be fully disclosed to the RPI's client(s) in advance.

# **Item 15: Custody**

For IAS clients, SWM, with client written authority, has limited custody of client's assets through direct fee deduction of SWM's Investment Advisory fees only. Constructive custody of all client assets and holdings are maintained at Schwab Institutional ("Schwab" or "Custodian"), a division of Charles Schwab & Co., Inc. (CRD # 5393). Clients will receive the required account statements monthly from Schwab which will show the monthly fee deduction for SWM. The custody statement should be carefully reviewed for accuracy. Other than the direct deduction of SWM Investment Advisory fees from the custodian, generally, SWM will not have custody of any client funds or securities. In addition, SWM will not have the ability to send or direct third-party wires nor possess any client passwords or credit card numbers.

If, for some reason, SWM acts as a client's power of attorney and/or trustee, SWM will be considered as having have of a client's account because it has access to and control of client's funds and securities. SWM will not maintain physical custody of a client's funds or securities and custodial services are provided through the Custodian. At SWM's direction, and without a client's prior authorization, SWM can authorize Custodian to withdraw funds and securities and to deduct client fees from a client's Account.

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

For those client accounts where SWM provides ongoing supervision, the client has given SWM written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides SWM discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

### **Item 17: Voting Client Securities (Proxy Voting)**

SWM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

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

#### **A. Balance Sheet**

SWM neither requires nor solicits prepayment of a client's investment advisory fee, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

#### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither SWM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

#### **C. Bankruptcy Petitions in Previous Ten Years**

SWM has not been the subject of a bankruptcy petition in the last ten years.