

Item 1: Cover Page**ROCKWOOD** WEALTH MANAGEMENT**Rockwood Wealth Management, LLC**

6236 Lower York Road

New Hope, PA 18938 267-983-6400

[www.rockwoodwealth.com](http://www.rockwoodwealth.com)[www.theresilientinvestor.com](http://www.theresilientinvestor.com)**May 2018**

This brochure provides information about the qualifications and business practices of Rockwood Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us (267) 983-6400 or via email at [megan.lottier@rockwoodwealth.com](mailto:megan.lottier@rockwoodwealth.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.

Additional information about Rockwood Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Rockwood Wealth Management, LLC is 137481.

Rockwood Wealth Management, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2: Material Changes

This Firm Brochure provides a summary of Rockwood Wealth Management, LLC's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things.

This Item is used to provide Clients with a summary of material changes as defined by the Commission including additional information we deem to be relevant for our current and prospective clients. The revision(s) are based on the nature of the information detailed below.

### Material Changes

Should a material change in our operations occur, depending on its nature Rockwood Wealth Management will promptly communicate this change to Clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a Client's full understanding of who we are, how to find us, and how we do business.

As of January 2018, Rockwood Wealth Management, LLC has the following material changes to report:

- Item 4 - *Advisory Business*:
  - Changes to the partnership structure including ownership percentages
- Item 15 – *Custody*:
  - Standing Letters of Authorization

If you would like to receive a complete copy of our Firm Brochure, including the supplements, please contact us by telephone at (267) 983-6400 or via email at [megan.lottier@rockwoodwealth.com](mailto:megan.lottier@rockwoodwealth.com).

### Item 3: Table of Contents

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

## Item 4: Advisory Business

### Firm Description

Rockwood Wealth Management, LLC (hereinafter “RWM”) is a registered investment advisor with a principal office based in New Hope, Pennsylvania and is organized as a limited liability company under the laws of the State of Pennsylvania. RWM was founded in 2008. The Principal owners are John Augenblick and Brian Booth; Mark Kelly and Samuel Feldbaum also hold ownership interest in the firm. The firm currently has 18 employees including 16 investment professionals and two clerical workers. RWM has an additional office located in Annapolis, MD.

RWM provides personal financial planning and investment management services to individuals, families and their related entities including trusts and estates, endowments and family businesses. RWM works with clients to define financial objectives and to develop strategies for reaching those objectives, some of which may include cash flow management, tax planning, risk exposure review, investment management, education funding, retirement planning, estate planning, charitable giving, special needs planning, family business succession issues, employer benefits, and/or other issues specific to the client. Investment management services include ongoing review and rebalancing of portfolios based on market conditions and client’s individual financial circumstances. We meet with clients and prospects to determine investment objectives, risk tolerance and other relevant information.

RWM derives its revenues from financial planning and investment advisory fees only. The firm’s compensation is based solely from fees paid directly by clients. The firm does not receive any commission based on the client’s purchase of any particular financial product(s). No commissions in any form are accepted. No referral fees are paid or accepted. No benefits are received from custodians or broker-dealers based on client securities transactions (“soft dollar benefits”). For more on our investment philosophies and the risks of our strategies and/or specific investments recommended, please refer to the next section below.

Assets under the direct management of RWM are held by independent custodians in the client’s name. RWM does not act as a custodian of client assets.

At times we may recommend other professionals (e.g., lawyers, accountants, insurance agents, real estate agents) at the request of the client. Such other professionals are engaged directly by the client on an as-needed basis at the client’s discretion. Professionals recommended by RWM may also in their discretion recommend our services to their clients. However, we have no official referral agreements with any of the professionals we recommend.

We actively seek to avoid, or at least minimize, conflicts of interest which may exist between our firm and you. Conflicts of interest will be disclosed and managed in the best interest of the client. However, all investment advisory firms will likely possess some unavoidable conflicts of interest. In those instances when conflicts of interest arise, we have adopted policies which seek to keep the client’s best interests paramount at all times.

Please see other sections of this Brochure which explores in further detail how we act to keep the client’s best interests first at all times during the course of our client relationship. Refer to the details of each service listed for information on how we customize our wealth management and advisory services to each client’s individual needs.

### Types of Services

RWM provides wealth management advisory services which includes financial planning and investment management. RWM also provides clients with investment advice through one-on-one consultations. In performing its services, RWM relies on the information received from the client or from the client’s other professionals. Each client is advised that it remains his/her responsibility to promptly notify RWM when there are any changes to his or her financial situation and/or financial objectives for the purpose of reviewing, evaluating, or revising previous recommendations and/or services.

### *Tailored Advisory Services*

RWM tailors its advisory services to meet client's needs. This is achieved for most clients by individually customizing investment portfolios based on client's profile. Clients may also engage us to perform financial planning, wealth management and investment management services but these are not required. Clients will be offered a conference with an advisor at least annually to review any changes to their financial situation, the investment portfolio upon which advice is provided by RWM, and other financial planning issues. In addition, clients may impose restrictions on investing in certain securities or certain types of securities.

### *Financial Planning*

RWM provides a broad-based consultative financial planning service for clients. Financial planning may include identification of financial problems, overall cash flow management, tax planning, risk exposure review, asset allocation, education funding, retirement planning, estate planning, charitable goals, small business planning issues, fringe benefits, special needs planning or other issues specific to the client. Reviews are conducted to determine if the client's financial objectives and goals are being met and if changes or adjustments to the plan should be made. Financial planning software, such as Money Guide Pro, may be used to assist in assessing client's financial circumstances and define in some detail risk tolerance and investment objectives. No implementation services or ongoing asset management services are provided. Upon review and analysis of the information provided via the financial planning software, a written evaluation of the client's current situation and their goals is provided to the client. Customized recommendations are given in each area specifically requested by the client. The recommendations may include types of securities, portfolio allocation as well as investment timeframe.

### *RWM Account Statements*

Clients are at times provided account statements, net worth statements, and net worth graphs that are generated from our portfolio accounting and financial planning software. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land, real estate, limited partnerships, and other hard-to-price assets. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks. The book values of hard to price assets are reviewed whenever supplemental information relating to valuation is received. Otherwise, these assets are priced at client cost. Clients are urged to compare the statements they receive from us to those they receive from their qualified custodians.

### *Agreement Termination*

Either party may cancel the financial planning agreement at any time by providing written notification. Upon cancellation, we will present you with a bill for time spent less any retainer fees paid. This invoice is payable upon receipt.

### *Wealth Management*

This service includes financial planning, implementation as well as ongoing investment management and monitoring services. Wealth management services are tailored to meet the client's needs. For most clients, each investment portfolio is individually designed; RWM will develop a customized investment portfolio in accordance with the client's risk tolerance and investment objectives. At least annually clients will have the opportunity to review and discuss via conference call or in person with their designated advisor any changes to their financial situation, the investment portfolio upon which advice is provided by RWM, and other financial planning issues. Clients will also have the ability to obtain unlimited telephone support and reviews on a more frequent basis. The advisor may conduct more frequent account reviews which may not necessarily be communicated to the client unless immediate changes are recommended. On an ongoing basis, RWM will monitor client's portfolio performance and will rebalance as dictated by portfolio fluctuations and the client's financial circumstances.

Clients who request this service have the option of granting discretionary authority to RWM for the management of their accounts. This will allow RWM to effectuate trades in line with the client's investment objectives, risk

tolerance and goals, without the client's written approval prior to each transaction. Non-discretionary accounts do not allow for trades to be placed by RWM investment personnel.

#### Investment Management Services

In certain circumstance RWM may provide Investment Management as a stand-alone service.

#### Sub-Advisory Relationships for Smaller Accounts

For certain smaller accounts which do not require the same level of advisory services, RWM has selected certain third-party proprietary automated investment allocation programs offered by the investment advisory affiliates of brokerage firms. The underlying investments in such accounts are exchange-traded funds or mutual funds. Generally, the process for establishing this arrangement is as follows: RWM recommends that the Client open an account with the brokerage firm and enroll in the investment allocation service provided by the advisory affiliate. (The client will receive this affiliate's Form ADV2 Brochure directly from the advisory affiliate.) RWM will have access to the account solely for the purpose of selecting the appropriate investment allocation for the account. The providers of such programs charge a unitary asset-based fee for custody, fund share transactions and access to the automated program. The Client will be charged this fee in addition to RWM's investment advisory fee.

In selecting which providers to recommend for smaller accounts, RWM will consider the quality of the investment allocation program and its underlying investments, the reliability of the provider and the reasonableness of the fees.

#### Third-Party Advisory Firms

From time to time, if RWM determines that a client may benefit from the specialized advice on a particular type of investment, it may retain (with the client's consent) an appropriate independent third-party firm to provide such advice for the client's account. Typically, such services will be billed separately from RWM's fees.

#### Account Termination

The investment management agreement and wealth management agreement may be canceled within five (5) days of acceptance with no penalty. After the initial five (5) days, the client or advisor may terminate the Agreement by giving a thirty-day-written notice. The balance of any unearned fee, if any, is refunded to the client in thirty (30) days or less. The refund is calculated based on a pro-rata basis for the portion of the quarter completed.

#### Wrap Fee Programs

RWM does not invest in wrap fee programs or manage assets for any wrap fee accounts.

#### Types of Investments

RWM's investment philosophy is a *structured passive approach to investing*. RWM's securities investments consist primarily of mutual funds and exchange traded funds (ETFs). Occasionally, we will provide guidance on individual securities in order to assist the clients in liquidating their position. Additionally, RWM generally advises clients on the type of mutual fund or ETF that we deem appropriate based on the client's stated goals, risk tolerance, and objective. Clients must provide investment restriction requests in writing to RWM so we can refrain from investing in certain types of funds and ETFs.

#### Assets Under Management

As of May 22, 2018, RWM had \$100,250,926 in discretionary assets under management (AUM) and \$0 in non-discretionary assets under management (AUM).

#### Item 5: Fees and Compensation

RWM bases its fees on a percentage of assets under management, hourly charges or fixed fees. RWM may also charge a retainer. All fees are NEGOTIABLE.

### Minimum Fees

RWM generally imposes a minimum annual fee not to exceed \$10,000. This minimum fee may have the effect of making Rockwood Wealth Management's service impractical for clients, particularly those with portfolios of less than \$1,000,000. RWM, in its sole discretion, may waive its minimum annual fee and/or charge a lesser fee based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, existing client relationships, account retention, negotiations with clients, and pro bono activities.

If a new account is executed at any time other than the first day of the calendar quarter RWM will apply fees on a pro rata basis. As such the advisory fee is payable in proportion to the number of days in the quarter for which a client is active.

### Minimum Fees

The specific manner in which fees are charged is described in the client's written agreement. RWM will generally bill its fees on a monthly or quarterly basis. Clients are billed in advance. The employee benefit plan accounts are billed in arrears. Generally, clients authorize RWM to directly debit fees from the account though certain clients may pay fees directly. Management fees shall not be prorated to reflect capital contributions and withdrawals made during the fee period. Accounts initiated during a fee period will be prorated, as applicable.

### Wealth Management Fees and Asset Management Fees

Assets Under Management	Annual Fee
First \$1,000,000	1.25%
Next \$1,500,000	1.00%
Next \$2,500,000	0.80%
Over \$5,000,000	0.60%
Above \$10,000,000	0.50%

### Financial Planning Fees

Rockwood Wealth Management generally offers financial planning as part of the Wealth Management Services. For stand-alone financial planning services RWM may, in its discretion, charge an hourly or fixed fee for these services. Rockwood Wealth Management's financial planning and consulting fees are negotiable, but are generally \$250 per hour.

### Other Fees

In addition to RWM's fees, clients will incur fees and expenses charged by third parties in connection with portfolio transactions and maintenance of a custodial account. Such fees include brokerage commission, transaction fees, custodial fees, transfer taxes, wire and electronic fund fees, and other fees and taxes related to transactions and investments in the account. Mutual funds and exchange traded funds charge internal management fees and other expenses, which are disclosed in a fund's prospectus. RWM does not receive nor share in any of these fees and expenses, and is compensated solely by fees charged directly to the client. The fees that are paid to RWM for wealth management and investment management advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds as described in each fund's prospectus.



At the firm's discretion, RWM may combine the account values of family members to determine breakpoints and applicable advisory fees. By combining the account values, an increase in total assets may result in meeting minimum account deposit(s) or size and as a result a reduced advisory fee will be applied based on the fee schedule above.

Please see the section entitled "Brokerage Practices" for more information.

#### Compensation for Sales of Investment Products

The firm's compensation is derived solely from fees paid directly by clients. The firm does not receive commission based on the client's purchase of any financial product, including insurance. No commissions in any form are accepted.

### Item 6: Performance-Based Fees and Side-by-Side Management

#### Sharing of Capital Gains

Rockwood Wealth Management does not use performance-based fees (e.g., fees based on a share of capital gains) due to the potential conflicts of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows Rockwood Wealth Management to participate in the growth of the client's wealth. This also means that our fees can decline when the client's portfolio declines in value.

#### Termination of Agreement and Fees

Upon termination of an account any prepaid, unearned fees will be promptly refunded and any earned unpaid fees will be promptly due and payable.

### Item 7: Types of Clients

Rockwood Wealth Management provides wealth management services to individuals, high net worth individuals, corporate qualified plans, endowments, corporations, partnerships and profit-sharing plans and trust programs.

In general, we require a minimum to open and maintain an advisory account. A flat annual fee of approximately \$10,000 will be charged for those accounts under the minimum balance. At RWM's discretion, we may waive or reduce the minimum account deposit and annual fee.

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

#### Method of Analysis

Rockwood Wealth Management follows a structured, passive approach to investing.

A core belief and philosophy at Rockwood Wealth Management is that markets are efficient. We believe that market prices are fair and they fully reflect all available information. Therefore, we follow a passive investment strategy and do not rely on sell-side research or market predictions to make active investment decisions.

Our analysis incorporates a review, inter alia, of academic reports and studies, Morningstar reports, fund prospectuses, financial newspapers and magazines and internet sites, research materials prepared by others and filings with the Securities and Exchange Commission.

#### Investment Strategies

Rockwood Wealth Management primarily advises clients to invest their funds to create globally diversified portfolios of index funds and similar products. We generally use mutual funds developed by Dimensional Fund



Advisors (DFA) although we may use any appropriate security to implement a client's portfolio strategy. For fixed income investments we utilize various Dimensional Fund Advisors (DFA) strategies including outside funds.

### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach keeps the risk of loss in mind. However, as with all investments, clients face investment risks including such factors as overall economic and market conditions, general business risks, political developments, inflation, credit risks, and changes to interest rates as well as currency valuations. RWM does not offer any guarantees or promises that a client's financial goals and objectives will be met. Past performance is not an indication of future results.

### **Recommendation of particular Types of Securities**

RWM primarily recommends mutual funds and exchange traded funds (ETFs). There are several risks involved with these types of securities. These securities have portfolio managers that trade the fund's investments in agreement with the fund's objective and in line with the fund prospectus. While these investments generally provide diversification there are some risks involved especially if the fund is concentrated in a particular sector of the market, uses leverage, or concentrates in a certain type of security (i.e. foreign equities). The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. And the shares rise and fall in value according to the supply and demand. Open end funds may have a diluted effect on other investors' interest due to the structure of the fund while closed end funds and ETFs have limited shares which rise and fall in value according to supply and demand in the market. In addition, closed end funds are priced daily and as a result they may trade differently than the daily net asset value (NAV).

## **Item 9: Disciplinary Information**

### **Legal and Disciplinary**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events of their firm or certain management personnel which would be material to your evaluation of us or our integrity in management of your investment portfolio. We possess no legal or disciplinary events which, in the judgment of our Chief Compliance Officer, are required to be disclosed.

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

### **Activities**

Rockwood Wealth Management does not participate in any other industry business activities.

### **Affiliations**

Rockwood Wealth Management does not have arrangements that are material to its advisory business or its clients with any related person. We may at times recommend unrelated, third party investment managers who have a greater expertise in certain disciplines when appropriate for the client; we do not receive any compensation for the recommendation or selection of these investment advisors.

As stated above we may recommend other professionals (e.g., lawyers, accountants, insurance agents, real estate agents) at the request of the client. Such other professionals are engaged directly by the client on an as-needed basis at the client's discretion. Professionals recommended by RWM may also in their discretion recommend our services to their clients. However, we have no referrals agreements with any of the professionals we recommend. See additional disclosures in item 12 Brokerage Practices.

Mr. Augenblick serves on the Advisory Committee of Robustwealth, LLC, a registered investment advisor which offers technological operational and other services for investment advisory firms. He receives no compensation for his service. Several owners of RWM have made an equity investment (less than 5%) in Robustwealth, LLC through a separate company.

John Augenblick is the sole Member of the holding entity, Reeder York Holdings LLC. This entity will be purchasing real estate which will be the new location for RWM. He spends about one hour a month on this activity and will not receive any yearly compensation.

Kenny Brian Bauer is a Certified Boys Lacrosse official at US Lacrosse and Pennsylvania Interscholastic Athletic Association and a self-employed contractor.

### Item 11: Code of Ethics

The Advisor strives to observe the highest industry standards of conduct based on its obligation as a fiduciary to its Clients. In an effort to meet this obligation, Rockwood Wealth Management has adopted a written Code of Ethics (the “Code”) that is applicable to all employees. Each employee will be provided a copy, and is required to acknowledge, in writing, that they have received, read, understand and will abide by, the Code, and the RWM’s Compliance Manual, upon commencement of employment and upon any material change to the Code.

The Code requires that employees act in the Client’s best interests and comply with applicable laws and regulations. Employees are expected to avoid any action that is, or could even appear to be, legally or ethically improper. The principles outlined in the Code apply to all conduct, whether or not the conduct is also covered by more specific standards or procedures set forth in the Code, Compliance Manual, or elsewhere. Employees are required to bring any violations, actual or suspected, of the Code immediately to the attention of RWM’s Chief Compliance Officer (“CCO”). Failure to comply with the Code may result in disciplinary action or other sanctions including termination of employment.

The Code also places certain restrictions on the personal trading activities of employees and their immediate family members. Employees may generally engage in personal trading only by obtaining prior approval and subject to pre-clearance by the Chief Compliance Officer. However, employees may purchase and sell open-end mutual funds, exchange traded funds (“ETFs”), and any other securities not specifically prohibited by the Code without pre-clearance. Employees are required to disclose their personal securities holdings annually and personal securities transactions quarterly to the Chief Compliance Officer. Employees may also participate in limited offerings such as hedge funds, private equity funds, or other types of private offerings, subject to pre-clearance procedures.

RWM, its employees or affiliates (collectively “Related Persons”), will generally have an investment in the funds managed by us. As a result, Related Persons have an interest in an investment that may also be recommended to clients.

A copy of the Code of Ethics shall be provided to any client or prospective client upon request.

Material components of the Code, in summary form, include:

*Standard of Business Conduct.* It is the responsibility of all employees to ensure that the Advisor conducts its business with the highest level of ethical standards and in keeping with its fiduciary duties. Employees have a duty to place the interest of the Clients first, and to refrain from having outside interests that conflict with the interests of its Client(s).

*Prohibited Conduct.* The Advisor's employees must avoid any circumstances that might adversely affect or appear to affect their duty of complete loyalty to clients.

*Privacy of Client Information.* All information relating to Clients' portfolios and activities, and proposed recommendations is strictly confidential. Consideration of a particular purchase or sale for

may not be disclosed, except to authorized persons.

*Personal Securities Transactions.* All employees shall comply with the Advisor's personal account trading policy summarized below.

*Conflicts of Interest.* Employees may not use any confidential information or otherwise take inappropriate advantage of their positions for the purpose of furthering any private interest or as a means of making any personal gain. Employees and their immediate families may not accept any benefit from clients or any person who does business with the Advisor, other than business courtesies and non-cash gifts of nominal value.

*Service as a Director.* No employee may serve as a director of a publicly-held company without prior approval by the Chief Compliance Officer based upon a determination that service as a director would not be adverse to the interest of clients.

*Reporting of Violations.* Employees are required to promptly report all actual or potential conflicts of interest, violations of any government or regulatory law, rule or regulation, or violations of the Advisor's policies and procedures.

*Training.* Formal ethics training for all employees will occur on a periodic basis.

*Review and Enforcement.* The CCO is responsible for ensuring adequate supervision over the activities of all persons who act on the Advisor's behalf in order to prevent and detect violations of the Code by such persons.

*Participation or Interest in Client Transactions and Personal Securities Trading.* All employees shall comply with the procedures governing personal securities transactions set forth in the Code. Such procedures are designed, among other matters, to assist the CCO in avoiding potential conflicts of interests and detecting and preventing abusive trading practices such as "scalping" or "front running" and to highlight potentially abusive "soft dollar/Client commission" or brokerage arrangements. Strict compliance with the Advisor's personal trading policy is essential to the Advisor and its reputation. Any violation of the Advisor's personal trading policy can be grounds for immediate dismissal by the Advisor of any employee. Every employee of the Advisor is expected to be familiar with the personal trading policy and the procedures contained therein. These matters can be reviewed with the CCO at any time.

The CCO shall maintain current and accurate records of all personal securities transactions in which employees have a direct or indirect beneficial interest. The following restrictions shall apply to securities transaction(s) by employees of the Advisor and their related persons:

*Restricted Securities.* The Advisor shall maintain a restricted list of securities for which no trading by employees is allowed, e.g. because the Advisor may have material non-public information.

*Black-Out Period.* No employee will be permitted to purchase or sell a security within a specified number of days before or after clients buys or sells the same or related security. In no event may any employee execute a personal transaction in a security on any day during which there is pending for clients any order in the same security until the order is filled or withdrawn.

*Disclosure to CCO.* Each analyst or trader is required to promptly disclose to the CCO any security under active consideration for purchase or sale.

*Initial Report.* An employee shall, no later than 10 days after the employee begins its relationship with the Advisor, provide the Advisor with brokerage account statements, which are as of a date that is within 45 days of the date the employee submits them to the Advisor, and complete and submit a list of brokerage accounts.

*Quarterly Reports.* On a quarterly basis all employees shall submit to the CCO a personal securities transaction report.

*Annual Report.* Following the completion of each calendar year, employees must resubmit a list of personal brokerage accounts.

*Record-Keeping Requirements.* The CCO shall establish a form to record personal securities transactions.

## Item 12: Brokerage Practices

### Selecting Brokerage Firms

RWM does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. RWM recommends custodians based on the proven integrity and financial responsibility of the firm, best execution of orders at reasonable commission rates, and the quality of client service.

RWM recommends the following brokerage firms (which are also qualified custodians) to clients: Fidelity, Charles Schwab Institutional, TD Ameritrade, and Shareholder Services Group. RWM may add or remove firms from this group from time to time. RWM does not receive fees or commissions from any of these arrangements, although RWM may benefit from electronic delivery of client information, electronic trading platforms and other incidental services provided by the custodians for the benefit of clients. We may also benefit from other services provided by custodians, such as generic research reports, continuing education, and practice management advice. These benefits are standard in a relationship with these custodians and are not in return for client recommendations or transactions.

RWM reviews the execution of trades at each custodian at least annually. The review is documented in accordance with the Rockwood Wealth Management “Policies & Procedures Manual”. Trading fees charged by the custodians are also reviewed on an annual basis. Rockwood Wealth Management does not receive any portion of the trading fees.

Rockwood Wealth Management refers clients to an independent third-party account administrator (LWI Financial Inc. or “LWIF”) and registered investment adviser for a limited number of clients. This adviser performs certain services such as account administration, portfolio allocation analysis, asset-class investment strategy, back-office fulfillment, report and statement production, and fee debiting. Such services are paid directly through advisory fees billed to the client or are indirectly paid by Rockwood Wealth Management.

LWIF may also sponsor educational seminars for the benefit of Rockwood Wealth Management and its clients. Such educational seminars provide Rockwood Wealth Management with access to information and ideas regarding practice development, client servicing, investment strategy, relationship management and financial planning. Expenses associated with such educational seminars may be paid or reimbursed either in whole or in part by LWIF.

Rockwood Wealth Management may recommend, where appropriate, that client invest in shares of the SA Funds – Investment Trust (the “SA Funds”), a family of nine asset class mutual funds advised, managed and administrated by LWIF. Fees are not charged directly upon investments in the SA Funds. LWIF receives certain fees and expenses directly from the SA Funds for its services as disclosed in that Fund’s prospectus.

Rockwood Wealth Management may execute transactions through a broker-dealer, Loring Ward Securities Inc. (“LWSI”), that is affiliated and under common ownership with LWIF. LWSI is a securities broker-dealer and a member of the Financial Industry Regulatory Authority (“FINRA”) that introduces all transactions to its correspondent clearing firm, Pershing LLC, on a fully-disclosed basis. Rockwood Wealth Management or its clients may incur additional brokerage commissions, ticket charges or other similar expenses that are collected by LWSI, or another broker-dealer and/or custodian of record.

#### Soft Dollars

Rockwood Wealth Management does not receive soft dollar benefits from any custodian or broker.

#### Directed Brokerage

RWM does not direct brokerage for specific client transactions and we do not participate in block trading.

### Item 13: Review of Accounts

#### Periodic Reviews

Rockwood Wealth Management will review and rebalance portfolios to ensure client’s investments are within tolerance limits. For those clients to whom we provide investment management services, RWM monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis.

For clients to whom Rockwood Wealth Management provides only financial planning and/or consulting services, reviews are conducted on an “as needed” basis initiated by the client.

All investment clients are encouraged to discuss their needs, goals, and objectives with Rockwood Wealth Management and to keep Rockwood Wealth Management informed of any changes. Rockwood Wealth Management shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

### Item 14: Client Referrals and Other Compensation

#### Incoming Referrals

Rockwood Wealth Management has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other sources. The firm does not pay for referrals.

#### Referrals to Other Professionals

Rockwood Wealth Management does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

### Item 15: Custody

#### Account Statements

Qualified custodians that hold client assets will provide account statements directly to clients at their address of record at least quarterly. Occasionally, clients may invest in private placements which are not held at qualified custodians. In these cases, statements are generally provided directly by the investment principal at least annually. Clients are encouraged to carefully review the statements provided by their custodians.

### SEC “Custody”

According to the SEC, investment advisers are deemed to have “custody” of client funds if certain conditions are met. RWM directly debits client account(s) for payment of our advisory fees. The ability to deduct advisory fees from client accounts causes RWM to exercise limited custody over client funds or securities. RWM does not have physical custody of any funds and/or securities. Client’s funds and securities may be held with a bank, broker-dealer, or other independent, qualified custodian. The independent, qualified custodian will provide account statements directly to clients at least quarterly. The client’s custodial statement will clearly label the advisor’s fee.

Custody is also disclosed in the Form ADV because RWM has authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, RWM will follow the safeguards specified by the SEC rather than undergo an annual audit.

### Item 16: Investment Discretion

#### *Discretionary Authority for Trading*

RWM accepts discretionary trading authority to manage securities accounts on behalf of their clients. This is authorized via the client contract and allows RWM to determine without obtaining specific client consent for each trade, the securities to be bought or sold and the amount of the securities subject to client’s investment guidelines and limitations.

However, if RWM does not have discretionary authority or limited power of attorney RWM will consult with the client prior to each transaction.

#### *Limited Power of Attorney*

Clients must grant limited power of attorney (LPOA) before RWM is given discretion over a client’s account. The limited power of attorney is included in Rockwood Wealth Management’s client agreement and in the qualified custodian’s account application for our primary custodians.

### Item 17: Voting Client Securities

#### *Proxy Votes*

As a matter of firm policy and practice, Rockwood Wealth Management does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

### Item 18: Financial Information

#### *Financial Condition*

Rockwood Wealth Management does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because Rockwood Wealth Management does not serve as a custodian for client funds or securities, other than as described above, and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.

### Item 19: Requirements for State-Registered Advisors

Rockwood Wealth Management, LLC is federally registered with the Securities Exchange Commission (SEC) and is required to notice file with several state securities divisions.

### Miscellaneous

#### *Business Continuity Plan and Disaster Recovery*

Rockwood Wealth Management has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.



The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, fire, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

#### *Alternate Offices*

Alternate work locations are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients if a disaster takes place that requires RWM to move our offices to an alternate location.

#### *Loss of Key Personnel*

The partners of Rockwood Wealth Management have signed an operating agreement to continue operations in the event a partner experiences serious disability or death.

#### *Information Security Program*

Rockwood Wealth Management maintains an information security program to reduce the risk that personal and confidential information may be breached.

#### *Privacy Notice*

Rockwood Wealth Management has adopted this policy with recognition that protecting the privacy and security of the personal information we obtain about our customers is an important responsibility. We also know that you expect us to service you in an accurate and efficient manner. To do so, we must collect and maintain certain personal information about you. We want you to know what information we collect and how we use and safeguard that information.

#### *What Information We Collect*

We collect certain nonpublic personal identifying information about you such as your name, address, social security number, from information that you provide on applications or other forms as well as communications (e.g., electronic, telephone, written or in person) with you or your authorized representatives (e.g., attorney, accountant). We also collect information about your brokerage accounts and transactions specifically purchases, sales, account balances, and inquiries.

#### *What Information We Disclose*

We do not disclose the nonpublic personal information we collect about our customers to anyone except: (i) in furtherance of our business relationship with them and then only to those persons necessary to effect the transactions and provide the services that they authorize such as broker-dealers, custodians, independent managers, etc.; (ii) to persons assessing our compliance with industry standards (e.g., professional licensing authorities); (iii) our attorneys, accountants and auditors; or (iv) as otherwise permitted by law.

We are permitted by law to disclose nonpublic personal information about you to governmental agencies and other third parties in certain circumstances, such as third parties that perform administrative or marketing services on our behalf or for joint marketing programs. These third parties are prohibited to use or share the information for any other purpose. If you decide at some point to either terminate our services or become an inactive customer, we will continue to adhere to our privacy policy, as may be amended from time to time.

#### *Security of Your Information*

We restrict access to your nonpublic personal information to those employees who need to know that information to service your account. We maintain physical, electronic and procedural safeguards that comply with applicable federal or state standards to protect your nonpublic personal information.

#### *Changes to our Privacy Policy*



Our policy about obtaining and disclosing information may change from time to time. We will provide Clients notice of any material change to this policy before we implement the change.