

## **Hubbell Strickland Wealth Management, LLC**

*a Registered Investment Adviser*

1100 Poydras Street, Suite 1150  
New Orleans, LA 70163

(504) 832-3921

This brochure provides information about the qualifications and business practices of Hubbell Strickland Wealth Management, LLC (hereinafter "HSWM" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at this telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

**Item 2. Material Changes**

In this Item, HSWM is required to discuss any material changes that have been made to the brochure since the last annual amendment. As this is the Firm's first annual amendment, there are no material changes to disclose.

**Item 3. Table of Contents**

Item 2. 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 .....	9
Item 7. Types of Clients .....	9
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss .....	10
Item 9. Disciplinary Information .....	12
Item 10. Other Financial Industry Activities and Affiliations .....	12
Item 11. Code of Ethics .....	12
Item 12. Brokerage Practices .....	13
Item 13. Review of Accounts .....	17
Item 14. Client Referrals and Other Compensation .....	17
Item 15. Custody .....	17
Item 16. Investment Discretion .....	18
Item 17. Voting Client Securities.....	18
Item 18. Financial Information .....	18

## Item 4. Advisory Business

HSWM offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to HSWM rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with HSWM setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

HSWM has been operating as an investment advisory firm since April 2019 and is owned by Steven J. Hubbell, Carson W. Strickland & Todd S. Hubbell through their respective limited liability holding companies. As of 12/31/19, HSWM had \$397,878,575 of assets under management, \$364,734,281 of which was managed on a discretionary basis and \$33,144,294 of which was managed on a non-discretionary basis.

While this brochure generally describes the business of HSWM, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on HSWM’s behalf and is subject to the Firm’s supervision or control.

### Financial Planning and Consulting Services

---

HSWM offers clients a broad range of financial planning and consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Due Diligence

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, HSWM is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. HSWM may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or

registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage HSWM or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by HSWM under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising HSWM's recommendations and/or services.

### **Wealth Management Services**

---

HSWM manages client investment portfolios on a discretionary or non-discretionary basis. In addition, HSWM generally provides clients with wealth management services which include a broad range of comprehensive financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

HSWM primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), exchange-traded notes ("ETNs"), and individual debt and equity securities and options in accordance with their stated investment objectives.

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage HSWM to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, HSWM directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

HSWM tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. HSWM consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify HSWM if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if HSWM determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

**Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If HSWM recommends that a client roll over their retirement plan assets into an account to be managed by the Firm, such a recommendation creates a conflict of interest. HSWM will earn new (or increase its current)

compensation as a result of the rollover. No client is under any obligation to rollover retirement plan assets into an account managed by HSWM. The Firm's Chief Compliance Officer, Carson Strickland, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

### **Retirement Plan Consulting Services**

---

HSWM provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and may include any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by HSWM as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of HSWM's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement. This 408(b)(2) summary is prepared and provided to clients by the plan's recordkeeper and/or third party administrator, subject to review by HSWM.

## **Item 5. Fees and Compensation**

HSWM offers services on a fee basis, which may include fixed fees, as well as fees based upon assets under management or advisement. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, may offer securities brokerage services and/or insurance products under a separate commission-based arrangement.

### **Financial Planning and Consulting Fees**

---

HSWM generally charges a fixed fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, but generally range from \$1,000 to \$25,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, HSWM may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and HSWM generally requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not,

however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

### **Wealth Management Fees**

HSWM offers wealth management services for an annual fee based on the amount of assets under the Firm's management. This management fee generally varies depending upon the size and composition of a client's portfolio and the type of services rendered. The Firm's standard annual tiered fee schedule is below\*:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
\$0 to \$1,000,000	1.00%
\$1,000,001 to \$2,500,000	0.75%
\$2,500,001 and over	Negotiable

\*For accounts opened prior to the date of this ADV, pre-existing fee schedules may apply.

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by HSWM on the last day of the previous billing period. Margin debit balances, if applicable, do not reduce the billable value of the account. Depending on the nature of services to be provided, the Firm may allow clients within the same household to aggregate account values for the purpose of reaching fee breakpoints. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), HSWM may negotiate a fee rate that differs from the range set forth above which depends on the responsibilities taken by the Firm to manage or simply monitor the assets.

### **Retirement Plan Consulting Fees**

HSWM may charge a fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fixed fees vary, based on the scope of the services to be rendered, and may range up to \$25,000. In those situations where HSWM has agreed to manage a plan's assets, the Firm may alternatively charge an annual asset-based fee between between 0.15% and 1.00%, depending upon the amount of assets to be managed. As noted above, HSWM typically assesses advisory fees in advance on a quarterly basis. However, the annual asset based fee for retirement plan advisory and consulting work may be charged in a different manner, *i.e.*, in arrears, and/or on a monthly as opposed to quarterly basis, depending on the retirement plan custodian selected.

### **Fee Discretion**

HSWM may, in its sole discretion, negotiate to charge a lesser or greater fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, level of complexity of services, and pro bono activities.

### **Additional Fees and Expenses**

---

In addition to the advisory fees paid to HSWM, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (*e.g.*, fund management fees and other fund expenses), 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. The Firm’s brokerage practices are described at length in Item 12, below.

### **Direct Fee Debit**

---

Clients generally provide HSWM with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to HSWM.

### **Use of Margin**

---

HSWM may be authorized to use margin or other portfolio loans in the management of the client’s investment portfolio. In such cases, the Firm’s fees will be charged on the portfolio’s marketable securities, and not the account net of margin or other portfolio loans.

### **Account Additions and Withdrawals**

---

Clients may make additions to and withdrawals from their account at any time, subject to HSWM’s right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client’s account. Clients may withdraw account assets on notice to HSWM, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. HSWM may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (*e.g.*, contingent deferred sales charges) and/or tax ramifications.



### **Commissions and Sales Charges for Recommendations of Securities**

---

Clients can engage certain persons associated with HSWM (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with HSWM.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Supervised Persons may be entitled to a portion of the brokerage commissions paid to PKS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. HSWM may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PKS.

A conflict of interest exists to the extent that HSWM recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm's recommendation. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA") and such others that HSWM, in its sole discretion, deems appropriate, HSWM may provide its investment advisory services on a fee-offset basis. In this scenario, HSWM may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's Supervised Persons in their individual capacities as registered representatives of PKS.

### **Item 6. Performance-Based Fees and Side-by-Side Management**

HSWM does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

### **Item 7. Types of Clients**

HSWM offers services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

---

**Minimum Account Requirements**

---

HSWM does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship.

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

---

**Methods of Analysis**

---

HSWM primarily applies a fundamental approach to portfolio management. Fundamental analysis concentrates on a company's earnings, financial statements, and the quality of that company's management. These factors are then analyzed to determine the financial strength of a company. The Firm's investment philosophy is long-term in nature, based on research, principles and experience rather than short-term trends. The Firm also focuses on asset allocation investment strategies to optimize the risk and reward of a portfolio. An analysis of the returns, volatility and correlations of different asset classes is conducted in order to create portfolios tailored to each client's investment objectives, investment time horizon, and risk tolerance. Investment research is performed through the use of professional and public databases, paid subscriptions, financial publications and investment conferences. Please note that a substantial risk in relying upon fundamental analysis is that, while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

---

**Investment Strategies**

---

HSWM manages client assets on a discretionary or non-discretionary basis. The Firm primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), exchange-traded notes ("ETNs"), and individual debt and equity securities in accordance with their stated investment objectives.

HSWM tailors its advisory services to the individual needs of clients. The Firm consults with clients initially and on an ongoing basis to develop specific approaches to their investment needs. Investment portfolios are constructed with the client's objectives, risk tolerance and time horizon in mind. HSWM strives to determine the appropriate level of investment risk in a client's portfolio; however, investing entails the risk of loss, and clients should be prepared to bear such loss.

---

**Cash Positions**

---

At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Firm may maintain cash positions for defensive purposes. All cash positions (money markets, etc.), including cash pending investment or designated to be invested in the future, shall be included as part of assets under management for purposes of calculating the advisory fee.

## Risk of Loss

---

### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of HSWM's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that HSWM will be able to predict those price movements accurately or capitalize on any such assumptions.

### *Mutual Funds, ETFs and ETNs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

ETNs are an unsecured, unsubordinated debt instrument of the issuing financial institution and bear the full credit risk of the issuer in addition to the risks of the underlying investments. Although ETNs are designed to track the performance of an underlying group of investments, their performance may differ significantly. Similar to ETFs, ETNs can be bought and sold throughout the day, and their price can fluctuate throughout the day. ETNs may have a maturity date, subject to the instruction in the prospectus.

*Options*

Options allow investors to buy or sell a security at a contracted “strike” price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

**Item 9. Disciplinary Information**

HSWM has not been involved in any legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of its management.

**Item 10. Other Financial Industry Activities and Affiliations****Registered Representatives of a Broker-Dealer**

---

Certain of the Firm’s Supervised Persons are registered representatives of PKS and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

**Licensed Insurance Agents**

---

A number of the Firm’s Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that HSWM recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients’ best interest regardless of any such affiliations.

**Item 11. Code of Ethics**

HSWM has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. HSWM’s

Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of HSWM's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact HSWM to request a copy of its Code of Ethics.

## Item 12. Brokerage Practices

### Recommendation of Broker-Dealers for Client Transactions

---

HSWM generally recommends that clients utilize the custody, trading, brokerage and clearing services of Fidelity Institutional Wealth Services ("Fidelity") for investment management accounts.

Factors which HSWM considers in recommending Fidelity or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Fidelity may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other Financial Institutions. The commissions paid by HSWM's clients to Fidelity comply with the Firm'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 HSWM 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. HSWM seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

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 HSWM in its investment decision-making process. Such research generally will be used to service all of the Firm'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 HSWM does not have to produce or pay for the products or services.

HSWM periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

#### **Software and Support Provided by Financial Institutions**

---

HSWM receives, without cost from Fidelity, computer software and related systems support, which allow HSWM to better monitor client accounts. HSWM receives the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Fidelity. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit HSWM, but not its clients directly. In fulfilling its duties to its clients, HSWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that HSWM's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services.

Specifically, HSWM receives the following benefits from Fidelity at no cost to HSWM:

- An online platform through which the Firm can monitor and review client accounts;

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts;
- Access to an electronic communication network for client order entry and account information;
- Practice management consulting; and
- Occasional business meals and entertainment.

The Firm also receives admission to educational and due diligence programs hosted by Fidelity at no cost to HSWM. On occasion, the Firm receives admission to, and related travel and lodging costs for, educational programs from other financial service companies, all at no cost to HSWM.

In addition, Fidelity provided financial assistance in connection with the formation of HSWM and its registration as an investment adviser by covering certain costs incurred by the Firm related to entity formation, branding, and portfolio accounting and reporting services. The receipt of these benefits creates a conflict of interest to the extent that it causes the Firm to recommend Fidelity as opposed to comparable custodial broker-dealers. The Firm addresses this conflict by fully disclosing it in this brochure, evaluating Fidelity based on the value of its services as realized by the Firm's clients, and periodically evaluating alternative custodial broker-dealers to recommend.

---

### **Brokerage for Client Referrals**

HSWM does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

---

### **Directed Brokerage**

The client may direct HSWM 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 the Firm 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 HSWM (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, HSWM may decline a client’s request to direct brokerage if, in the Firm’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

---

### **Commissions or Sales Charges for Recommendations of Securities**

As discussed above, certain Supervised Persons in their respective individual capacities are registered representatives of PKS. These Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless PKS provides written consent. Therefore, clients are advised that certain Supervised Persons may be restricted to conducting securities transactions through PKS if they have not secured written consent from PKS to execute securities transactions through a different broker-dealer. Absent such written consent or separation from PKS, these Supervised Persons are prohibited from executing securities transactions through any broker-dealer other than PKS under its internal supervisory policies. The Firm is cognizant



of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

### **Trade Aggregation**

---

Transactions for each client generally will be effected independently, unless HSWM decides to purchase or sell the same securities for several clients at approximately the same time. HSWM 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 the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among HSWM’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which HSWM’s Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. HSWM does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.



## Item 13. Review of Accounts

### Account Reviews

---

HSWM monitors client portfolios on a continuous and ongoing basis, while regular account reviews are typically conducted on at least an annual basis depending on the client's needs and preferences. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with HSWM and to keep the Firm informed of any changes thereto.

Other factors that may trigger a review include, but are not limited to, material developments in market conditions, material geopolitical events, and changes to a client's personal or financial situation.

The custodial broker-dealer for a client's account will send account statements and reports directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their address of record or delivered electronically, depending on the client's election.

### Account Statements and Reports

---

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from HSWM and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from HSWM or an outside service provider.

## Item 14. Client Referrals and Other Compensation

### Client Referrals

---

The Firm does not currently provide compensation to any third-party solicitors for client referrals.

The Firm may refer clients to professionals it knows who may be able to assist clients in matters including, but not limited to, estate planning, tax preparation and legal services. These referrals are provided as a courtesy to clients who are under no obligation to utilize the referred professionals. HSWM has not entered into any referral arrangements with these providers but may occasionally receive referrals from these and other professionals. These referrals may create a conflict of interest for the Firm in that it may financially benefit from referrals it may receive from these professionals. The Firm mitigates this conflict by selecting the professionals it refers based upon their competency and experience as opposed to any referrals these professionals may provide to HSWM.

## Item 15. Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize HSWM to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees,

have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to HSWM.

In addition, as discussed in Item 13, HSWM may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from HSWM.

For clients that do not have their fees deducted directly from their account(s) and have not provided HSWM with any standing letters of authorization to distribute funds from their account(s), the Firm will not have custody of client funds or securities. For clients that have their fees deducted directly from their account(s) or that have provided the Firm with discretion as to amount and timing of disbursements pursuant to a standing letter of authorization to disburse funds from their account(s), the Firm will typically be deemed to have limited custody over such clients' funds or securities pursuant to the SEC's custody rule and subsequent guidance thereto. At no time will the Firm accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

## **Item 16. Investment Discretion**

HSWM may be given the authority to exercise discretion on behalf of clients. HSWM is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. HSWM is given this authority through a power-of-attorney included in the agreement between HSWM and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). HSWM takes discretion over the following activities: the securities to be purchased or sold; the amount of securities to be purchased or sold; and when transactions are made.

## **Item 17. Voting Client Securities**

### **Declination of Proxy Voting Authority**

---

HSWM generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## **Item 18. Financial Information**

HSWM is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.