



## **Form ADV Part 2A – Disclosure Brochure**

**Effective: January 1, 2020**

This Disclosure Brochure provides information about the qualifications and business practices of Steward Wealth Management (“SWM”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (817) 428-1145 or by email at [mail@stewardwealthmanagement.com](mailto:mail@stewardwealthmanagement.com).

SWM is a Registered Investment Advisor with the U.S. Securities and Exchange Commission. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about SWM to assist you in determining whether to retain the Advisor.

Additional information about SWM and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Steward Wealth Management**

**CRD No: 143513**

**26 Main Street  
Colleyville, TX 76034**

**Phone: (817) 428-1145 Fax: (817) 224-2204**

**[stewardwealthmanagement.com](http://stewardwealthmanagement.com)**

## Item 2 – Material Changes

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The Form ADV 2 is divided into two parts: *Part 2A and Part 2B*. *Part 2A* (the “Disclosure Brochure”) provides information about a variety of topics relating to an Advisor’s business practices and conflicts of interest. *Part 2B* (the “Brochure Supplement”) provides information about advisory personnel of SWM.

SWM believes that communication and transparency are the foundation of our relationship and continually strive to provide our Clients with the complete and accurate information at all times. We encourage all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

Since our last annual update, dated January 1, 2019, there have been the following material changes to our Disclosure Brochure.

Item 12 and Item 14: SWM now participates in the TD Ameritrade Institutional program.

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of SWM.

At any time, you may view the current Disclosure Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To review the firm information for SWM:

- Click **Investment Advisor Search** in the left navigation menu.
- Select the option for **Investment Advisor Firm** and enter **143513** (our firm’s CRD number) in the field labeled “Firm IARD/CRD Number”.
- This will provide access to Form ADV Part 1 and Part 2.
- Item 11 of the ADV Part 1 lists legal and disciplinary questions regarding the SWM.
- In the left navigation menu, Form ADV Part 2 is located near the bottom.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (817) 428-1145 or by email at [mail@stewardwealthmanagement.com](mailto:mail@stewardwealthmanagement.com).

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## Item 4 – Advisory Services

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### Firm Information

Steward Financial Group, LLC dba Steward Wealth Management (“SWM” or the “Advisor”) is a Registered Investment Advisor with the U.S. Securities and Exchange Commission, which is organized as a Limited Liability Company (LLC) under the laws of the State of Texas. SWM was founded in April 2007, and the majority owners are Hawkins Financial Group, Inc., and D. Steifel Inc., and operated by Founding Principals, Vincent Hawkins and Dustin Stiefel. Vince and Kim Hawkins own Hawkins Financial Group, Inc. and Dustin and Wendy Stiefel own D. Stiefel Inc. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by SWM.

### Advisory Services Offered

SWM offers investment advisory services to individuals, high net worth individuals, trusts, estates, corporations and charitable organizations in Texas and other states (each referred to as a “Client”).

### Account Portfolio Management

SWM provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and consulting services. SWM works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio allocation. SWM will then construct a portfolio, consisting of mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client’s investment goals. The Advisor may also utilize individual stocks and bonds, United States government bonds, and real estate investment trusts (“REITs”) to meet the needs of its Clients. Currently, SWM constructs portfolios using low cost asset class funds. Primarily SWM utilizes Dimensional Funds (DFA) for the construction of client portfolios, however there is no relationship existing between DFA and SWM that would create a conflict of interest. Low cost asset class funds do not contain 12b-1 fees, which means that the brokerage firms are not being compensated by these funds, therefore the brokerage firms charge a trade fee whenever these funds are bought and sold. These fees are typically \$20.00 per trade. Because of the existing trade charge SWM has a de minimus trade rule of \$5,000, however SWM will place trades below that amount in certain circumstances. Additionally, due to the \$20.00 trade fee clients hiring SWM should expect to be long term investors.

SWM’s investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. SWM will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to the acceptance by the Advisor.

SWM evaluates and selects assets for inclusion in Client portfolios only after applying their internal due diligence process. SWM may recommend, on occasion, redistributing investment allocations to diversify the portfolio. SWM may recommend specific positions to increase asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement, which may adversely affect the portfolio. SWM may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, risk exposure to a specific class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

Prior to rendering investment advisory services, SWM will ascertain, in conjunction with the Client, the Client’s financial situation, risk tolerance, and investment objective[s].

SWM will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will SWM accept or maintain custody of a Client’s funds or securities. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client Investment Advisory Agreement.

## Financial Planning

SWM will typically provide financial planning services to individuals and families as part of its investment advisory services. Services are provided in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of a Client's financial situation.

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. SWM may also refer Clients to an accountant, attorney or other specialist, as appropriate for their unique situation. The Advisor may provide a written summary of Client's financial situation, observations, and recommendations.

## Client Account Management

Prior to engaging SWM to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Policy Statement – SWM, in connection with the Client, may develop a statement that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives. An Investment Policy Statement generally includes specific information on the Client's stated goals, time horizon for achieving the goals, investment strategies, Client risk tolerance and any restrictions imposed by the Client.
- Asset Allocation – SWM will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – SWM will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – SWM will provide investment management and ongoing oversight of the Client's portfolio and overall account.

Retirement Rollovers-No Obligation/Conflict of Interest: A client leaving an employer typically has four options (and may engage in a combination of these options): 1) leave the money in his former employer's plan, if permitted, 2) roll over the assets to his/her new employer's plan, if one is available and rollovers are permitted, 3) rollover to an Individual Retirement Account (IRA), or 4) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences).

SWM may recommend an investor roll over plan assets to an IRA managed by SWM. As a result, SWM may earn an asset-based fee; however, a recommendation that a client or prospective client leave their plan assets with their old employer will result in no compensation. SWM has an economic incentive to encourage an investor to roll plan assets into an IRA that SWM will manage.

There are various factors that SWM may consider before recommending a rollover, including but not limited to: i) the investment options available in the plan versus the investment options available in an IRA, ii) fees and expenses in the plan versus the fees and expenses in an IRA, iii) the services and responsiveness of the plan's investment professionals versus those of SWM, iv) required minimum distributions and age considerations, and vi) employer stock tax consequences, if any. No client is under any obligation to roll over plan assets to an IRA managed by SWM.

## Wrap Fee Programs

SWM does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by SWM.

## Assets Under Management

As of December 31, 2019, the most recent date for which such calculations are provided pursuant to securities regulations, SWM manages the following assets:

Assets Under Management	Assets
Discretionary Assets	\$362,567,663
Non-Discretionary Assets	\$ 0
Total	\$362,567,663

Clients may request more current information at any time by contacting the Advisor.

## Item 5 – Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for investment management. Each Client shall sign an Investment Advisory Agreement that details the responsibilities of SWM and the Client.

### Fees for Advisory Services

#### Account Portfolio Management

Investment Advisory Fees are paid quarterly in advance pursuant to the terms of the Investment Advisory Agreement. Investment Advisory Fees are based on the market value of assets under management at the end of each calendar quarter. Investment Advisory Fees range from 1.25% to 1.00% based on the following schedule:

Assets Under Management	Annual Rate
\$0 to \$2,000,000	1.25%
\$2,000,001 to \$4,000,000	1.00%
\$4,000,000 to Above	Negotiable

Investment Advisory Fees in the first quarter of service are prorated to the inception date of the account to the end of the first quarter. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by SWM will be independently valued by the designated Custodian. SWM will not have the authority or responsibility to value portfolio securities.

SWM's fee is exclusive of, and in addition to brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, SWM shall not receive any portion of these commissions, fees, and costs.

#### Financial Planning

SWM offers financial planning as part of its investment advisory services. SWM does not charge a separate fee for this service. Prospective clients will still retain the results of any planning if they elect not to become a client.

### Fee Billing

#### Account Portfolio Management

Investment Advisory Fees will be automatically deducted from the Client Account by the Custodian. The Advisor shall send the fee amount to the Custodian indicating the amount of the fees to be deducted from the Client Account at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with SWM at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the Investment Advisory Fee. It is the responsibility of the Client to verify the accuracy of the fees as listed on the custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting SWM to be paid

directly from their accounts held by the Custodian as part of the Investment Advisory Agreement and separate account forms provided by the Custodian.

#### Financial Planning

Financial planning services are provided as part of the investment advisory service and are not offered apart from the investment advisory services.

#### Other Fees and Expenses

Clients may incur certain fees or charges imposed by third-parties, other than SWM, in connection with investment made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by SWM is separate and distinct from these custodian and execution fees.

In addition, all fees paid to SWM for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of SWM, but would not receive the services provided by SWM which are designed, among other things, to assist the Client in determining which products or services are most appropriate to each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by SWM to fully understand the total fees to be paid.

#### Advance Payment of Fees and Termination

##### Account Portfolio Management

SWM is compensated for its services in advance the quarter in which investment advisory services are rendered. Clients may request to terminate their Investment Advisory Agreement with SWM, in whole or in part, by providing advance written notice. The Client shall be responsible for Investment Advisory Fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid Investment Advisory Fees from the effective date of termination to the end of the quarter. The Client's Investment Advisory Agreement with the Advisor is non-transferable without Client's written approval.

##### Financial Planning

Financial planning services are provided as part of the investment advisory service and are not offered apart from the investment advisory services.

##### Compensation for Sales of Securities

SWM does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the Investment Advisory Fees noted above.

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

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SWM does not charge performance-based fees for its investment advisory services. The fees charged by SWM are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

SWM does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

## **Item 7 – Types of Clients**

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SWM offers investment advisory services to the following types of Clients:

- Individuals, Personal Trusts and Estates – private investors, investing their personal assets
- 501(c)(3) Non-Profit Organizations – mission-based, non-profit organizations

- Corporations and Businesses – taxable business entities, investing cash reserves

SWM generally does not impose a minimum account size for establishing a relationship.

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

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### Methods of Analysis

SWM primarily employs the risk factor model and modern portfolio theory in developing investment strategies for its Clients. Research and analysis from SWM is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and academic scholars.

As noted above, SWM generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. SWM will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, SWM may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. SWM will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

The Risk factor model expands on the capital asset pricing model (CAPM) by adding size and value factors in addition to the market risk factor in CAPM. This model considers the fact that value and small cap stocks tend to outperform markets historically. By including these two additional factors, the model adjusts for the outperformance tendency, which is thought to make it a better tool to capture market returns. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the analysis may lose value and may have negative investment performance. The Advisor monitors these risk factors to determine if adjustments to strategic allocations are appropriate. More details on the SWM's review process are included in Item 13.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. For more information on our investment management services, please contact us at (817) 428-1145 or via email at [mail@stewardwealthmanagement.com](mailto:mail@stewardwealthmanagement.com).**

## Item 9 – Disciplinary Information

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**There are no legal, regulatory or disciplinary events involving SWM or any of its employees.** SWM and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To review the firm information contained in ADV Part 1, select the option for Investment Adviser Firm and enter **143513** in the field labeled "Firm IARD/CRD Number". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and



disciplinary questions. You may also research the background of Vincent Hawkins and Dustin Stiefel by selecting the Investment Adviser Representative and entering Mr. Hawkins', Mr. Stiefel's, Mr. Early's or Mr. McIntosh's Individual CRD#, **5098143, 2932117, 4617927, and 6351596** respectively in the field labeled "Individual CRD Number".

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

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### **Law Firm Affiliation**

Mr. Early, Investment Advisor Representative, is also a practicing attorney and owner of Steven A. Early PC. He may offer clients legal advice or services.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

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### **Code of Ethics**

SWM has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with SWM. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. SWM and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of SWM associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. SWM has written its Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at (817) 428-1145 or via email at [mail@stewardwealthmanagement.com](mailto:mail@stewardwealthmanagement.com).

### **Personal Trading with Material Interest**

SWM allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. SWM does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advice an investment company. SWM does not have a material interest in any securities traded in Client accounts.

### **Personal Trading in Same Securities as Clients**

SWM allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you.

In addition the Code of Ethics governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

### **Personal Trading at Same Time as Client**

While SWM allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, these trades are typically mutual funds which trade at NAV. These trades may be and often are placed at the same time as of Client transactions. SWM will place trades only after Client orders have been placed and filled.

**At no time, will SWM or any associated person of SWM, transact in any security to the detriment of any Client.**

## Item 12 – Brokerage Practices

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### Recommendation of Custodian[s]

SWM participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. SWM receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

SWM does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services or the administrator for defined contribution accounts. The Client will select the broker-dealer or custodian (herein the "custodian") to safeguard Client assets and authorize SWM to direct trades to this custodian as agreed in the Investment Advisory Agreement. Further, SWM does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

SWM does not maintain custody of client assets that we manage (although we may be deemed to have custody of your assets if you give us authority to withdraw assets from client accounts (see Item 15, Custody, below). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Where SWM does not exercise discretion over the selection of the custodian, it recommends that clients use Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian or TD Ameritrade Institutional (TDAI), a division of TD Ameritrade, Inc. member FINRA/SIPC/NFA. We are independently owned and operated and not affiliated with Schwab or TDAI. Schwab or TDAI will hold your assets in a brokerage account and buy and sell securities when SWM instructs them to. While we recommend that the client use Schwab or TDAI as custodian/broker, the client will decide whether to do so and open an account with Schwab or TDAI by entering into an account agreement directly with them. SWM does not open the account for the client, but can assist you in doing so. If the client does not wish to place assets with Schwab or TDAI, then SWM cannot manage the client's account.

### How SWM Selects Brokers/Custodians to Recommend

SWM seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. SWM considers a wide range of factors, including, among other, these:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for client accounts)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of investment products made available (mutual funds, exchange traded funds (ETFs), etc.
- Availability of investment research and tools that assist SWM in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- Reputation, financial strength and stability of the provider
- Their prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see Products and Services Available to SWM from Schwab)

## Client Custody and Brokerage Costs

For clients' accounts maintained, Schwab or TDAI generally do not charge the client separately for custody services but are compensated by charging commissions or other fees on trades that they execute or that settle into client Schwab/TDAI account(s). Schwab's/TDAI's commission rates applicable to client accounts were negotiated by SWM. The overall commission rates the client pays are lower than would be paid if SWM had not negotiated the rate. In addition to commissions Schwab/TDAI charges the client a flat dollar amount as the "prime broker" or "trade away" fee for each trade that SWM has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's Schwab/TDAI account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize your trading costs, SWM has Schwab/TDAI execute most trades for your account.

## Products and Services Available to SWM from Schwab/TDAI

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like SWM. Schwab and TDAI provide SWM and SWM clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab/TDAI retail customers. Schwab/TDAI also makes available various support services. Some of those services help us manage or administer clients' accounts while other help SWM manage and grow the business. Here is a more detailed description of Schwab's support services:

**Services that Benefit the Client.** Schwab's and TDAI's institutional brokerage services include access to a broad range of investment products, execution and securities transactions, and custody of client assets. The investment products available through Schwab/TDAI include some to which SWM might not otherwise have access or that would require a significantly higher minimum initial investment by SWM clients. The services described in this paragraph generally benefit the client and the client's account(s).

**Services that May Not Directly Benefit the Client.** Schwab/TDAI also make available to SWM other products and services that benefit SWM but may not directly benefit the client or the client's account(s). These products and services assist SWM in managing and administering clients' accounts. They include investment research, both Schwab's/TDAI's own and that of third parties. SWM may use this research to service all or some substantial number of SWM clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also make available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data'
- Facilitate payment of SWM fees from SWM clients' accounts; and
- Assist with back-office functions, recordkeeping and client reporting.

**Services that Generally Benefit Only SWM.** Schwab/TDAI also offers other services intended to help SWM manage and further develop SWM's business enterprise. These services include:

- Educational conferences and events;
- Technology, compliance, legal and business consulting;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants and insurance providers.

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

Following are additional details regarding the brokerage practices of SWM:

1. **Soft Dollars** - As indicated above, certain of the support services and/or products that *may* be received assist SWM in managing and administering client accounts. Others do not directly provide such assistance, but rather assist SWM to manage and further develop its business enterprise.

SWM's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by SWM to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as result of the above arrangement.

SWM's Chief Compliance Officer, Vince Hawkins, is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. **Brokerage Referrals** - SWM does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

3. **Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where SWM will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. SWM will not engage in any principal transactions (i.e., trade of any security from or to SWM's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the custodian, SWM will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian.

#### Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. SWM will execute its transactions through an unaffiliated broker-dealer selected by the Client. SWM may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

### Item 13 – Review of Accounts

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#### Frequency of Reviews

Accounts are monitored on a regular and continuous basis by Mr. Hawkins, Founding Principal, Mr. Stiefel, Founding Principal, or Mr. Joe McIntosh, Partner of SWM. Formal reviews are generally conducted at least quarterly or more or less frequently depending on the needs of the Client.

#### Causes for Reviews

In addition to the investment monitoring noted above, each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify SWM if changes occur in his/her personal financial situation that might adversely affect his/her investment plan. Additional reviews may be triggered by material market, economic or political events.

#### Review Reports

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage

statements will include all positions, transactions and fees relating to the Client's account[s]. SWM may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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As disclosed under Item 12 above, SWM participates in TD Ameritrade's institutional customer program and recommends TD Ameritrade to Clients for custody and brokerage services. There is no direct link between SWM's participation in the program and the investment advice it gives to its Clients, although SWM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by SWM's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist SWM in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help SWM manage and further develop its business enterprise. The benefits received by SWM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, SWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by SWM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the SWM's choice of TD Ameritrade for custody and brokerage services.

SWM also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include up to \$30,000 to be used for Tamarac. TD Ameritrade provides the Additional Services to SWM in its sole discretion and at its own expense, and SWM does not pay any fees to TD Ameritrade for the Additional Services. SWM and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

SWM's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to SWM, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, SWM's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with SWM, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, SWM has an incentive to recommend to its Clients that the assets under management by SWM be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. SWM's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

### **Client Referrals from Solicitors**

SWM compensates Steven Early as a percentage of advisory fees earned due to his referral to the advisory firm. Mr. Early may receive up to 40% of the advisory fees earned. Should Mr. Early terminate his agreement with SWM and take clients currently at SWM to another advisor, Mr. Early would have to compensate SWM for lost revenues.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to SWM and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above in Item 12. The availability to SWM of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

## Item 15 – Custody

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SWM does not accept or maintain custody of any Client accounts. All Clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct SWM to utilize that custodian for the Client's security transactions. SWM encourages Clients to review statements provided by account custodian. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

However, with a client's consent, SWM may be provided with the authority to seek deduction of SWM's fees from a client's accounts; this process generally is more efficient for both the client and the investment adviser. The account custodian does not verify the accuracy of SWM's advisory fee calculation.

All SWM clients receive account statements directly from qualified custodians, such as a bank or broker dealer that maintains those assets. The statements will be sent to the client via email or the postal mailing address the client provided to the qualified custodian. The client should carefully review these account statements, and compare them to the quarterly or other reports provided by SWM. Statements provided by SWM may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. SWM urges all clients to compare statements in order to ensure that all account transactions, including deductions to pay advisory fees, remain proper, and to contact Vince Hawkins, Chief Compliance Officer with any questions or if you are not receiving at least quarterly custodial account statements.

## Item 16 – Investment Discretion

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SWM will only have discretionary authority to place trades without prior Client approval when rebalancing the account back to previously determined asset levels. SWM will only change the asset allocation after obtaining approval from the Client.

## Item 17 – Voting Client Securities

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SWM does not accept proxy-voting responsibility for any Client.

## Item 18 – Financial Information

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Neither SWM, nor its management has any adverse financial situations that would reasonably impair the ability of SWM to meet all obligations to its Clients. Neither SWM, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. SWM is not required to deliver a balance sheet along with this Brochure as the firm does not collect advance fees for services to be performed six months or more in advance.

## Privacy Policy

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Effective: January 2020

### Our Commitment to You

Steward Wealth Management ("SWM") is committed to safeguarding the use of your personal information that we have as your Investment Advisor. SWM (referred to as "we", "our" and "us" throughout this notice) protects the security and confidentiality of the personal information we have and make efforts to ensure that such information is used for proper business purposes in connection with the management or servicing of your account. Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything we can to maintain that trust.

We do not sell your non-public personal information to anyone. Nor does SWM provide such information to others except for discrete and proper business purposes in connection with the servicing and management of your account as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this privacy policy.

## The Information We Collect About You

You typically provide personal information when you complete the paperwork required to become our Client. This information may include your:

• Name and address	• Assets
• E-mail address	• Income
• Phone number	• Account balance
• Social security or taxpayer identification number	• Investment activity
	• Accounts at other institutions

In addition, we may collect non-public information about you from the following sources:

- Information we receive on Brokerage Agreements, Managed Account Agreements and other Subscription and Account Opening Documents;
- Information we receive in the course of establishing a customer relationship including, but not limited to, applications, forms, and questionnaires;
- Information about your transactions with us or others

## Information About You That SWM Shares

SWM works to provide products and services that benefit our customers. We may share non-public personal information with non-affiliated third parties (such as brokers and custodians) as necessary for us to provide agreed services and products to you consistent with applicable law. We may also disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account. In addition, your non-public personal information may also be disclosed to you, persons we believe to be your authorized agent or representative, regulators in order to satisfy SWM's regulatory obligations, and is otherwise required or permitted by law. Lastly, we may disclose your non-public personal information to companies we hire to help administrate our business. Companies we hire to provide services of this kind are not allowed to use your personal information for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your personal information to the performance of the specific service we have requested.

## Information About Former Clients

SWM does not disclose, and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our clients.

## Confidentiality and Security

Our employees are advised about the firm's need to respect the confidentiality of our customers' non-public personal information. Additionally, we maintain physical, procedural and electronic safeguards in an effort to protect the information from access by unauthorized parties.

## We'll Keep You Informed

We will send you notice of our privacy policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise our privacy policy, and will provide you with a revised policy if the changes materially alter the previous privacy policy. We will not, however, revise our privacy policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing. You may obtain a copy of our current privacy policy by contacting us at (817) 428-1145 or via email at [mail@stewardwealthmanagement.com](mailto:mail@stewardwealthmanagement.com).