

**Part 2A of Form ADV: *Firm Brochure***

**Sovereign Wealth Advisors, Inc.**

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12/9/2021

This brochure provides information about the qualifications and business practices of Sovereign Wealth Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (425) 289-4222 or [sharonl@emailswa.com](mailto:sharonl@emailswa.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Sovereign Wealth Advisors, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 140639.

## **Item 2    Material Changes**

There are two material changes to this document from our previous brochure dated March 15, 2021.

Cover Page: Our address has changed to 601 108th Avenue NE, Suite 1510, Bellevue, WA 98004.

Item 4: We have added the following investment strategies:

Moderate Balanced: Seeks a balance between capital preservation and income. Income will be a higher priority with capital preservation a secondary emphasis. Capital appreciation is the last focus of investment objectives.

Balanced Growth: Seeks to balance moderate income and capital appreciation, while capital preservation is a secondary objective.

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#### **Item 4    Advisory Business**

Sovereign Wealth Advisors, Inc. is a SEC-registered investment adviser with its principal place of business located in Bellevue, WA. Sovereign Wealth Advisors, Inc. began conducting business in 2011. The original firm was formed as an LLC in 2007 and changed corporate structure from an LLC to an S-corp in 2009. The firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company) are:

Scott A. Sheffield, CFP®, President

Tara Johnson, CFP®, Senior Advisor

Sharon Lailey, ChFC®, Chief Compliance Officer

Sovereign Wealth Advisors, Inc. provides advisory services to our clients on either a model asset allocation portfolio or a custom individual allocation. The portfolio allocation selection is determined through personal discussions with the client regarding goals, objectives, type of securities held, and cash flows of the portfolio. Our model portfolio allocations are designed to meet an individual risk tolerance. We manage both types of investment allocations on a discretionary and non-discretionary basis. For model portfolio management, our firm maintains primarily 6 model strategies:

**Conservative:** seeks capital preservation, income and capital preservation objectives are secondary.

**Conservative Moderate:** seeks a balance between capital preservation and income, capital appreciation is not a main concern

**Moderate Conservative:** seeks a balance between capital preservation and income, capital appreciation is secondary.

**Balanced:** income and capital appreciation are equally important, capital preservation is secondary.

**Moderate Balanced:** seeks a balance between capital preservation and income. Income will be a higher priority with capital preservation a secondary emphasis. Capital appreciation is the last focus of investment objectives.

**Balanced Growth:** Seeks to balance moderate income and capital appreciation, while capital preservation is a secondary objective.

**Moderate Aggressive:** seeks capital appreciation and moderate income, capital preservation is secondary.

**Aggressive:** seeks capital appreciation, income and capital preservation are secondary objectives.

Our investment recommendations for model and individual portfolios are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

- |   |   |
|---|---|
| <input type="checkbox"/> Exchange-listed securities                               | <input type="checkbox"/> Warrants   |
| <input type="checkbox"/> Securities traded over-the-counter                       | <input type="checkbox"/> Corporate debt securities (other than commercial paper)        |
| <input type="checkbox"/> Foreign issuers  | <input type="checkbox"/> Commercial paper   |
| <input type="checkbox"/> Certificates of deposit                                  | <input type="checkbox"/> Municipal securities   |
| <ul style="list-style-type: none"><li>• Mutual fund shares</li></ul>              | <ul style="list-style-type: none"><li>• United States governmental securities</li></ul> |
| <ul style="list-style-type: none"><li>• Options contracts on securities</li></ul> | <ul style="list-style-type: none"><li>• Options contracts on commodities</li></ul>      |
| <ul style="list-style-type: none"><li>• Privately Held Equities</li></ul>         | <ul style="list-style-type: none"><li>• Privately Held Notes</li></ul>                  |

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. Periodically reach out to clients requesting any updated information regarding changes in the client's financial situation and investment objectives;
2. At least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. Be reasonably available to consult with the client; and maintain client suitability information in each client's file.

## **FINANCIAL PLANNING**

Sovereign also provides financial planning services on an hourly basis. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and contribution and withdrawal plans. Through the

financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We can review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We can analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We can analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We can review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We can analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We can review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We can assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written analysis. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, and/or insurance agent. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

Financial planning clients may also arrange to have us available to answer financial-related questions that come up from time to time.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2020, we were actively managing \$239,057,678 of clients' assets on a discretionary basis plus \$40,791,209 of clients' assets on a non-discretionary basis.

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

The annualized fee for Portfolio Management Services are charged as a percentage of assets under management, according to the following schedule:

<b><u>Annual Fee</u></b>	<b><u>Assets Under Management</u></b>
1.0%	first \$1 million of Account Assets
0.90%	on second \$1 million of Account Assets
0.80%	on third \$1 million of Account Assets
0.70%	on fourth \$1 million of Account Assets
0.60%	on the fifth through tenth \$1 million of Assets
0.50%	on the amount of Assets above \$10 million

This fee includes portfolio management as well as financial planning needs to meet your objectives and goals.

Our fees are billed monthly, in arrears, at the end of each month based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous billing period. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

Financial Planning fees range from \$150-\$500 per hour, based on the rates charged for the staff members needed to prepare the plan:

Professional: \$500 per hour

Administrative: \$150 per hour

An estimate of the total amount of fees needed to prepare the plan will be provided at the beginning of the engagement. Fees will be due and payable upon presentation of the financial plan to the client. The client must contract separately for any reviews or updates to the plan.

Financial planning fees will be waived if the client becomes a Portfolio Management client.

Clients can also arrange for consulting services at a rate based on the nature and complexity of the client's situation. These fees will be billed quarterly, in advance.

Sovereign Wealth Advisors, Inc.'s advisory fees can be negotiable.

## GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice.

***Mutual Fund Fees:*** All fees paid to Sovereign Wealth Advisors, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***ERISA Accounts:*** Sovereign Wealth Advisors, Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Sovereign Wealth Advisors, Inc. may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.



***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

Sovereign Wealth Advisors, Inc. does not charge performance-based fees.

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

Sovereign Wealth Advisors, Inc. provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Corporations or other businesses not listed above

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

##### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Fundamental Analysis.*** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

***Cyclical Analysis.*** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and

other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### ***INVESTMENT STRATEGIES***

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

***Long-term purchases.*** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

***Short-term purchases.*** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

***Trading.*** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

***Margin transactions.*** We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

***Portfolio Option Strategies.*** We may use options in our investment strategy to increase portfolio income and/or reduce volatility of holding individual equities and Exchange Traded funds. We do this by selling call options on existing portfolio equity holdings to produce additional income. We also may sell cash-secured puts on equities, allowing us to collect income on cash while also possibly purchasing the investment at a more attractive price.

***Risk of Loss.*** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Sovereign Wealth Advisors, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Sovereign Wealth Advisors, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [sharonl@emailswa.com](mailto:sharonl@emailswa.com), or by calling us at (425) 289-4222.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts can be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.

## Item 12 Brokerage Practices

Our firm does not have any soft-dollar arrangements and does not receive any soft-dollar benefits. We do not allow clients to delegate trades to specific broker-dealers.

Our firm has custodial relationships with Charles Schwab, TD Ameritrade, Fidelity, and Equity Institutional.

Sovereign has two custodian fee structures available to accounts that we perform trading. One is ABP (Asset Based Pricing), where the trading and custodial fee is based on "chargeable assets" in each account billed monthly. The second is Transaction Based, where negotiated trading commissions are charged per trade. Sovereign will be implementing written procedures identifying whether ABP (Asset Based Pricing) or Transaction Based is best suited for each client portfolio. Some of the factors that will be considered are: investment objective and investment strategy, contribution or withdrawal frequency from the portfolio, and frequency of trading and size of transactions. Some steps taken to address this topic:

- We have reviewed the terms and schedule for the Asset Based Pricing structure.
- We have calculated an average of trading fees/commissions that would be incurred with a new client utilizing our "model" portfolio of holdings and rebalancing trades
- We have compared that bundled fee vs. the cost of paying per trade on our transaction based master.
- We have determined a general break even point threshold for accounts. We will then take into consideration the additional above factors (contributions, liquidity needs, size of transactions) to make the final determination.
- We will have written policy to the frequency of when these accounts will be reviewed as to whether a change should be made from ABP to Transaction or vice versa.

We will block trades by Custodian where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Sovereign Wealth Advisors, Inc. will typically aggregate trades among clients whose accounts can be traded at a given broker (Charles Schwab or TD), and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Sovereign Wealth Advisors, Inc.'s block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Sovereign Wealth Advisors, Inc., or our firm's order allocation policy.

- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The Advisor must reasonably believe that the order aggregation will benefit, and will enable Sovereign Wealth Advisors, Inc. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order 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 pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) Sovereign Wealth Advisors, Inc.'s client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on Sovereign Wealth Advisors, Inc.'s records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

## **Item 13 Review of Accounts**

### **PORTFOLIO MANAGEMENT SERVICES:**

While the underlying securities within client accounts are continually monitored, client portfolios are reviewed at least quarterly. Accounts are reviewed in the context of each client's investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by each Advisor.

In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

### **FINANCIAL PLANNING SERVICES**

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

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

It is Sovereign Wealth Advisors, Inc.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Sovereign Wealth Advisors, Inc.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. Clients receive from the custodian a statement showing all transactions within the account on a monthly basis. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the monthly statements that clients receive directly from their custodians, we also send performance reports directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current. Our firm does not have physical custody of client accounts.

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

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

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

We vote proxies for all client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account.

We will vote proxies in the best interests of its clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Sharon Lailey by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

You can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us at [sharonl@emailswa.com](mailto:sharonl@emailswa.com).

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim"



in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will not vote proxies.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Sovereign Wealth Advisors, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.