

**Brochure**

**Form ADV Part 2A**

**Item 1 - Cover Page**

***HawsGoodwin Investment Management, LLC***

***DBA***

**HawsGoodwin Wealth**

**CRD# 165771**

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**March 30, 2021**

This Brochure provides information about the qualifications and business practices of HawsGoodwin Investment Management, LLC, which conducts business under the name ***HawsGoodwin Wealth***. This Brochure has been prepared for clients interested in the services provided under the name HawsGoodwin Wealth. If you have any questions about the contents of this Brochure, please contact us at (615) 771-1012 or [ahaws@hawsgoodwin.com](mailto:ahaws@hawsgoodwin.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

HawsGoodwin Investment Management, LLC, is an investment adviser registered with the SEC. Registration does not imply a certain level of skill or training. Additional information about the Registrant also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

## Item 2 - Material Changes

This Brochure dated March 30, 2021, is filed as an amendment to HawsGoodwin's Brochure dated June 15, 2020. This Brochure includes the following material changes:

- **Item 4 – Advisory Business** has been updated to clarify the description of services provided related to financial planning and to remove a description of services provided as part of prosper HG / Institutional Intelligent Portfolios platform, which is no longer offered by HawsGoodwin.
- **Item 5 – Fees and Compensation** has been updated to clarify that HawsGoodwin will recommend investments in entities in which supervised persons of the Adviser have a financial interest.
- **Item 10 – Other Financial Industry Activities and Affiliations** has been updated to clarify that none of HawsGoodwin's supervised persons are registered representatives of a broker-dealer and also has been updated to clarify that certain of HawsGoodwin's supervised persons are affiliated with a private fund that it recommends to advisory clients.

The Brochure dated June 15, 2020, is filed as an amendment to HawsGoodwin's Brochure dated March 20, 2020. This Brochure includes the following material changes:

- **Item 18 – Financial Information** has been updated to include disclosure of a Paycheck Protection Program loan received by the Firm.

The Brochure dated March 20, 2020, is filed as an amendment to HawsGoodwin's Brochure dated March 25, 2019. This Brochure includes the following material changes:

- **Item 5 – Fees and Compensation** has been updated to remove separate fees for financial planning and consulting services;
- **Item 10 – Other Financial Industry Activities and Affiliations** has been updated to clarify that insurance products are offered and provided by HawsGoodwin Wealth; and
- **Item 14 – Client Referrals and Other Compensation** has been updated to remove reference to a referral program no longer in use by HawsGoodwin Wealth.

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#### ***Item 4 - Advisory Business***

The Registrant, HawsGoodwin Investment Management, LLC, commenced operations in November 2012 and is an investment adviser registered with the U.S. Securities and Exchange Commission. The firm maintains its principal place of business in Franklin, Tennessee. The Registrant conducts its advisory business under the name ***HawsGoodwin Wealth ("HGW")***. The Firm maintains its principal place of business in Franklin, Tennessee.

C. Arthur Haws, W. Cameron Goodwin, and Caroline P. Galbraith are the principal owners of the Registrant. Please see ***Brochure Supplements***, Exhibit A, for more information on these principal owners and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

Under the name HawsGoodwin Wealth ("HGW"), we provide customized financial planning, investment management and retirement plan consulting services. Clients' investment management assets are primarily allocated among mutual funds, ETFs, and individual debt and equity securities in accordance with the investment objectives of the client. We also recommend, implement and provide on-going discretionary investment management of low-cost, exchange traded funds ("ETFs") model portfolios for certain client accounts through an internet-based platform.

As of January 31, 2020, HGW managed \$366,891,056, on a discretionary basis, and \$228,023,771 of assets on a non-discretionary basis. This amount was calculated consistent with the methodology used to calculate regulatory assets under management.

#### ***Financial Planning Services***

HGW also offers Financial Planning Services to clients. Financial Planning Services are either provided in conjunction with the management of a client's portfolio, in connection with the creation of the client's Financial Profile and Investment Plan or may be offered as a stand-alone service for a separate fee. HGW's Financial Planning Services normally address areas such as general cash flow planning, retirement planning, education planning, "windfall" planning, estate and wealth transfer planning, special needs planning, asset management, tax planning, insurance needs analysis and asset allocation. The goal of this service is to assess the financial circumstances of the client in order to develop a financial plan for the client.

To create this plan, HGW will typically gather information on the client's financial data and goals, which may include information on the client's family, employment, property, investments, businesses, insurance, income, expenses, savings, retirement goals, risk tolerance and the client's objectives related to the foregoing. It is however the responsibility of the client to notify HGW of any changes to their financial situation or objectives or any other factors that may impact the client's financial plan.

In all matters, HGW's Financial Planning Services are analytical and advisory only and do not include/legal, tax, accounting or other professional services unless specifically stated. HGW's representatives may work with a client's legal, accounting, tax, insurance or other professional advisors to ensure the/coordination of all pieces involved in the financial planning and/or estate planning process at the client's/request. The financial plan may include specific financial and investment strategies as well as specific/product recommendations, including equity, fixed income,

insurance products, as well as asset allocation recommendations. At no time, however, is the client under any obligation to implement (with HGW or with any other firm) any of the suggestions outlined in the financial plan. Rather, implementation of a client's financial plan is solely at the client's discretion.

Certain information provided in connection with Financial Planning Services may include educational materials regarding the effect of taxes, which information is general in nature. However, clients should be aware that HGW does not render tax, legal or accounting advice, and that HGW does not prepare any legal documents for the implementation of any of its recommendations. Nothing recommended or outlined by HGW should be used by a client as a substitute for competent legal, accounting or tax counsel provided by the client's personal attorney, accountant and/or tax advisor.

As part of its Financial Planning Services, HGW may provide insurance reviews. These reviews are general in nature and are intended to provide a client with an understanding of the general amount of insurance coverage recommended for persons in comparable financial situations. Unless otherwise expressly requested by the client and agreed to by HGW, these reviews will not include any recommendations about the client's property or casualty policies (*e.g.*, homeowner's, automobile and similar policies). Clients should be aware that risk management through the use of insurance coverage is important, and HGW strongly recommends that each client review each area of potential and/or actual coverage need with the client's insurance agent to ensure that adequate coverage exists.

#### Investment Management Services

Clients can engage HGW to manage all or a portion of their assets on a discretionary or non-discretionary basis. As a discretionary investment adviser, HGW will have the authority to supervise and direct the portfolio without prior consultation with the client. Under a non-discretionary arrangement, clients must be contacted prior to the execution of any trade in the account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on HGW in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of HGW.

The firm primarily allocates clients' investment management assets among mutual funds, ETFs and individual debt and equity securities, including private funds, in accordance with the investment objectives of the client. HGW also provides advice about any type of investment held in clients' portfolios. HGW tailors its advisory services to the individual needs of clients. HGW consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors

that may impact the clients' investment needs.

Clients are advised to promptly notify HGW if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon HGW's management services. Clients may impose reasonable restrictions or mandates on the management of their account (i.e., require that a portion of their assets be invested in socially responsible funds) if, in HGW's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

#### Concierge Services

HGW offers complimentary Concierge Services to clients who maintain over \$5 million in assets under management with HGW. Concierge services include, among other things, assistance with a care plan for elderly parents and end of life planning; family financial education; planning for real estate purchases and college funding; corporate event planning and assistance with other personal needs as agreed upon with each client.

#### Retirement Plan Consulting Services

Establishing a sound fiduciary governance process is vital to good decision-making and to ensuring that prudent procedural steps are followed in making investment decisions. HGW will provide Retirement Plan consulting services to Plans and Plan Fiduciaries as described below. The particular services provided will be detailed in the consulting agreement. The appropriate Plan Fiduciary(ies) designated in the Plan documents (e.g., the Plan sponsor or named fiduciary) will (i) make the decision to retain our firm; (ii) agree to the scope of the services that we will provide; and (iii) make the ultimate decision as to accepting any of the recommendations that we may provide. The Plan Fiduciaries are free to seek independent advice about the appropriateness of any recommended services for the Plan. Retirement Plan consulting services may be offered individually or as part of a comprehensive suite of services.

The Employee Retirement Income Security Act of 1974 ("ERISA") sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, HGW will be considered a fiduciary under ERISA. For example, HGW will act as an ERISA § 3(21) fiduciary when providing non-discretionary investment advice to the Plan Fiduciaries by recommending a suite of investments as choices among which Plan Participants may select. Also, to the extent that the Plan Fiduciaries retain HGW to act as an investment manager within the meaning of ERISA § 3(38), HGW will provide discretionary investment management services to the Plan. With respect to any account for which HGW meets the definition of a fiduciary under Department of Labor rules, HGW acknowledges that both HGW and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between HGW and Client.

#### *Fiduciary Consulting Services*

*Investment Policy Statement.* HGW will consult with the Plan Sponsor to determine the Plan's objectives, investment parameters, risk tolerance, policies and constraints, and assist in drafting an appropriate Investment Policy Statement ("IPS") or revising an existing IPS.

*Investment Consulting.* HGW will assess, review and monitor the investment options made available through the Plan and make recommendations about the Plan's investment strategy and asset allocation, based upon the Plan's IPS or other stated guidelines.

*Plan Benchmarking.* HGW will prepare comparative benchmarks for the Plan, including relative measures for fees, performance and plan design. HGW will prepare reports illustrating these comparisons, based upon information provided by the client, the Plan provider, and/or other independent third parties.

#### *Non-Fiduciary Consulting Services*

*Service Provider Analysis.* HGW will assist in evaluating the Plan's current service providers, including their services, fees and performance, and conduct due diligence on alternative providers

*Participant Enrollment Assistance and Educational Events.* HGW will provide assistance with enrolling participants during open enrollment periods, and to new employees hired between open enrollment periods, if needed. HGW will also host educational events covering relevant topics.

#### *Discretionary Fiduciary Management Services \**

*Discretionary Management Services.* When retained as an investment manager within the meaning of ERISA § 3(38), HGW will provide continuous and ongoing supervision over the designated retirement plan assets. HGW will actively monitor the retirement plan assets and provide ongoing discretionary management.

*Discretionary Investment Selection Services.* HGW will monitor the investment options of the Plan and add or remove investment options for the Plan without prior consultation with the Plan Fiduciaries. HGW will have discretionary authority to make and implement all decisions regarding the investment options that are available to Plan Participants.

*Investment Management via Model Portfolios.* HGW will provide discretionary management of Model Portfolios among which the participants may choose to invest as Plan options. Plan participants will also have the option of investing in one or more of the mutual fund options made available in the Plan, and choose not to invest in the Model Portfolios at all.

*\*Discretionary Fiduciary Management Services are provided in conjunction with non-discretionary Retirement Plan Consulting Services for a separate and additional fee.*

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

#### **General Fee Information**

HGW offers its services on a fee basis, which may include hourly fees, as well as fees based upon assets under management or advisement. Additionally, certain of HGW's *Supervised Persons*, in their individual capacities, may offer securities brokerage and insurance services under a commission arrangement.

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETFs in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, and other fees and expenses assessed to brokerage accounts. Additionally, clients may

incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to HGW's fee.

HGW's fees are not set or supervised by Schwab. Clients do not pay commissions on the transactions executed in the Program. Some of the securities used in the Program may be available for commission-free trading by all Schwab customers even if they do not participate in this Program. The particular securities selected by HGW for any given strategy may only include securities that are eligible for commission-free trading outside the Program, and therefore, clients may not receive any extra benefit from the commission-free trading this Program provides.

Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. These revenue sources combine and cover any expenses, such as trading costs, which clients who invest in the same securities outside the program might have to pay separately. HGW does not receive any portion of this revenue.

Fees paid to HGW are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders (generally including a management fee and fund expenses, as described in each mutual fund's/ETF's prospectus or offering materials). The client should review all fees charged by mutual funds, ETFs, HGW and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

#### Investment Management Fees

HGW provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by HGW. HGW's annual fee is exclusive of, and in addition to, brokerage commissions, transaction fees and other related costs and expenses which are incurred by the client. HGW does not, however, receive any portion of these commissions, fees and costs.

HGW's annual tiered fee schedule is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by HGW on the last day of the previous quarter. The annual fee varies depending upon the market value of the assets under management, as follows:

<u>Portfolio Value</u>	<u>Annual Fee</u>
*\$250,000 to \$1,000,000	1.00%
Next \$2,000,000	0.65%
Next \$2,000,000	0.55%
Over \$5,000,000	0.45%

\*Relationships below \$250,000 will be charged a flat fee of 1.50% per year based upon a percentage of the market value of the assets being managed by HGW.

HGW, in its sole discretion, may negotiate to charge a lower management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

#### *Fees for Management During Partial Quarters of Service*

HGW's Agreement may authorize HGW to debit the client's brokerage account for the amount of HGW's fee and to directly remit that management fee to HGW. The client's account custodian will send a statement to the client, at least quarterly, indicating all amounts disbursed from the account



including the amount of management fees paid directly to HGW. In addition, HGW will also deliver a report around the time it submits its fee invoice to the custodian, which also includes an itemization of the fees debited. HGW's clients may also elect to have HGW send an invoice for payment. For the initial period of investment management services, the fees are calculated *pro rata* based on the date that the account is funded and/or management commences.

The *Agreement* between HGW and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. HGW's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time. Additions may be in cash or securities provided that HGW reserves the right in some instances to liquidate any transferred securities or decline to accept certain securities into a client's account. Clients may withdraw account assets upon notice to HGW, subject to the usual and customary securities settlement procedures. However, HGW designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. HGW will consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter that exceed \$250,000, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter.

#### Retirement Plan Consulting Services Fees

HGW provides *non-discretionary corporate retirement plan consulting services* for an annual flat percentage fee schedule based upon a percentage of the market value of the assets under advisement by HGW, as follows:

<u>Portfolio Value</u>	<u>Annual Fee</u>
0 to \$1,000,000	0.65%
\$1,000,001 to \$2,500,000	0.40%
\$2,500,001 to \$5,000,000	0.35%
\$5,000,001 to \$10,000,000	0.25%
Greater than \$10,000,000	0.20%

Plan Fiduciaries wishing to retain HGW to provide *discretionary investment management services* in conjunction with selected non-discretionary retirement consulting services will pay a separate and additional percentage fee of up to 0.25% per year based on assets under management.

Fees are assessed either monthly or quarterly in arrears, based on the *Agreement* executed with each client. For the initial period of retirement plan services, the fees are calculated *pro rata* based on the date that the account is funded and/or services commence.

HGW, in its sole discretion, may negotiate to charge a lower fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

The *Agreement* between HGW and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. HGW's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

In either arrangement, the Plan and/or Participants are also subject to the fees and expenses charged by the underlying mutual funds and other third-parties (see *General Fee Information* above). Plan Fiduciaries are responsible for determining whether the combination of fees described above are reasonable in light of the services received from each party.

#### Private Investment Funds

As appropriate and when consistent with a client's investment objective(s) and risk tolerance, HGW may recommend investments in private funds ("Funds") to its clients. Clients must meet certain eligibility requirements in order to invest in these opportunities, and must complete subscription documents required by the sponsor of the investments. These documents must be reviewed carefully to determine what fees and expenses are applicable. An HGW advisor will explain in detail any fees associated with the investment. There will be advisory or management fees, profit participations and other additional expenses charged to clients who invest in the Funds. These fees and expenses will be separate from and in addition to the advisory fee charged by HGW. For monitoring the client's investment in the private fund(s), HGW will receive its annual fee, calculated as a percentage of assets under management, as disclosed in this Item 5. It should be noted that investing in a private fund upon HGW's recommendation could cost clients more than investing in the private fund independently of their advisory relationship with HGW. HGW will not share in any performance fee arrangements applicable to a private fund. In some instances, HGW will recommend investments in entities in which supervised persons of HGW have a financial interest, as described in more detail below.

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

HGW does not have any performance-based fee arrangements. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because HGW has no performance-based fee accounts, it has no side-by-side management.

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

HGW provides customized financial planning and investment management services to individuals, pension and profit-sharing plans, corporations, trusts, estates, and charitable organizations.

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

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

HGW's primary methods of analysis are fundamental and technical.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. HGW will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors to inform recommendations made to clients. The primary risk in using fundamental analysis is that

while the overall health and position of a company may be good, market conditions may negatively impact the security.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that HGW will be able to accurately predict such a reoccurrence.

## **Investment Strategies**

HGW utilizes a core/tactical strategy as a means by which the firm seeks to manage overall portfolio risk while taking advantage of opportunities to increase value. The tactical approach allows HGW to manage the overall portfolio in an offensive or defensive position, depending on the firm's views of market conditions.

The core strategy is a traditional asset allocation based upon long-term economic and market views and asset class performance (stocks, bonds, cash, etc.).

The tactical strategy is applied to a smaller portion of the portfolio managed toward shorter term trends and economic views. Traditional asset classes, as well as alternatives such as currencies and commodities, can be utilized. In limited instances, HGW may recommend an investment in a private investment fund.

## **Risks of Loss**

While HGW seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to a risk of loss that clients should be prepared to bear. There can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While HGW manages client investment portfolios based on HGW's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that HGW allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that HGW's specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, HGW may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are often considered less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*ETF Risk:* HGW may invest client assets in the securities of exchange-traded funds (“ETFs”). ETF securities are traded on an exchange, like shares of common stock, and the value of the ETF securities fluctuates in relation to changes in the value of the underlying portfolio of securities. The market price of the ETF securities may not be equivalent to the pro rata value of the underlying portfolio of securities. HGW may invest in broad-based ETFs and industry specific ETFs, and there may be certain risks to the extent a particular ETF is concentrated in a particular sector and is not as diversified as the market as a whole.

*ETF Tracking Risk:* ETFs will not be able to replicate exactly the performance of the indices they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, the ETFs incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the ETFs may, from time to time, temporarily be unavailable, which may further impede the ETFs’ ability to track their applicable indices.

*Equity Market Risks.* HGW will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. The value of equity securities will decline from time-to-time due to daily fluctuation in the market. Stock prices change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. General market decline in the stock prices for all companies may cause stock values to decline over longer periods (e.g. bear markets), regardless of an individual security’s long-term prospects.

*Fixed Income Risks.* HGW may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* HGW may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security’s underlying foreign currency.

*Private Funds Risks.* Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund’s offering documents, which will be provided to each client for review and consideration. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall

establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

*Tax Loss Harvesting.* HGW will implement a tax loss harvesting strategy upon client request. The strategy will seek to use tax losses to offset capital gains in the client's account. HGW may implement a tax loss harvesting strategy across all HGW accounts where an investment model suggests a tax loss. Tax loss harvesting across all taxable accounts will be reviewed by the Investment Committee. Any tax loss harvesting may be subject to limitations under applicable tax laws. Tax loss harvesting strategies employed by HGW should not be relied upon as tax advice. HGW encourages its clients to consult with their tax advisors about the consequences and impacts of tax loss harvesting on their personal tax liability.

The Program Disclosure Brochure includes a discussion of various risks associated with the Program, including the risks of investing in ETFs, as well as risks related to the underlying securities in which ETFs invest. In addition, the Program Disclosure Brochure also discusses market/systemic risks, asset allocation/strategy/diversification risks, investment strategy risks, trading/liquidity risks, and large investments risks.

#### ***Item 9 - Disciplinary Information***

HGW is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. HGW does not have any required disclosures to this Item.

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

HGW is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. HGW describes such relationships and arrangements below.

##### Registered Representatives of Broker Dealer

None of HGW's Supervised Persons is a registered representative of a broker dealer.

##### Receipt of Insurance Commission

Certain of HGW's *Supervised Persons*, in their individual capacities, are also licensed insurance agents, and in such capacity, may recommend, on a fully disclosed commission basis, the purchase of certain variable and indexed insurance products. While HGW does not sell variable and indexed insurance products to its investment advisory clients, HGW does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell such insurance products to its investment advisory clients. A conflict of interest exists to the extent that HGW recommends the purchase of insurance products where HGW's *Supervised Persons* receive insurance commissions or other additional compensation.

When it's determined that candidate group and/or individual life or health insurance products are suited to a client's needs, clients may be referred to HawsGoodwin Wealth supervised persons who are licensed to sell insurance products. Advisory clients are not obligated to use the services of HawsGoodwin Insurance.

Supervised persons of HGW serve as managing members and owners of a private fund entity ("the Fund") that HGW recommends to its advisory clients. As discussed in Item 4 and Item 5 above, HGW

may recommend, where appropriate, that certain advisory client account assets be invested in the Fund. To the extent that HGW recommends that a client invests a portion of its assets in the Fund, HGW charges its annual advisory fee in respect of such assets and the client pays a fee to the Fund's General Partner. A conflict of interest exists as HGW's compensation may be higher when advisory client account assets are invested in the Fund as a result of fees and a performance-based allocation which HGW supervised persons are entitled to receive as partners in the Fund. HGW only recommends that a Client invest its assets in the Fund when HGW believes the investment is in the client's best interest.

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

HGW and persons associated with HGW ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with HGW's policies and procedures.

HGW has adopted a code of ethics ("*Code of Ethics*") pursuant to Rule 204A-1 of the Investment Advisers Act of 1940 ("the Advisers Act") that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws. The *Code of Ethics* expresses HGW's commitment to placing the interest of clients first and sets forth its fiduciary duty owed to clients.

HGW's *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by HGW or any of its associated persons. The *Code of Ethics* also requires that certain of HGW's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When HGW is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction for the client has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in ***Item 12 – Brokerage Practices***) 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.

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

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

## ***Item 12 - Brokerage Practices***

### **Best Execution and Benefits of Brokerage Selection**

When given discretion to select the brokerage firm that will execute orders in client accounts, HGW seeks “best execution” for client trades. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are deemed relevant. The factors include, but are not limited to:

- HGW’s knowledge of negotiated commission rates and spreads currently available;
- the nature of the securities being traded;
- the size and type of transaction;
- the nature and character of the markets for the security to be purchased or sold;
- the desired timing of the trade and speed of execution;
- the broker-dealer’s access to primary markets and quotation sources;
- the ability of the broker to effect transactions when a large block of securities is involved or where liquidity is limited;
- confidentiality;
- the execution, clearance and settlement capabilities and history as well as the reputation and perceived soundness of the broker-dealer selected and others which are considered;
- HGW’s knowledge of actual or apparent operational problems of any broker-dealer;
- the broker-dealer’s reliability in executing trades, keeping records and accounting for and correcting trade errors; and
- the reasonableness of spreads or commissions.

### **Research or Other Soft Dollar Benefits**

HGW may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third-party research (or any combination), and may be used in servicing any or all of HGW’s clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

HGW recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. (“Schwab”), a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of clients’ assets. HGW may also effect trades for client accounts at Schwab, or may in some instances, consistent with HGW’s duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although HGW may recommend that clients establish accounts at Schwab, it is ultimately the client’s decision to custody assets with Schwab. HGW is independently owned and operated and is not affiliated with Schwab.

Schwab Advisor Services provides HGW with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of those services help HGW manage or administer our clients’ accounts while others help HGW manage and grow our business. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. These services are not soft dollar arrangements but are part of the institutional platform offered by Schwab. Schwab’s brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For HGW client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to HGW other products and services that benefit HGW but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of HGW accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist HGW in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide pricing and other market data; (iv) facilitate payment of HGW's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help HGW manage and further develop its business enterprise. These services may include: (i) technology compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to HGW. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to HGW. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of HGW personnel.

In evaluating whether to recommend that clients custody their assets at Schwab, HGW may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. Based on its receipt of these products and services, HGW has an incentive to recommend that its clients custody their advisory accounts with Schwab. HGW does not pay for these products or services, and clients may pay commissions higher than those charged by other broker-dealers in return for the benefits HGW receives.

In light of our arrangements with Schwab, we have an incentive to require that our clients maintain their accounts with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based solely on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a conflict of interest; however, we believe that our selection of Schwab as custodian and broker serves the interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services to our clients, and not Schwab's services that benefit only us.

#### Brokerage for Client Referrals

HGW does not accept brokerage for client referrals.

#### Directed Brokerage

The client may direct HGW 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 HGW 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 HGW (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, HGW may decline a client’s request to direct brokerage if, in HGW’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).

#### Aggregated Trade Policy

HGW may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This method permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. It allows HGW to execute trades in a timely, equitable manner, and may reduce overall costs to clients.

HGW will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients, and is consistent with the terms of HGW’s Investment Advisory Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all HGW’s transactions in a given security on a given business day. Transaction costs for participating accounts will be assessed at the custodian’s commission rate applicable to each account; therefore, transaction costs may vary among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account’s participation ineligible or impractical.

HGW will prepare, before entering an aggregated order, a written statement (“Allocation Statement”) specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata, based on the Allocation Statement, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of HGW. HGW’s books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients’ cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and HGW will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

Accounts of HGW’s employees may be included with client accounts in a block trade.

#### ***Item 13 - Review of Accounts***

For those clients to whom HGW provides investment management services, HGW monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom HGW provides financial planning and/or consulting

services, reviews are conducted on an “as needed” basis. Managing Partners, Art Haws (who also serves as CCO) and Cam Goodwin oversee the review of client portfolios. All investment advisory clients are encouraged to discuss their needs, goals and objectives with HGW and to keep HGW informed of any changes thereto. HGW contacts investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom HGW provides investment advisory services will also receive a report from HGW that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance. These reports are accessible to clients on a quarterly basis through the client portal, and are provided in hard copy from time to time upon client request. Clients should compare the account statements they receive from their custodian with those they receive from HGW.

Those clients to whom HGW provides financial planning and/or consulting services will receive reports from HGW summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by HGW.

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

As noted above, HGW receives an economic benefit from Schwab in the form of support products and services it makes available to HGW and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services and how they benefit our firm, and related conflicts of interest are described in ***Item 12 - Brokerage Practices***. The availability of Schwab’s products and services to HGW is based solely on our participation in the programs and not in the provision of any particular investment advice.

As disclosed in ***Item 10 - Other Financial Industry Activities and Affiliations***, HGW accepts referrals from HawsGoodwin Insurance, LLC. From time to time, HGW may enter into arrangements with unaffiliated third parties (“Solicitors”) to identify and refer potential clients to HGW. HGW will pay Solicitors based on a percentage of the investment advisory fees charged to the clients they refer. Consistent with legal requirements under the Investment Advisers Act of 1940, as amended, HGW enters into written agreements with Solicitors under which, among other things, Solicitors are required to disclose their compensation arrangements to prospective clients before such clients enter into an agreement with HGW. Solicitors are also required to furnish a copy of this Brochure to prospective clients, and obtain written acknowledgement from the client that both the solicitor’s disclosure document and HGW’s Form ADV Part 2A Brochure have been received. Payments made by HGW to a Solicitor will not increase the advisory fees charged to clients that are referred.

#### ***Item 15 - Custody***

Schwab is the custodian of nearly all client accounts at HGW. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian’s responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify HGW of any

questions or concerns. Clients are also asked to promptly notify HGW if the custodian fails to provide statements on each account held.

From time to time and in accordance with HGW's agreement with clients, HGW will provide additional reports. And as noted previously, clients may access reports reflecting the securities and balances in their account from the client portal on the Program's website. The account balances reflected on either of these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

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

As described in ***Item 4 - Advisory Business***, HGW will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney ("LPOA") is executed by the client, giving HGW the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. HGW then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with HGW and the requirements of the client's custodian.

For *non-discretionary* accounts, the client also generally executes an LPOA, which allows HGW to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between HGW and the client, HGW does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to HGW's agreement with the client and the requirements of the client's custodian.

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

Where HGW has authority to vote proxies, HGW will seek to vote proxies in the best interest of the client(s) holding the applicable securities. Absent special circumstances, which are fully-described in HGW's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in HGW's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact HGW to request information about how HGW voted proxies for that client's securities or to get a copy of HGW's Proxy Voting Policies and Procedures. A brief summary of HGW's Proxy Voting Policies and Procedures is as follows:

- The CCO will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The CCO will generally vote proxies according to HGW's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are

considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, HGW devotes an appropriate amount of time and resources to monitor these changes.

- Clients cannot direct HGW's vote on a particular solicitation but can revoke HGW's authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that HGW maintains with persons having an interest in the outcome of certain votes, HGW takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

### ***Item 18 - Financial Information***

HGW is not required to disclose any financial information pursuant to this Item 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 never been the subject of a bankruptcy petition.

HGW received a Paycheck Protection Program ("PPP") loan on April 29<sup>th</sup>, 2020 in the amount of \$132,945. The loan was used to pay salaries of employees who perform advisory functions and assist with operations at the firm. Given the suddenness and severity of the market correction associated with COVID-19, HGW acted promptly to secure funds necessary to ensure we could support the staff that help serve our clientele.

PPP loans are unsecured requiring no personal guarantee, and require no showing that credit is otherwise unavailable. PPP loans are federally guaranteed and potentially entirely forgivable. Failure to meet the requirements and conditions for loan forgiveness will result in HGW being obligated to repay the loan over two years at an interest rate of 1% per annum. The Firm's CEO will diligently monitor all spending of loan proceeds to ensure the maximum amount of loan forgiveness is realized and the firm will repay proceeds, if any, that are not forgiven. Given its current state, the Firm doesn't see drastic cost-cutting measures as necessary. However, the Firm will continue to evaluate the state of the markets and further governmental fiscal response to make all decisions fit to continue its unwavering fiduciary duty to its clients.