



*Part 2A of Form ADV: Firm Brochure*

*Item 1 - Cover Page*

Saddock Wealth, LLC

7920 Belt Line Road, Suite 550

Dallas, Texas 75254

(972) 437-5201

[www.saddockwealth.com](http://www.saddockwealth.com)

IARD# 161568

---

This brochure provides information about the qualifications and business practices of Saddock Wealth, LLC. It is prepared pursuant to regulatory requirements. If you have any questions about the contents of this brochure, please contact us at the phone number or website listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about Saddock Wealth, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Dated: March 19, 2023**

## Item 2 Material Changes

This Form ADV, Part 2, also known as the “Brochure”, requires disclosure on distinct topics, and answers must be presented in the order of the items in the form, using the headings in the form. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

After the initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

There are no material changes in this brochure from the last annual updating amendment of Saddock Wealth, LLC on 3/24/2022 . Material changes relate to Saddock Wealth, LLC’s policies, practices or conflicts of interests only.

### Item 3 Table of Contents

|  |    |
|--|----|
| <b>Part 2A of Form ADV: Firm Brochure</b> .....  | 1  |
| Item 1 Cover Page.....   | 1  |
| Item 2 Material Changes .....  | 2  |
| Item 3 Table of Contents .....   | 3  |
| Item 4 Advisory Business.....  | 4  |
| Item 5 Fees and Compensation .....   | 7  |
| Item 6 Performance-Based Fees and Side-By-Side Management.....                                     | 8  |
| Item 7 Types of Clients .....  | 9  |
| Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....                           | 9  |
| Item 9 Disciplinary Information.....   | 11 |
| Item 10 Other Financial Industry Activities and Affiliations .....                                 | 12 |
| Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..... | 13 |
| Item 12 Brokerage Practices .....  | 13 |
| Item 13 Review of Accounts.....  | 14 |
| Item 14 Client Referrals and Other Compensation .....  | 15 |
| Item 15 Custody.....   | 17 |
| Item 16 Investment Discretion.....   | 17 |
| Item 17 Voting Client Securities.....  | 17 |
| Item 18 Financial Information .....  | 18 |
| Item 19 Requirements for State-Registered Advisers .....   | 18 |

## Item 4 Advisory Business

### INTRODUCTION

Saddock Wealth, LLC has been a registered Investment Adviser since March 2012. We are notice filed in our home state of Texas, which means we are registered to do business in this state. We can conduct business in other states by claiming an exemption from registration or Notice Filing as required. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide you, including this Brochure, constitute material that you can use to evaluate us and other advisers. This Brochure provides information about our qualifications and business practices.

We hold ourselves to a *fiduciary standard*, which means our firm and its associates will act in the utmost good faith and perform in a manner believed to be in the best interest of our clients. As fiduciaries, we are obligated to put *you – our client – first*. We feel this sets us apart from other types of firms in the securities industry, broker/dealers, for example, that may be held to a perhaps lesser “suitability” standard. Such firms may not be required under current regulation to place clients’ interests ahead of their own or to fully disclose conflicts of interest involving their recommendations to clients.

### OWNERSHIP

Saddock Wealth, LLC was formed as a limited liability company in 2011 and is headquartered in Dallas, Texas. David G. Saddock is the Managing Member of Saddock Wealth, LLC.

### ADVISORY SERVICES OFFERED

Saddock Wealth, LLC provides a range of investment advisory solutions to its clients. Our financial planning services include working with our clients in such areas as risk management, retirement planning, employee benefits, college financing, or other areas upon your request. Our investment management services involve oversight and advice on a client’s investment portfolio and factors that may affect it. Such services are typically provided on an ongoing basis, however, we can alternatively provide specific investment consultations regarding particular issues on non-recurring occasions as requested.

We usually conduct an introductory meeting (either in person or by phone) where clients can acquaint us with their goals and concerns, and where we can explain our services and processes, in order to recommend what type of engagement might be appropriate. During or prior to this meeting, you will be provided with the firm’s current ADV Part 2A brochure that incorporates our privacy policy, and you will receive an ADV Part 2B - Brochure Supplement (Advisory Personnel) from your investment adviser representative who will be assisting you. The firm will also ensure any material conflicts of interest are disclosed regarding the firm and its associates that could be reasonably expected to impair the rendering of unbiased and objective advice.

Should you wish to engage our firm, we will enter into a written agreement. Thereafter, discussion and analysis will be conducted to determine your financial need, goals, holdings, etc. Depending on the scope of the engagement, we may require current copies of the following documents early in the process.

- Wills, codicils, and trusts,
- Insurance policies,
- Mortgage information,
- Tax returns,
- Current financial specifics including W2s or 1099s,
- Information on current retirement plans and benefits provided by your employer,
- Statements reflecting current investments in retirement and non-retirement accounts, and
- Completed risk profile questionnaires or other forms provided by our firm.

It is important that the information and financial statements you provide are accurate. At times we will, but are not obligated to, verify the information you have provided to be used in the financial planning or investment advisory process.

## **FINANCIAL PLANNING SERVICES**

A description of our offered services is provided in the following paragraphs. Our services can be broad-based (sometimes coined “comprehensive planning”) or more narrowly focused as you desire. If several or all of the services described are provided together, the total time needed to complete these services can be less than the time it would take to complete each service separately because of the efficiency gained by combining more than one service.

### **Risk Management**

Our services include an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care. Advice is provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential costs of not purchasing insurance (self-insuring).

When considered necessary, we consult with your insurance agent, other insurance agents or brokers and/or other insurance experts to assist you in making prudent risk management decisions, or perhaps guide you in your purchase of an appropriate policy. For example, we might recommend that you consider purchasing an “umbrella” insurance policy, or raise a deductible amount on an existing policy, which you should then discuss with your licensed insurance agent.

### **Retirement Planning**

Our retirement planning services typically include projections of your likelihood of achieving your financial goals, with financial independence usually the primary objective. If you are near retirement or already retired, the advice is given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

### **Employee Benefits**

We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible in your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.

### **College Financing**

Our college financing services often include projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren, if appropriate.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We can provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

## **INVESTMENT CONSULTATION**

Our investment consultation services may involve providing information on the types of investment vehicles available, employee stock options, investment analysis and strategies, asset selection and portfolio design, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian (collectively, we term as “service providers”) of your choosing. The strategies and types of investments we recommend are further discussed in Item 8 of this brochure.

Whenever appropriate for your situation, we will assist you in preparing an Investment Policy Statement (IPS), or similar document, reflecting your investment objectives, time horizon, tolerance for risk, as well as any account constraints. Your IPS will be designed to be specific enough to provide future guidance while concurrently allowing flexibility to respond to changing market conditions. Since the IPS will to a large extent be a product of information and data you have provided, you will be responsible for reviewing and providing final approval of the document/plan.

### Comprehensive v. Modular Planning

Many variables can affect the cost of a plan: the organization of your records, complexity, and number of investments you presently own, the type of insurance coverage you have, the potential size and scope of your estate, any special needs your or dependents have, among others.

In certain circumstances where you request modular planning, we will concentrate on reviewing only a specific area (modular planning) as you request, such as funding strategies for college, employer plan allocation strategies, etc. Note that when these services focus only on certain areas of your interest or need, however, your overall situation or needs may not be fully addressed due to limitations you have established.

We will present you with a summary of our recommendations, guide you in the implementation of some or all of them as you require, and recommend periodic financial reviews or an ongoing engagement to keep you on track. Keep in mind that unless your agreement states otherwise, upon completion of our presentation or delivery of advice our engagement is typically concluded. You are always encouraged to contact our firm at any time in the future to re-engage our services.

### Periodic Reviews

We strongly urge our clients to notify us of any change in their circumstances and to schedule a review any time there is such a change. An annual review should be considered even if there is not a substantial change because tax laws, estate laws, and insurance and investment products are rapidly evolving.

In all instances, you will retain discretion over implementation decisions and are free to accept or reject any recommendation we make. Upon your request and when appropriate to do so, we provide referrals to various professionals, such as an attorney or insurance agent. We do not have an agreement with or receive fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are completely separate from advisory fees charged by our advisory firm. We encourage you to utilize any desired professional or group of professionals for such services.

### **INVESTMENT MANAGEMENT SERVICES**

You may also choose to use our firm to implement and oversee the investment strategies we have recommended to you by engaging us to provide investment management services. Our investment management services include, but are not limited to, the following:

- Investment strategy,
- Investment policy statement,
- Asset allocation,
- Asset selection,
- Risk tolerance assessments, and
- Regular portfolio monitoring.

We generally recommend an active investment management strategy and a broad range of investment vehicles, which is described in further detail in Item 8 of this brochure. We generally provide these services under a discretionary engagement agreement but do offer them on a non-discretionary basis. Discretionary authority allows our firm to implement investment decisions in order to meet your stated account objectives, such as the purchase or sale of a security on behalf of your account or the addition or termination of a third-party investment manager, without requiring your prior authorization for each transaction. Services provided on a non-discretionary basis require your prior approval for each transaction with regard to the investment and reinvestment of your account assets.

Investment management clients will be provided with an IPS or similar document that reflects their investment objectives, time horizon, tolerance for risk, as well as any account constraints. If you already have an IPS, we will ensure it is current and remains specific enough to provide future guidance while concurrently allowing flexibility to respond to changing market conditions.

### **THIRD PARTY INVESTMENT MANAGER SELECTION SERVICES**

In certain circumstances, we make recommendations that you utilize the services of a Third Party Investment Manager ("TPM") to manage your portfolio or that you terminate a TPM who is servicing all or part of your portfolio. If deemed appropriate, we would recommend to you a TPM whose investment style is believed to be consistent with your

financial needs, investment goals, tolerance for risk, and stated investment objectives. On a regular basis thereafter a due diligence review will be performed from both a compliance and performance perspective to determine that the selected TPM remains an appropriate fit for the portfolio. We will review each TPM's performance on a continuing basis, as well as consider potential concerns or changes of TPM's. We periodically review reports provided to you and assist you in understanding and evaluating the services provided by the TPM. The TPM is granted discretionary authority by you to manage and invest your assets.

The TPM may impose a minimum dollar amount of initial client assets for the investment advisory services as disclosed in their management agreement. These minimums may be waived at the TPM's discretion.

Clients who are referred to TPM's will receive full disclosure, including services rendered and fee schedules at the time of the referral by delivery of a copy of the relevant TPM's brochure or equivalent disclosure document, in addition to the TPM's ADV Part 2A Brochure and privacy policy, prior to placing the assets with the TPM.

We will not share in any asset-based fee that an account is assessed by the TPM.

### **GENERAL INFORMATION**

Our ability to provide our services depends on access to important information. Accordingly, it is necessary that you provide us with an adequate level of information and supporting documentation throughout the term of the engagement, including but not limited to sources of funds, income levels, and your (or your legal agent's) authority to act on behalf of the account, among other information. This helps us determine the appropriateness of our financial planning or investment strategy for you.

It is also very important that you keep us informed of significant changes that may call for an update to your financial and investment plans. Events such as job changes, retirement, a windfall, marriage or divorce, or the purchase or sale of a home or business can have a large impact on your circumstances and needs.

We need to be aware of such events, so we can make the adjustments needed to your plan or advice in order to keep you on track toward your goals.

We do not provide legal, accounting or insurance services through our firm. With your consent, we work with your other advisers to assist with coordination and implementation of accepted strategies. You should be aware that these other advisers will charge you separately for their services and these fees will be in addition to our advisory fees.

Our firm will use its best judgment and good faith effort in rendering its services. Saddock Wealth, LLC cannot warrant or guarantee any particular level of account performance or that your account will be profitable over time. Past performance is not necessarily indicative of future results.

### **WRAP FEE PROGRAM**

Our firm does not participate in or sponsor wrap fee investment management programs.

### **CLIENT ASSETS UNDER MANAGEMENT**

As of December 2022, Saddock Wealth, LLC has approximately \$37,000,000 in discretionary assets and \$86,500,000 in non-discretionary under management. Saddock Wealth, LLC has approximately \$136,500,000 in assets under advisement.

## **Item 5 Fees and Compensation**

### **METHOD OF COMPENSATION AND FEE SCHEDULE**

We are engaged in our advisory services as described in item 4 of this brochure under an hourly fee arrangement, which ranges from \$100 to \$725 per hour. The hourly rate will be billed in 15-minute increments and based on the associate with whom you are working, their experience level, and the scope and complexity of your engagement. The associate working on a specific client account will vary depending on the requirements of the assigned project. Thus, it is possible for an invoice to reflect multiple individuals over a given period. Saddock may waive or delay billing of

fees at the discretion of the adviser. Additionally, for general projects that apply to multiple accounts, clients will be billed pro-rata based on the prior year's assets under management.

#### **CLIENT PAYMENT OF FEES**

Fees for ongoing services are due upon your receipt of our invoice, which can be monthly, quarterly or as determined by your agreement. Non-continuous service engagements are generally due upon your receipt of our invoice and services that are greater than three months in duration will be billed monthly, quarterly, or as determined by the engagement agreement. We generally do not require advanced deposits for our services.

#### **ADDITIONAL CLIENT FEES**

Any transactional (i.e., brokerage) or custodial fees assessed by your broker/dealer or custodian (collectively "service providers"), individual retirement account fees or qualified retirement plan account termination fees will be borne by the account holder and are per those provided in current, separate fee schedules of any selected service provider. Fees paid to our firm by our clients for our services are separate from any transactional charges a client may pay, as well as those for mutual funds, exchange-traded funds (ETFs), or other investments of this type.

Our firm and its associates are engaged in fee-only services and we attempt to recommend "no load" investments whenever appropriate. We do not charge or receive a commission or markup on your securities transactions, nor will the firm and our associates be paid a commission on your purchase of an insurance contract or securities investment that we recommend.

We do not receive "trailer" or SEC Rule 12b-1 fees from any investment company that we recommend.

Fees charged by issuers are detailed in prospectuses or product descriptions and you are encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges. You will always have the option to purchase recommended investments through your selected service provider.

Clients will be billed for out-of-pocket costs such as report production, word processing, postage, travel, etc. Clients will be billed for projects directly related to their account as detailed above. However, for projects that apply to multiple accounts, time and expenses will be allocated based upon the prior year's AUM. Examples of this would include SEC Compliance Mock Audits, Custody Audit Reviews, SEC Compliance Form ADV Reviews, etc.

#### **TERMINATION OF SERVICES**

Either party can terminate the agreement at any time by giving to the other party 30 days' written notice. Should you notify our firm of an intent to terminate the agreement verbally and, if in two business days following this notification, we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute. The termination date shall be 30 days after receipt of the written notice.

If our disclosure brochure was not delivered to you at least 48 hours prior to entering into the agreement with our firm, then you can terminate the engagement without penalty within five business days after entering into the agreement.

Upon termination, after the first five days, you will be assessed fees on a prorated basis for services we have provided and/or work performed to the date of termination. Should there ever be a prepaid fee we will promptly return the unearned amount upon receipt of the written termination notice.

For those clients for whom we provide investment management services, our firm will not be responsible for future allocations, transactional services or investment advice upon receipt of a termination notice. Further, upon termination, it will be necessary that we promptly inform the account custodian that the advisory relationship between the firm and the client has been terminated and that our firm will no longer be supervising the account.

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

Our fees will not be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as "performance-based fees." Performance-based compensation creates an incentive for a firm or



their representatives to recommend an investment that may carry a higher degree of risk to a client. We do not use a performance-based fee structure because of the conflict of interest this type of fee structure poses.

Our fees will not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not; this type of arrangement and the conflict of interest it may pose do not conform to our firm's practices.

## **Item 7 Types of Clients**

We provide our advisory services to high net worth and ultra high net worth individuals, trusts and estates, charitable organizations or foundations, and businesses of various scale. These are the types of clients that we serve, but we may not have all these types as current clients.

We generally require clients to have a minimum of \$10,000,000 in investable assets to engage our services. We reserve the right to waive or reduce certain investable asset minimums based on unique individual circumstances. We also reserve the right to decline services to any prospective client for any nondiscriminatory reason.

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

### **METHOD OF ANALYSIS**

If we are engaged to provide investment advice, we will first gather and consider several factors, including your:

- Current financial situation,
- Current and long-term needs,
- Investment goals and objectives,
- Level of investment knowledge,
- Tolerance and appetite for risk, and
- Restrictions, if any, on the management of your portfolio.

We generally employ a fundamental analysis which involves evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. In addition to our own research, the firm's recommendations may also be drawn from research sources that include financial publications, inspections of corporate activities, materials from outside sources, consultation with other financial professionals, annual reports, prospectuses and other regulatory filings.

We make asset allocation and investment policy decisions based on the above-noted elements and any other reasonable requirements you may prescribe. We will discuss with you how, in our best judgment, to meet your objectives while at the same time seeking a prudent level of risk exposure.

### **INVESTMENT STRATEGIES**

Generally, our investment advice is based on a globally diversified strategy involving a long-term, disciplined approach that manages risk through appropriate asset allocation. We recognize that each client's needs and goals are different; consequently, at times, portfolio strategies and underlying investment vehicles may vary.

We offer the same suite of services to all our clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing or restrictions on liquidating certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent us from properly servicing the client account, or if the restrictions would require us to deviate from our standard suite of services, we reserve the right to end the relationship.

We generally seek portfolio managers whom we expect to be able to achieve returns (after fees) that exceed results that could be achieved using passive investment strategies. If a manager is unable to produce better returns, then we will look for other managers who can exceed those returns or suggest using a passive style.

Our firm may recommend a portfolio contain pre-refunded municipal bonds, individual equity and fixed income holdings, a broad range of index and actively managed mutual funds, exchange-traded funds (ETFs), listed and unlisted real estate investment trusts (REITs), private equities, private credits and hedge funds. We will use a mix of the aforementioned investments to diversify the account and meet the demands of the account and market conditions.

### **INVESTMENT STRATEGY RISKS**

We believe our strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, we cannot guarantee that an investment objective or planning goal will be achieved. As an investor, you must be able to bear the risk of loss that is associated with your account, which may include the loss of some or all of your principal.

In general, risks regarding markets include interest rates, company, and management risk, among others. Examples include:

*Market Risk* – When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called systematic risk.

*Company Risk* – When investing in securities, there is always a certain level of company or industry specific risk that is inherent in each company or issuer. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry.

*Management Risk* – An investment with a firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

*Firm Research* – When the firm's research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, the firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. The firm makes every effort to determine the accuracy of the information received but it cannot predict the outcome of events or actions taken or not taken, or the validity of all information it has researched or provided, which may or may not affect the advice on our investment management of an account.

*Active Management Strategies* – A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or "turnover." This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active management.

*Socially Conscious Investing* – If you require your portfolio to be invested according to socially conscious principles, you should note that returns on investments of this type may be limited and because of this limitation, you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs. Therefore, there could be a more pronounced positive or negative impact on a socially conscious portfolio, which could be more volatile than a fully diversified portfolio.

### **SECURITY-SPECIFIC MATERIAL RISKS**

*Fixed Income Risks* – Various forms of fixed income instruments, such as bonds, money market funds, bond funds, and certificates of deposit, may be affected by various forms of risk, including:

*Interest Rate Risk* - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

*Liquidity Risk* - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid

(i.e., bonds), there are risks which may occur such as when an issue trading on any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

**Credit Risk** - The potential risk that an issuer would be unable to pay scheduled interest or repay the principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

**Reinvestment Risk** – With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

**Duration Risk** - Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

**Fund Risks** – ETFs, mutual funds, managed futures, and hedge funds may carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. The risk of owning these types of holdings also generally reflect the risks of their underlying securities.

**Index Investing** – ETFs and indexed funds have the potential to be affected by “active risk” or “tracking error risk,” which might be defined as a deviation from the stated benchmark. Since the core portfolio may attempt to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a “sample” or “optimized” index fund or ETF that may not as closely align with the stated benchmark. In these instances, the firm may choose to reduce the weighting of a satellite holding, utilize very active satellites, or use a “replicate index” position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

**QDI Ratios** – While many ETFs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of an ETF or mutual fund portfolio), may be considered “non-qualified” under certain tax code provisions. We consider a holding’s QDI when tax-efficiency is an important aspect of the client’s portfolio.

**REITs** – Risks involved in REIT investing may include:

- Following the sale or distribution of assets an investor may receive less than their principal invested,
- A lack of a public market in certain issues,
- Limited liquidity and transferability,
- A fluctuation of the value of the assets within the REIT,
- Reliance on the investment manager to select and manage assets,
- Changes in interest rates, laws, operating expenses, and insurance costs,
- Tenant turnover, and
- Current market conditions.

## Item 9 Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management.

Neither the firm nor any member of its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our firm’s advisory business or the integrity of our firm.

In addition, a full report that reflects the professional background, business practices, and conduct of our advisory agents is available through the IARD link at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Should you have any technical difficulties with this link you can call 240-386-4848 for further assistance.

The information that appears on these websites is collected from individual investment adviser representatives, investment adviser firm(s), and/or securities regulator(s) as part of the securities industry's registration and licensing process.

## Item 10 Other Financial Industry Activities and Affiliations

### FINANCIAL INDUSTRY AFFILIATIONS

Our policies require our firm and its associates to conduct business activities in a manner that avoids or appropriately mitigates conflicts of interest between the firm, its associates, and our clients or that is contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest that might reasonably compromise our impartiality or independence.

Neither our firm nor a member of its management is, or has a material relationship, with any of the following types of entities:

- Broker/dealer, municipal securities dealer, or government securities dealer or broker,
- Futures commission merchant, commodity pool operator, or commodity trading adviser,
- Banking or thrift institution,
- A lawyer or law firm,
- Insurance company or agency,
- Pension consultant,
- Real estate broker or dealer,
- Sponsor or syndicator of limited partnerships, or
- Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).

#### Tax and Accounting Firm

Various advisory agents are also tax and accounting professionals for Saddock & Company, PLLC, a certified public accounting firm under common ownership of David Saddock, Managing Member of Saddock Wealth, LLC.

### FINANCIAL INDUSTRY ACTIVITIES

#### Business Consulting Firm

Our advisory agents also provide business consulting, tax planning, and other forms of advice for individuals and businesses through Saddock Advisory, LLC, a consulting firm under common ownership of David Saddock, Managing Member of Saddock Wealth, LLC.

Usually, we refer clients to either of these affiliated entities, but clients are under no obligation to utilize these services or *vice versa*. Clients of our firm have one or more business relationships with the investment adviser representative with whom they are engaged for services, however, each engagement will be under separate and distinct agreements and information will only be shared with the client's prior approval. We receive no fees from either entity for any referrals and there are no agreements for such fees between the affiliated entities and Saddock Wealth, LLC.

#### Recommendation or Selection of Third Party Investment Advisers

We, at times, recommend a third-party investment manager to service all or part of a client's portfolio. These third-party managers are not related persons of our firm. We do not share in the asset-based fee that an account will be assessed by the third-party investment manager. We receive no compensation from the recommended or selected third-party investment advisers.

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

### **CODE OF ETHICS**

We have adopted a Code of Ethics that establishes policies for ethical conduct for all our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Our policies include prohibitions against insider trading, among others.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually.

Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

### **PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS / PERSONAL TRADING**

Our firm and its related persons buy or sell securities that are the same as, similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client can be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time, however, will our firm or any related party receive preferential treatment over our clients.

In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading (e.g. trading ahead of client orders), our policy requires that we restrict or prohibit associates' transactions in specific securities or the timing of such trades.

Any exceptions or trading pre-clearance must also be approved by our firm Chief Compliance Officer in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation. We and our advisory agents will act in a fiduciary manner, understand the prohibitions against the use of any insider information and will always act in your best interest.

## Item 12 Brokerage Practices

### **FACTORS USED TO SELECT BROKER-DEALER FOR CLIENT TRANSACTIONS**

When our firm is granted sole discretionary authority over your account(s) we determine the securities to be bought or sold and their amounts without specific consultation with you as deemed to be in your best interest and to achieve your stated investment objectives. Saddock Wealth, LLC does not maintain custody of any of your assets. Your assets must be maintained in an account at a "qualified custodian" (generally a broker/dealer or bank) that is frequently assessed for its capabilities to serve as a custodian by their respective industry regulatory authority. Our firm is not a custodian nor do we have an affiliate that is a custodian. Saddock Wealth, LLC recommends TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC ("TD Ameritrade"). TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer, Vanguard Brokerage Services and Charles Schwab & Co., Inc.

When engaged to provide investment consulting or investment management services, we will work with the service provider with whom your assets are currently maintained. Should you prefer a new service provider, our recommendation of another service provider would be based on your needs, overall cost, and ease of use.

It is our firm's policy to restrict any non-cash compensation (termed "soft dollars" in certain jurisdictions) that we receive from a service provider to those services that are beneficial to all our clients; we will not, however, "pay up" to receive additional services.

We periodically conduct an assessment of any service provider we recommend, which typically includes a review of their range of services, the reasonableness of fees, among other items, and in comparison to their industry peers. Our Firm recommends Vanguard Brokerage Services and Charles Schwab & Co., Inc. Advisory Services.

## **BEST EXECUTION**

We understand and acknowledge that at all times we owe a fiduciary duty to you to obtain best execution for your transactions. However, accounts with a full-service broker/dealer, may not obtain best execution at all times. The commissions and/or transactional fees charged by these broker-dealers to you may be higher or lower than those charged by another broker-dealer.

## **DIRECTED BROKERAGE**

We do not require or engage in directed brokerage involving client accounts. Our clients are free to use any particular service provider to execute their transactions and they are responsible for negotiating any terms or arrangements for their account. We will not be obligated to conduct due diligence of the client's selected service provider, seek better execution services or prices from any provider, or aggregate client transactions for trade execution.

## **AGGREGATING SECURITIES TRANSACTIONS FOR CLIENT ACCOUNTS**

At this time the firm does not aggregate any orders on behalf of its clients.

## **Item 13 Review of Accounts**

### **SCHEDULE FOR PERIODIC REVIEW OF CLIENT ACCOUNTS AND ADVISORY PERSONS INVOLVED**

#### *Financial Planning and Investment Consultation Services*

You should contact our firm for additional reviews when making decisions about changes in your financial situation, (i.e., the loss of a job, retirement, receipt of a significant bonus, an inheritance, the birth of a new child, or other circumstances).

Periodic financial check-ups or reviews are recommended if you are receiving our financial planning and investment consultation services, and we recommend that they occur on at least an annual basis whenever practical. We encourage you to schedule these meetings in advance or we will contact you to determine an appropriate date to schedule the review.

Reviews will be conducted by your selected financial adviser and normally involve analysis and possible revision of your previous financial plan or investment allocation.

#### *Investment Management Services*

Investment management services accounts are reviewed on a quarterly or more frequent basis by your selected representative and firm supervisory personnel.

Additional reviews can be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. Accounts are also reviewed for an additional holding, when an increase in a current position is under consideration, or when account cash levels above or below what we deem appropriate for the investment environment given the client's stated tolerance for risk and investment objectives.

#### *Third-Party Investment Managers*

For accounts served by a recommended third-party investment manager, we will periodically review reports provided to you by your third-party investment manager and contact you at least annually to review your financial situation and objectives.

We will communicate information to your third-party investment manager as warranted and assist you in understanding and evaluating the services provided by the third-party manager. In certain instances, you may be able to communicate with your selected third-party investment manager.

## **REVIEW OF CLIENT ACCOUNTS ON NON-PERIODIC BASIS**

### **Financial Planning and Investment Consultation Services**

You are free to contact our firm for additional reviews when there are material changes that occur in your financial situation (i.e., loss of a job, early retirement, receipt of a significant bonus, an inheritance, the birth of a new child, or other circumstances).

Unless stated to the contrary in your engagement agreement, reviews are generally conducted under a new or amended agreement and will be assessed at our current hourly rate.

### **Investment Management Services**

Additional reviews can be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. Accounts can also be reviewed when being considered for an additional holding or an increase in a current position, as well as account cash levels above or below that deemed appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives.

### **Third-Party Investment Managers**

We will communicate information to your third-party investment manager when necessary and assist you in evaluating responses provided by the third-party manager.

## **CONTENT OF CLIENT PROVIDED REPORTS AND FREQUENCY**

Whether you have opened and maintained an investment account on your own or with our assistance you will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where your investments are held. We urge you to carefully review these statements for accuracy and clarity and to ask questions when something is not clear.

We provide portfolio reports if we are engaged to provide periodic asset allocation or investment advice; however, we do not provide ongoing performance reporting under our financial planning, investment consultation engagements.

For our investment management services accounts, our firm provides quarterly reports on different cycles and position performance summary reports. Some of our clients may receive additional reports depending on their specific requirements.

You will also receive portfolio or performance reports directly from your selected third-party investment manager.

All firm performance reports will be prepared in accordance with appropriate jurisdictional guidance. Clients are urged to carefully review and compare account statements that they have received directly from their service provider with any report received from our firm.

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

### **CLIENT REFERRALS**

We do not compensate any person or entity for referring business to us. We provide referrals to various professionals, such as an attorney or insurance agent. We do not have an agreement with these professionals for these informal referrals and we do not receive any compensation from these professionals when our clients engage a recommended service provider. All compensation paid to our firm is paid directly by our clients through our advisory services fees.

### **OTHER COMPENSATION**

We do not receive an economic benefit from a non-client for providing investment advice or advisory services to you.

We try at all times to put the interest of you first as part of our fiduciary duty.

Charles Schwab & Co., Inc. Advisor Services provides Saddock Wealth, LLC with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers



on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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 Saddock Wealth, LLC client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to Saddock Wealth, LLC other products and services that benefit Saddock Wealth, LLC but may not benefit its clients' accounts. These benefits may include national, regional or Saddock Wealth, LLC specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Saddock Wealth, LLC by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Saddock Wealth, LLC in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of Saddock Wealth, LLC's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Saddock Wealth, LLC's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to Saddock Wealth, LLC other services intended to help Saddock Wealth, LLC manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance, and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to Saddock Wealth, LLC by independent third parties. Charles Schwab & Co., Inc. 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 Saddock Wealth, LLC. Saddock Wealth, LLC is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

Saddock Wealth, LLC participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. Saddock Wealth, LLC receives some benefits from TD Ameritrade through its participation in the Program.

As part of the Program, Saddock Wealth, LLC may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Saddock Wealth, LLC's participation in the Program and the investment advice it gives to its clients, although Saddock Wealth, LLC receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Saddock Wealth, LLC participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have Saddock Wealth, LLC's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Saddock Wealth, LLC by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by Saddock Wealth, LLC's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit Saddock Wealth, LLC but may not benefit its client accounts. These products or services may assist Saddock Wealth, LLC in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Saddock Wealth, LLC manage and further develop its business enterprise. The benefits received by SADDOCK



WEALTH, LLC or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Saddock Wealth, LLC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Saddock Wealth, LLC or its related persons in and of itself creates a conflict of interest and may indirectly influence the Saddock Wealth, LLC's choice of TD Ameritrade for custody and brokerage services.

#### **Item 15 Custody**

When it deducts fees directly from client accounts at a selected custodian, Saddock Wealth, LLC will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. However related persons have custody through affiliated entities to facilitate check writing, bill pay, or other administrative services through those entities. Your funds and securities will be physically maintained with a "qualified custodian" as required under Rule 206(4)-2 under the Investment Adviser Act.

You will be provided with transaction confirmations and summary account statements provided directly to you by your selected custodian. Typically, these statements are provided on a monthly or quarterly basis, or as transactions occur. We will not create a statement for you nor be the sole recipient of account statements. Should you receive periodic reports from our firm that include investment performance information, you are urged to carefully review and compare your account statements that you have received directly from your service provider with any report you receive from our firm.

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

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

We provide our various forms of investment advisory services (as described in Item 4) under either discretionary or non-discretionary account authority, as determined by your written engagement agreement. Similar to a limited power of attorney, discretionary authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of your account or add or terminate a third-party investment manager, without requiring your prior authorization in order to meet your stated account objectives.

Should you prefer your account to be managed in a non-discretionary manner, your prior approval must be made for each transaction with regard to the investment and reinvestment of account assets or for the firm to give instructions to a service provider or third-party manager maintaining your account. In light of the requirement for your pre-approval, you must make yourself available and keep us updated on your contact information so that instructions can be efficiently effected on your behalf.

We will retain information about all client account directions, limitations, and rescissions that are reviewed and approved by a supervisory principal with our firm.

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

Our firm does not vote proxies on your behalf nor do we offer guidance on how to vote proxies. You will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by you shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to your holdings.

We will have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents

related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

You may receive proxies or other similar solicitations sent directly from your selected custodian or transfer agent. Should we receive a duplicate copy, note that we do not generally forward these or any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

You can contact our office at 972-437-5201 for any questions about this or any other matter.

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

We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. We do not have any financial condition that is reasonably likely to impair the ability to meet contractual commitments to you. Therefore, due to the nature of our firm's services and operational practices, an audited balance sheet is not required nor included in this brochure.

#### **Item 19 Requirements for State Registered Advisers**

Not applicable, we are an SEC registered investment adviser.