



**Item 1. Cover Page**

**Strategic Wealth Partners Group, LLC**

**Disclosure Brochure**

520 Lake Cook Road, Suite 520  
Deerfield, Illinois 60015  
(224) 632-1600

March 27, 2024

This Brochure provides information about the qualifications and business practices of Strategic Wealth Partners Group, LLC, doing business as Strategic Wealth Partners (hereinafter "SWP," "We," or the "Firm"). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about the Firm is available on the SEC's website at <https://adviserinfo.sec.gov/>.

If you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (224) 632-1600 or by email at [info@stratwealth.com](mailto:info@stratwealth.com).

Strategic Wealth Partners Group, LLC is an SEC-registered investment adviser. Registration does not imply any level of skill or training.

## Item 2. Material Changes

SEC-registered investment advisers are required to provide their clients with a summary of any material changes to their Form ADV 2A Brochure ("Brochure") since their last annual updating amendment and offer to provide the entire Brochure free of charge. Since our last annual update filed on March 31, 2023, this Brochure was revised to reflect the following material changes:

- In August 2023, investment vehicles affiliated with Clayton, Dubilier & Rice, LLC ("CD&R") and Stone Point Capital LLC ("Stone Point") indirectly acquired Focus Financial Partners Inc. ("Focus Inc."). This transaction resulted in investment vehicles affiliated with CD&R collectively becoming majority owners of Focus Financial Partners, LLC ("Focus LLC") and investment vehicles affiliated with Stone Point collectively becoming owners of Focus LLC. Because SWP is an indirect, wholly-owned subsidiary of Focus LLC, the CD&R and Stone Point investment vehicles are indirect owners of SWP. Items 4 and 10 have been revised to reflect this new ownership structure.
- SWP has updated our disclosures language related to client referrals under Item 14
- SWP has enhanced our disclosure language regarding the minimum fee structure. Please refer to Item 5 for additional information.
- SWP helps its clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"). FRS does not receive any compensation from such third-party insurance brokers from serving SWP clients. Further information on this service is available in Items 4, 5 and 10 of this Brochure.
- SWP updated Items 12 and 14 to include language relative to benefits it receives from its custodians.
- SWP updated Items 4, 5, 10 and 15 to include language regarding bill payment, tax organization, insurance claim management and household budgeting services offered through an SWP line of business called My Personal Bookkeeper ("MPB").
- Our affiliate, Focus Treasury & Credit Solutions, LLC ("FTCS") was acquired by UPTIQ, Inc. and has been renamed UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ") and Flourish Financial LLC, ("Flourish"). We have revised the information concerning FTCS to describe our new arrangement with UPTIQ and Flourish. Further information on this conflict of interest is available in Items 4, 5 and 10 of this Brochure.

We have made minor, nonmaterial changes throughout the Brochure. Clients are encouraged to review the Brochure in its entirety and can obtain a copy of our Brochure at any time, free of charge, by contacting us at (224) 632-1600 or by email at [info@stratwealth.com](mailto:info@stratwealth.com).

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#### Item 4. Advisory Business

Strategic Wealth Partners, LLC was established in 2008 in Deerfield, IL., by David J. Copeland and Neal H. Price. SWP, a Focus partner firm, succeeded to the advisory business of Strategic Wealth Partners, LLC, in 2015. On January 1, 2018, SWP acquired the advisory business of Park Place Capital Management and established the Firm's office in Milwaukee, WI.

#### **FOCUS FINANCIAL PARTNERS:**

Strategic Wealth Partners is part of the Focus Financial Partners, LLC (“Focus LLC”) partnership. Specifically, SWP is a wholly-owned indirect subsidiary of Focus LLC. Ferdinand FFP Acquisition, LLC is the sole managing member of Focus LLC. Ultimate governance of Focus LLC is conducted through the board of directors at Ferdinand FFP Ultimate Holdings, LP. Focus LLC is majority-owned, indirectly and collectively, by investment vehicles affiliated with Clayton, Dubilier & Rice, LLC (“CD&R”). Investment vehicles affiliated with Stone Point Capital LLC (“Stone Point”) are indirect owners of Focus LLC. Because SWP is an indirect, wholly-owned subsidiary of Focus LLC, CD&R and Stone Point investment vehicles are indirect owners of SWP.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the “Focus Partners”), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, “UPTIQ”) and Flourish Financial, LLC (“Flourish”). Please see Items 5 and 10 for a fuller discussion of these services and other important information.

We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC (“FRS”), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. Please see Items 5 and 10 for a fuller discussion of this service and other important information.

We work with clients with the goal to preserve and grow wealth through insightful planning and objectively and thoughtfully selected investments. We tailor our strategies to fit the individual needs of each client's short and long-term goals. SWP aims to help clients with a variety of investment, goals including securing their retirement, preserving their capital, providing for heirs or favorite charities, and funding college education for children and/or grandchildren. We provide financial planning and investment management services to our clients, which include individuals, high net-worth individuals, families, retirement accounts, ERISA plans, charitable organizations, corporations, and other businesses.

**Financial Planning and Consulting Services:** SWP offers its clients a broad range of financial planning and consulting services. For clients that meet an annual minimum wealth management fee, financial planning services are provided as part of the Firm's annual management fee. We also offer financial planning and consulting services to clients who seek more complex or specific services on a standalone basis.

In performing financial planning and consulting services, SWP is not required to verify any information received from the client or their other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. SWP may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if they pay us on a standalone basis for a financial plan, and we, SWP, recommend our services. The client is under no obligation to act upon any of the recommendations made by SWP under a financial planning or consulting engagement or to engage the services of any recommended professional.

**Investment Management Services:** We provide personalized and holistic wealth and investment management services to clients on a discretionary and non-discretionary basis. As detailed in Item 8, we typically allocate clients' investment management assets among professionally managed investments such as Mutual Funds, Exchange-Traded Funds ("ETFs"), Structured Notes, Interval Funds, External Managers, Private Collective Investment Vehicles, Treasuries Notes and other securities we believe are appropriate. Additionally, we may recommend that clients who are accredited investors or qualified purchasers as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the client's investment objectives.

The Firm renders services to certain clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that the client's primary Custodian may not hold. In so doing, SWP either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or Custodian designated by the product.

The Firm tailors its advisory services to the individual needs of clients. SWP consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon, and other factors that may impact their investment needs. SWP ensures that clients' investments are suitable for their investment needs, goals, objectives, and risk tolerance.

Clients are advised to promptly notify the Firm if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Firm's management services. Clients may impose reasonable restrictions or mandates on the management of their account if, in SWP's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

For Participant Directed plans, SWP, in its fiduciary capacity, will provide the client non-discretionary investment advice about asset classes and investment options for the Plan. SWP may also provide non-fiduciary services to the plan, including client education, group enrollment, and participant education. For Pooled Plans, in its fiduciary capacity under Section 3(38) of ERISA, investment decisions are made by SWP in its discretionary capacity. In addition, SWP may assist in the development of an investment policy statement.

SWP is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) with respect to investment management services and investment advice provided to ERISA plans and ERISA plan participants. SWP is also a fiduciary under section 4975 of the Internal Revenue Code of 1986, as amended (the “IRC”) with respect to investment management services and investment advice provided to individual retirement accounts (“IRAs”), ERISA plans, and ERISA plan participants. As such, SWP is subject to specific duties and obligations under ERISA and the IRC, as applicable, that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice, the fiduciary must either avoid certain conflicts of interest or rely upon an applicable prohibited transaction exemption (a “PTE”).

As a fiduciary, we have duties of care and of loyalty to you and are subject to obligations imposed on us by the federal and state securities laws. As a result, you have certain rights that you cannot waive or limit by contract. Nothing in our agreement with you should be interpreted as a limitation of our obligations under the federal and state securities laws or as a waiver of any unwaivable rights you possess.

**Use of My Personal Bookkeeper:** SWP has implemented a line of business called My Personal Bookkeeper (“MPB”) which provides bill payment, tax organization, insurance claim management and household budgeting. Although MPB is not part of SWP’s investment advisory services, SWP may recommend use of MPB for its clients when deemed appropriate. Clients are advised that a conflict of interest exists when they pay us on a standalone basis for MPB services. The client is under no obligation to act upon the recommendation to use MPB. The IARs of SWP do not receive compensation for these recommendations. Additional information is provided in Item 5, 10 and 15.

**Use of External Managers:** The Firm recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain External Managers, based upon the client’s stated investment objectives. In some instances, the terms and conditions under which the client engages the External Managers are set forth in a separate written agreement between the Firm or the client and the designated External Managers. In other instances, the terms and conditions are set forth in a separate written agreement between the firm and the External Manager. In both instances, SWP renders services to the client relative to the discretionary and/or non-discretionary selection or recommendation of External Managers. The Firm also monitors and reviews the account performance and the client’s investment objectives.

In addition to SWP's disclosure Brochure, the client also receives the disclosure Brochure of the designated External Managers. Certain External Managers may impose more restrictive account requirements and varying trading and billing practices than the Firm. In such instances, SWP may alter its corresponding account requirements and/or billing practices to accommodate those of the External Managers. It is important for clients to read the disclosure Brochures of External Managers.

When we allocate client assets to External Managers or Private Investment Vehicles Managers ("managers"), we, the client-facing adviser, are responsible for assessing the client's needs, communicating with the client, allocating (or recommending the allocation of) the client's assets and conducting due diligence and monitoring of the client's investments, while the Managers are responsible for managing certain of the client's assets that we allocate to them in a manner consistent with the manager's stated investment strategies and in accordance with the guidelines we provide. In some cases, we recommend the allocation of client assets to a Manager who, like us, is an indirect, wholly-owned subsidiary of Focus LLC and Focus Inc. Please see Items 5, 10, 11 and 15 of this Brochure for further details.

As of December 31, 2023, SWP has \$4,479,388,575 of Assets Under Advisement ("AUA"), of which \$3,437,392,207 are advised on a discretionary basis and \$1,041,996,368 are advised on a non-discretionary basis. In the calculation of AUA, SWP includes Regulatory Assets Under Management along with client assets that may be managed under an investment consulting agreement, a non-discretionary agreement managed by an external manager ("External Managers"), and or participant-directed plans.

## Item 5. Fees and Other Compensation

SWP offers its services on a fee basis, including fixed fees as well as fees based upon assets placed under our management.

**Financial Planning and Consulting Fees:** As detailed above, the Firm may also provide its clients with certain financial planning and consulting services. For clients that meet an annual minimum wealth management fee, these services are provided as part of SWP's overall annual management fee. However, in other circumstances where this minimum is not met, a separately negotiated fixed fee may be charged, depending on the type of planning services to be rendered.

**Investment Management Fee:** The Firm generally provides its services for an annual fee based upon a percentage of the market value of the assets being managed by the Firm. SWP's annual fee is typically prorated and charged quarterly, typically in advance, based upon the market value of the assets on the last day of the previous quarter (except with respect to the value of investments in certain limited partnerships where billing is quarterly in advance based on the most recently available net asset value provided by the fund manager). Cash and cash equivalents, accrued but unpaid interest, and margined securities will be included in the



calculation unless we determine otherwise. The annual fee shall vary (generally between 0.20% and 1.25%) depending upon the market value of the assets under management and the type of investment management services to be rendered.

**Minimum Fees:** For our services, there is generally an annual minimum fee. In certain situations, minimum fees may be waived or customized and may be higher or lower. The minimum fee varies by types of services SWP offers:

- Financial Planning & Consulting: Annual Minimum of \$25,000
- Investment Management: Annual minimum of \$10,000
- Retirement Plan Management: Annual minimum of \$2,500

For certain clients, we charge an advisory fee for services provided to the held-away accounts mentioned above in Item 4, just as we do with client accounts held at our primary custodian(s). The specific fee schedule charged by us is provided in the client's investment advisory agreement with us.

**Fee Discretion:** SWP, in its sole discretion, is potentially willing to negotiate to waive or charge a lesser 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, legacy relationships, account retention, mergers or acquisitions of business, pro bono activities, etc.). Certain clients of SWP are subject to a different fee schedule. Advisory fees are typically waived for staff and family members of the firm.

In billing our client accounts for management fees, we may, at our discretion, "group" them by family (or "household") as a way for clients to reach fee tier breakpoints. In addition, at our discretion, we may group multiple households or multiple client relationships together for purposes of reaching fee breakpoints. Under these circumstances, we acknowledge that individual clients or client households may not have complete control over whether or not they reach fee breakpoints. In other words, one client's decision to increase or decrease their assets under SWP management may affect whether or not another (and sometimes unrelated) client will reach a breakpoint. Clients should understand that the grouping of accounts within households or across multiple households or relationships for purposes of reaching fee breakpoints, is solely at SWP's discretion.

**Additional Fees and Expense:** In addition to the advisory fees paid to SWP, clients are responsible for fees, expenses, and charges imposed by third parties, such as broker-dealers, custodians (including those custodians recommended by SWP as discussed in response to Item 12), trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the External Managers, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfers, and



electronic fund transfer fees and other fees and taxes on brokerage accounts and securities transactions.

If the client uses the MPB service, the client will pay additional fees for that service as described in the separate agreement, specific to MPB. No client will be invoiced for MPB without a signed MPB agreement in place.

External Managers may purchase or sell securities through a broker/dealer other than through your Custodian (s) (referred to as trading away). Managers of Fixed Income Securities may trade away on a frequent basis. Such accounts may incur higher transaction costs than you would be charged through your Custodian. It is important to read the Disclosure Brochure of External Managers. Such charges, fees, and commissions are exclusive of and in addition to SWP's fee.

Under certain circumstances, SWP recommends that its clients allocate assets to pooled investment vehicles managed by Kovitz Investment Group Partners, LLC's ("KIG") or sub-advisory services managed by Relative Value Partners ("RVP"). SWP does not receive any compensation from KIG or RVP in connection with SWP client assets invested with these affiliated managers. However, SWP clients bear the costs of the underlying investments including any management fees payable to KIG or RVP and any performance fees payable to KIG, that are in addition to the advisory fees clients pay to SWP.

The allocation of SWP client assets to KIG or RVP's investment offerings, rather than to unaffiliated investment manager, increases KIG's or RVP's compensation and the revenue to Focus LLC relative to a situation in which our clients are excluded from KIG's or RVP's investment products. As a consequence, Focus LLC has a financial incentive to encourage us to recommend that our clients invest in KIG's or RVP's investment offerings.

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ") and Flourish Financial, LLC ("Flourish"). Focus Financial Partners, LLC ("Focus") is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. Although the revenue paid to UPTIQ benefits UPTIQ Inc.'s investors, including Focus, our parent company, no Focus affiliate will receive any compensation from UPTIQ and Flourish that is attributable to our clients' transactions. Further information on this conflict of interest is available in Item 10 of this Brochure.

We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. FRS has arrangements with certain third-party insurance brokers (the "Brokers") under which the Brokers assist our clients with regulated insurance sales activity. FRS does not receive any compensation from such third-party insurance brokers from serving our clients. Further information on this service is available in Item 10 of this Brochure.

**Fee Debit:** SWP's Agreement and the separate agreement with any Financial Institutions may authorize SWP or External Managers to debit the client's account for the amount of SWP's fee and to directly remit that management fee to SWP or the External Managers. Any Financial Institutions recommended by SWP have agreed to 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 SWP. Alternatively, clients may elect to have SWP send an invoice for payment.

**Fees for Management During Partial Quarters of Services:** For the initial period of services, fees are calculated on a pro-rata basis as defined in the Agreement. The Agreement between SWP and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. The Firm's fees are prorated through the date of termination, and any remaining balance is charged or refunded to the client, as appropriate. Any exceptions to this (i.e., one-time consulting or planning fee) are negotiated in advance.

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

Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client. SWP does not provide any services for performance-based fees.

## Item 7. Types of Clients

The Firm provides services to individuals, high net worth individuals, retirement accounts, ERISA plans, charitable organizations, corporations and other businesses.

**Minimum Account Size or Fee:** As a condition for starting and maintaining a relationship, SWP generally imposes a minimum portfolio size of \$1,000,000. The Firm, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing clients, account retention, and pro bono activities. SWP only accepts clients with less than the minimum portfolio size if, in the sole opinion of the Firm, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. SWP may aggregate the portfolios of family members to meet the minimum portfolio size.

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

The Firm believes that a sound, successful wealth management strategy starts with a thoughtful financial plan. Before the Firm begins to determine an appropriate mix of assets for a client, it

generally has a discussion with the client about their current assets, insurance, taxes, goals, objectives, risk tolerance, and other factors. SWP believes an initial planning review drives portfolio construction, and the Firm may conduct a more in-depth analysis dependent on each unique situation.

In certain instances, SWP may develop a written investment policy statement ("IPS"), which establishes expectations for minimum and anticipated real return, volatility, and maximum acceptable losses. The IPS also sets forth guidelines for the selection of managers and mutual funds, as well as parameters for manager termination. Once the IPS is developed, SWP coordinates and supervises the implementation of the long-term plan.

SWP's investment philosophy emphasizes asset allocation, diversification, limiting volatility, avoiding over-reliance on historical data, using independent professional managers, discipline, and managing taxes prudently. The Firm creates portfolios that are individualized to the client's needs.

The Firm generally invests client assets among professionally managed investments such as mutual funds, ETFs, structured notes, Interval Funds, External Managers, and other securities it believes are appropriate.

SWP utilizes independent data services and has engaged an independent firm (hereinafter, the "Consultant ") to supplement its investment research process. The Firm believes these partnerships further strengthen its investment management research, performance evaluation, due diligence and manager access. In addition, an experienced Investment Committee ("I.C.") evaluates the potential investment solutions for its clients.

The Firm seeks to find investments that have demonstrated consistent returns and good risk-controls. Investment performance during rising and falling markets is reviewed to provide protection of clients' capital in down markets while still allowing them to participate in up markets.

After identifying what SWP believes to be qualified investments, the Firm and/or the Consultant typically conduct due diligence of the prospective investment strategy. SWP's I.C. will then meet to determine the final selection. Once a final selection has been made by the I.C., an implementation strategy for the new manager is created. The Firm's I.C. subsequently reviews the investment results at least quarterly, depending on the availability of data. SWP and/or the Consultant conduct ongoing due diligence of the managers. SWP may recommend that external managers be placed on "watch" and be subject to additional monitoring, and/or the replacement following the identification of performance, compliance, or reputational concerns.

## **Risks of Loss**

**General Risk of Loss:** Investing in securities involves risk of loss that clients should be prepared to bear. Clients should review their investments' prospectus, offering memoranda or other

documents in private investment funds or registered funds that set out a more detailed discussion of risks.

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

Transactions in open-ended mutual fund shares take place directly between investors and the fund company. There is no limit to the number of shares the fund can issue; as more investors buy into the fund, more shares are issued. Federal regulations require a daily valuation process, or "marked to market," which adjusts the fund's per-share price to reflect changes in portfolio (asset) value. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The value of the individual's shares is not affected by the number of shares outstanding. For closed-end funds, only a specific number of shares are issued, and the fund does not issue new shares as investor demand grows. Prices are driven by investor demand. Purchases of shares are often made at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro-rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more).

**External Managers:** The profitability of a portion of SWP's, or External Managers', recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that SWP or External Managers will be able to predict those price movements accurately.

As stated above, SWP recommends the use of External Managers for certain clients. The Firm will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the External Managers' ability to successfully implement their investment strategy. In addition, the Firm does not have the ability to supervise the External Managers on a day-to-day basis other than as previously described in response to Items 4 and 8 above.

**Private Collective Investment Vehicles:** SWP recommends that certain clients invest in privately placed collective investment vehicles, which include, but are not limited to, Hedge Funds, Private Equity Funds, Private Credit Funds, Private Real Estate Funds, and other Limited Partnerships. The managers of these vehicles will have broad discretion in selecting the investments. There are

few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there may be an absence of regulation. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

**Structured Notes:** Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied on the performance of the reference asset or index protection from losses should the reference asset or index produce negative returns and fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk, and potential for growth through the term of the structured note. Determining the performance of each note can be complex, and this calculation can vary significantly from note to note, depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with us.

**Market risk:** Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, or market volatility.

**Issuance price and note value:** The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.

**Liquidity:** The ability to trade or sell structured notes in a secondary market is often very limited as structured notes (other than exchange-traded notes known as "ETNs") are not listed for trading on security exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or

make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date or risk selling the note at a discount to its value at the time of sale.

**Credit risk:** Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

**Call risk:** Some structured notes have "call provisions" that allow the issuer, at its sole discretion, to redeem the note before it matures at a price that may be above, below, or equal to the face value of the structured note. If the issuer "calls" the structured note, clients may not be able to reinvest their money at the same rate of return provided by the structured note that the issuer redeemed.

**Tax considerations:** The tax treatment of structured notes is complicated and, in some cases, uncertain. Before purchasing any structured note, clients may wish to consult with a tax advisor. Clients also should read the applicable tax risk disclosures in the prospectuses and other offering documents of any structured note they are considering purchasing.

**Interval Funds:** Interval funds are closed-end funds that make periodic repurchase offers to its shareholders, generally every three, six, or twelve months, as disclosed in the fund's prospectus and annual report.

Repurchase offers and the need to fund repurchase obligations may affect the ability of the funds to be fully invested or force the funds to maintain a higher percentage of its assets in liquid investments, which may harm the funds' investment performance. Moreover, diminution in the size of the funds through repurchases may result in untimely sales of portfolio securities (with associated imputed transaction costs, which may be significant) and may limit the ability of the funds to participate in new investment opportunities or to achieve its investment objective.

If the funds employ investment leverage, repurchases of common shares would compound the adverse effects of leverage in a declining market. In addition, if the funds borrow to finance repurchases, interest on that borrowing will negatively affect shareholders who do not tender their shares by increasing the funds' expenses and reducing any net investment income.

In the event that the funds' boards determine not to repurchase more than the repurchase offer amount, or if shareholders tender more than the amount available for repurchase, the funds will repurchase the shares tendered on a pro-rata basis, and shareholders will have to wait until the next repurchase offer to make another repurchase request. As a result, shareholders may be unable to liquidate all or a given percentage of their investment in the Fund during a particular repurchase offer.

Some shareholders, in anticipation of proration, may tender more shares than they wish to have repurchased in a particular quarter, thereby increasing the likelihood that proration will occur. A shareholder may be subject to market and other risks, and the value of shares tendered in a repurchase offer may decline between the Repurchase Request Deadline and the date on which the NAV for tendered shares is determined. In addition, the repurchase of shares may be a taxable event to shareholders.

Treasury Notes: The risk of default on these securities is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Cybersecurity:** The computer systems, networks, and devices used by SWP and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

### **Item 9. Disciplinary Information**

SWP 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. The Firm does not have any disclosures to this Item.

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

SWP is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.



## **Focus Financial Partners**

As noted above in response to Item 4, certain investment vehicles affiliated with CD&R collectively are indirect majority owners of Focus LLC, and certain investment vehicles affiliated with Stone Point are indirect owners of Focus LLC. Because SWP is an indirect, wholly-owned subsidiary of Focus LLC, CD&R and Stone Point investment vehicles are indirect owners of SWP.

## **UPTIQ Credit and Cash Management Solutions**

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, “UPTIQ”) and Flourish Financial, LLC (“Flourish”). These third-party financial institutions are banks and non-banks that offer credit and cash management solutions to our clients, as well as certain other unaffiliated third parties that provide administrative and settlement services to facilitate UPTIQ’s cash management solutions. UPTIQ acts as an intermediary to facilitate our clients’ access to these credit and cash management solutions. Flourish acts as an intermediary to facilitate our clients’ access to cash management solutions.

We are a wholly owned subsidiary of Focus Financial Partners, LLC (“Focus”). Focus is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. Although the revenue paid to UPTIQ benefits UPTIQ Inc.’s investors, including Focus, no Focus affiliate will receive any compensation from UPTIQ that is attributable to our clients’ transactions. Additionally, no Focus affiliate will receive any compensation from Flourish that is attributable to our clients’ transactions.

For services provided by UPTIQ and Flourish to clients of other Focus firms and when legally permissible, UPTIQ and Flourish shares a portion of this earned revenue with our affiliate, Focus Solutions Holdings, LLC (“FSH”). Such compensation to FSH is also revenue for FSH’s and our common parent company, Focus. This compensation to FSH does not come from credit or cash management solutions provided to any of our clients. However, the volume generated by our clients’ transactions allows Focus to negotiate better terms with UPTIQ and Flourish, which benefits Focus. We mitigate this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering UPTIQ’s and Flourish’s solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use UPTIQ’s and Flourish’s services will receive product-specific disclosure from the third-party financial institutions and other unaffiliated third-party intermediaries that provide services to our clients.

We have an additional conflict of interest when we recommend credit solutions to our clients because our interest in continuing to receive investment advisory fees from client accounts gives us a financial incentive to recommend that clients borrow money rather than liquidate some or all of the assets we manage.

## **Credit Solutions**

Clients retain the right to pledge assets in accounts generally, subject to any restrictions imposed by clients' custodians. While credit solution programs that we offer facilitate secured loans through third-party financial institutions, clients are free instead to work directly with institutions outside such programs. Because of the limited number of participating third-party financial institutions, clients may be limited in their ability to obtain as favorable loan terms as if the client were to work directly with other banks to negotiate loan terms or obtain other financial arrangements.

Clients should also understand that pledging assets in an account to secure a loan involves additional risk and restrictions. A third-party financial institution has the authority to liquidate all or part of the pledged securities at any time, without prior notice to clients and without their consent, to maintain required collateral levels. The third-party financial institution also has the right to call client loans and require repayment within a short period of time; if the client cannot repay the loan within the specified time period, the third-party financial institution will have the right to force the sale of pledged assets to repay those loans. Selling assets to maintain collateral levels or calling loans may result in asset sales and realized losses in a declining market, leading to the permanent loss of capital. These sales also may have adverse tax consequences. Interest payments and any other loan-related fees are borne by clients and are in addition to the advisory fees that clients pay us for managing assets, including assets that are pledged as collateral. The returns on pledged assets may be less than the account fees and interest paid by the account. Clients should consider carefully and skeptically any recommendation to pursue a more aggressive investment strategy in order to support the cost of borrowing, particularly the risks and costs of any such strategy. More generally, before borrowing funds, a client should carefully review the loan agreement, loan application, and other forms and determine that the loan is consistent with the client's long-term financial goals and presents risks consistent with the client's financial circumstances and risk tolerance.

We use UPTIQ and Flourish to facilitate credit solutions for our clients.

## **Cash Management Solutions**

For cash management programs, certain third-party intermediaries provide administrative and settlement services to our clients. Engaging the third-party financial institutions and other intermediaries to provide cash management solutions does not alter the manner in which we treat cash for billing purposes. Clients should understand that in rare circumstances, depending on interest rates and other economic and market factors, the yields on cash management solutions could be lower than the aggregate fees and expenses charged by the third-party financial institutions, the intermediaries referenced above, and us. Consequently, in these rare circumstances, a client could experience a negative overall investment return with respect to those cash investments. Nonetheless, it might still be reasonable for a client to participate in a cash management program if the client prefers to hold cash at the third-party financial institutions rather than at other financial institutions (e.g., to take advantage of FDIC insurance).

We use UPTIQ to facilitate cash management solutions for our clients.

### **Focus Risk Solutions**

We help clients obtain certain insurance products from unaffiliated insurance companies by introducing clients to our affiliate, Focus Risk Solutions, LLC (“FRS”), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC (“Focus”). FRS acts as an intermediary to facilitate our clients’ access to insurance products. FRS has agreements with certain third-party insurance brokers (the “Brokers”) under which the Brokers assist our clients with regulated insurance sales activity.

Neither we nor FRS receives any compensation from the Brokers or any other third parties for providing insurance solutions to our clients. For services provided by FRS to clients of other Focus firms, FRS receives a percentage of the upfront commission or a percentage of the ongoing premiums for policies successfully placed with insurance carriers on behalf of referred clients, and such compensation to FRS is also revenue for our common parent company, Focus Financial Partners, LLC. However, this compensation to FRS does not come from insurance solutions provided to any of our clients. The volume generated by our clients’ transactions does benefit FRS and Focus in attracting, retaining, and negotiating with the Brokers and insurance carriers. We mitigate this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering FRS solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use FRS’s services will receive product-specific disclosure from the Brokers and insurance carriers and other unaffiliated third-party intermediaries that provide services to our clients.

The insurance premium is ultimately dictated by the insurance carrier, although in some circumstances the Brokers or FRS may have the ability to influence an insurance carrier to lower the premium of the policy. The final rate may be higher or lower than the prevailing market rate. We can offer no assurances that the rates offered to you by the insurance carrier are the lowest possible rates available in the marketplace.

**Affiliated Strategy Manager:** As discussed earlier in Items 4 and 5 of this Brochure, we have engaged RVP to serve as an External Manager for certain of our client accounts. RVP, like SWP, is an indirect wholly owned subsidiary of Focus LLC and is therefore under common control with us. The allocation of our clients’ assets to RVP, rather than to an unaffiliated investment manager, increases the revenue to Focus LLC relative to a situation in which assets were allocated to an unrelated strategy manager. As a consequence, Focus LLC has a financial incentive to encourage us to recommend that our clients’ assets be allocated to RVP.

We believe this conflict is mitigated because of the following factors: (1) this arrangement is based on our judgment that allocating a portion of our clients’ assets to RVP’s management is in

the best interests of the affected clients; (2) RVP has met the due diligence standards we apply to outside, unaffiliated investment managers; (3) SWP clients retain RVP on a discretionary basis and retain the authority to terminate RVP's services; (4) SWP is willing and able to recommend the reallocation of client assets to other unaffiliated strategy managers, in part or in whole, if RVP's services become unsatisfactory in our judgment and in our sole discretion; and (5) we and RVP have fully and fairly disclosed the material facts regarding this relationship to clients whose assets are allocated to us and the clients have given their informed consent to the investment.

**Affiliated Private Investment Vehicle Manager:** As stated earlier in Items 4 and 5 of this Brochure, under certain circumstances we recommend that our clients invest in pooled investment vehicles managed by KIG. KIG provides these services to such clients pursuant to limited partnership agreement documents and in exchange for a fund-level management fee and performance-based fee paid by our clients and not by us. KIG, like SWP, is an indirect wholly-owned subsidiary of Focus LLC and is therefore under common control with SWP. The allocation of our client's assets to KIG's pooled investment vehicles, rather than to an unaffiliated investment manager, increases KIG's compensation and the revenue to Focus LLC relative to a situation in which our clients are excluded from KIG's pooled investment vehicles. As a consequence, Focus LLC has a financial incentive to encourage SWP to recommend that our clients invest in KIG's pooled investment vehicles, which creates a conflict of interest with those SWP clients who invest in KIG's pooled investment vehicles.

We believe this conflict is mitigated because of the following factors: (1) this arrangement is based on our judgment that investing a portion of SWP clients' assets in KIG's investment vehicles is in the best interest of the affected clients; (2) KIG and its investment vehicles have met the due diligence and performance standards that we apply to outside, unaffiliated investment managers; (3) subject to redemption restrictions, we are willing and able to reallocate SWP client assets to other unaffiliated investment vehicles, in part or in whole, if KIG's services become unsatisfactory in our judgment and at our sole discretion; and (4) we have fully and fairly disclosed the material facts regarding this relationship to you, including in this Brochure, and SWP clients who invest in KIG's pooled investment vehicles have given their informed consent to those investments.

**Related Member of CAIS Advisory Board:** David J. Copeland, an executive officer of the Firm, sits on the CAIS Advisory Board. Mr. Copeland does not receive any compensation for his participation on this committee but may be reimbursed for the cost of travel to attend meetings. SWP does not believe that Mr. Copeland's service on the CAIS Advisory Board poses a material conflict of interest with SWP's clients.

**Use of My Personal Bookkeeper:** MPB is a line of business in which SWP provides bill payment, tax organization, insurance claim management and household budgeting. Although MPB is not part of SWP's investment advisory business, SWP may recommend use of MPB for its clients when deemed appropriate. Clients are advised that a conflict of interest exists when they pay SWP on a standalone basis for MPB services. The client is under no obligation to act upon the

recommendation to use MPB. The IARs of SWP do not receive compensation for these recommendations.

**Use of External Managers:** As stated previously, the Firm recommends that clients authorize the active discretionary management of a portion of their assets by and/or among certain External Managers, based upon the client's stated investment objectives. In a few instances, personnel of the External Manager is a client of SWP. The Firm mitigates this conflict through its investment management process. All External Managers are reviewed in a consistent manner and must meet SWP's due diligence and performance standards. SWP also monitors and reviews the account performance and the client's investment objectives when an External Manager is utilized.

### **Item 11. Code of Ethics**

In accordance with the requirements of the Investment Advisers Act of 1940 ("Investment Advisers Act" or "Advisers Act"), SWP has adopted a code of ethics ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons, prohibits the misuse of material, non-public information and sets forth compliance requirements concerning personal securities trading and the protection of confidential client information.

The Code of Ethics also requires certain of SWP's personnel (called "Access Persons") to report their holdings and transactions in securities (except those that are exempt) and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). SWP Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a manner consistent with the Firm's policies and procedures.

SWP recommends that certain of SWP's clients invest in a private investment fund managed by an affiliated Focus partner firm. Please refer to Items 4, 5 and 10 for additional information.

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

### **Item 12. Brokerage Practices**

SWP generally recommends that clients utilize the brokerage and clearing services of Schwab Advisor Services™ ("Schwab") and/or Fidelity Institutional Wealth Services ("Fidelity") for investment management accounts.

Factors which the Firm considers in recommending Fidelity, Schwab, or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, and service. Fidelity and/or Schwab enable SWP to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity or Schwab may be higher or lower than those charged by other Financial Institutions. The firm's clients and prospects may contact us for a copy of negotiated brokerage pricing.

SWP acknowledges its duty of "best execution" with respect to the execution of client securities transactions. Clients may pay higher commissions than another qualified Financial Institution might charge to affect the same transaction where the Firm determines that the commissions are reasonable in relation to the value of the services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, potentially including, among others, the value of research provided, execution capability, commission rates, and responsiveness. SWP seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions. External Managers may purchase or sell securities through a broker/dealer other than through your Custodian(s) (trade away). Managers of Fixed Income Securities may trade away on a frequent basis. Such accounts may incur higher transaction costs than you would be charged through your Custodian. It is important to read the Disclosure Brochure of External Managers. Such charges, fees, and commissions are exclusive of and in addition to SWP's fee.

The Firm regularly, but not less than annually, reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Fidelity and Schwab ("the custodian") provide the Firm with other services intended to help the Firm manage and further develop its business enterprise. These services may include consulting, publications, and presentations on practice management, information technology, business succession, regulatory compliance, access to complimentary educational conferences and events, and marketing. The Custodian may discount or waive fees they would otherwise charge the Firm for some of these services or pay all or a part of the fees of a third party providing these services to the Firm. The Firm's receipt of these products and services from these firms creates a conflict of interest since these benefits may influence the Firm's decision to recommend them over other service providers that do not furnish similar support, services, or software to the Firm. The Firm addresses this conflict through this disclosure and periodic evaluation of the services provided by these firms.

The client may direct SWP in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by SWP (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, the Firm may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently unless SWP decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "batch" such orders to obtain best execution through



each client's respective Custodian, to negotiate more favorable commission rates, or to allocate equitably among the Firm's clients' differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price based on Custodian and allocated among SWP's clients pro-rata to the purchase and sale orders placed for each client on any given day. SWP seeks to execute such orders with each Custodian at the same time. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the Firm's Supervised Persons may invest, SWP generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the Securities and Exchange Commission. SWP does not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, SWP may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in some shares may be allocated to one or more accounts on a random or lottery basis.

**Software and Support Provided by Financial Institutions:** SWP receives from Fidelity and Schwab without cost to the Firm, computer software, related systems, and support, which allow the Firm to better monitor and manage client accounts maintained at those Financial Institutions. These services and support potentially include receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services institutional participants; access to block trading, which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. SWP receives the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Fidelity and Schwab. This support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Financial Institutions also offer certain benefits which help SWP to develop and grow its business enterprise. In fulfilling its duties to its clients, SWP endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the Firm's receipt of economic benefits from a Financial Institution creates a conflict of interest since these benefits have the potential to influence the Firm's choice of one Financial Institution over another that does not furnish similar software systems support or services.



### Item 13. Review of Accounts

SWP monitors investment management portfolios as part of an ongoing process. At a minimum, regular account reviews are conducted on at least a semi-annual basis. Such reviews are conducted by one of the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Firm and to keep SWP informed of any changes thereto. The Firm contacts ongoing 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.

Clients to whom the Firm provides investment management services periodically receive reports from the Firm that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance.

### Item 14. Client Referrals and Other Compensation

On occasion, SWP hosts events for various purposes, including sharing industry information and events that facilitate networking among our firm, clients, and industry participants. Vendors have sponsored the events, giving them an opportunity to market their products and services to clients and us. This practice is a potential conflict as the marketing and education activities conducted and the access granted at such meetings and conferences could cause us to focus on those conference sponsors in the course of our duties. We mitigate the potential conflict through this disclosure and by allocating the sponsorship fees only to defray the cost of the events and not as revenue for our firm. No entities provided conference sponsorship to SWP in 2022.

We receive an economic benefit from Schwab and Fidelity in the form of the support products and services they makes available to us and other independent investment advisors whose clients maintain their accounts at those firms. You do not pay more for assets maintained at Schwab or Fidelity as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. The products and services provided by Schwab and Fidelity, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

**SWP's Parent Company is Focus Financial Partners, LLC ("Focus"):** From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include SWP, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including SWP. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including SWP. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the

marketing and education activities conducted, and the access granted, at such meetings and conferences could cause SWP to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including SWP. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus from January 1, 2023 to March 1, 2024:

Orion Advisor Technology, LLC  
Fidelity Brokerage Services LLC  
Fidelity Institutional Asset Management LLC  
TriState Capital Bank  
StoneCastle Network, LLC  
Charles Schwab & Co., Inc.

You can access updates to the list of conference sponsors on Focus' website through the following link: <https://focusfinancialpartners.com/conference-sponsors/>

**Third Party Solicitors:** SWP has arrangements in place with certain third parties, called promoters, under which such promoters refer clients to us in exchange for a percentage of the advisory fees we collect from such referred clients. Such compensation creates an incentive for the promoters to refer clients to us, which is a conflict of interest for the promoters. Rule 206(4)-1 under the Advisers Act addresses this conflict of interest by, among other things, requiring disclosure of whether the promoter is a client or a non-client and a description of the material conflicts of interest and material terms of the compensation arrangement with the promoter. Accordingly, we require promoters to disclose to referred clients, in writing: whether the promoter is a client or a non-client; that the promoter will be compensated for the referral; the material conflicts of interest arising from the relationship and/or compensation arrangement; and the material terms of the compensation arrangement, including a description of the compensation to be provided for the referral.

### Item 15. Custody

SWP is deemed to have legal custody over client assets under the following circumstances: 1) when clients authorize SWP through such Financial Institution to debit the client's account for the amount of SWP's fee and to directly remit that management fee to the Firm; and 2) when we have authority pursuant to a standing letter of authorization ("SLOA") to instruct the client's account custodian to transfer funds to third parties.

In accordance with SEC requirements, Clients will receive statements directly from their qualified Custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified Custodian as well as any transactions that occurred in the account, including the

deduction of our fee. Clients should carefully review the account statements they receive from the qualified Custodian. When clients receive reports from SWP as well as from the qualified Custodian, they should compare these two reports carefully. Clients with any questions about their statements should contact us at the address or phone number on the cover of this Brochure. Clients who do not receive a statement from their qualified Custodian at least quarterly should also notify us.

If clients of SWP also use the MPB service, then, under federal securities laws, SWP may be deemed to have custody of those client accounts. In these cases, the assets are held by independent, unaffiliated qualified custodians and are subject to an annual surprise custody examination in accordance with Rule 206(4)2 under the Investment Advisers Act.

**Kovitz Investment Group Partners, LLC ("KIG"):** As stated earlier in items 4, 5, 10 and 11 of this Brochure, under certain circumstances, SWP recommends that its clients invest in pooled investment vehicles managed by KIG, an affiliated firm that is operationally independent of SWP. KIG has custody of these pooled investment vehicles and is required under the Advisers Act to comply with custody rule requirements applicable to the funds.

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

SWP may be given the authority to exercise discretion on behalf of clients. The Firm is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. The Firm is given this authority through a power-of-attorney included in their client agreement with us. Clients may request a limitation on this authority, such as certain securities not to be bought or sold. SWP may take discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made;
- The Financial Institutions to be utilized; and
- The External Managers to be hired or fired.

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

SWP is required to disclose if it accepts authority to vote client securities. The Firm generally does not accept the authority to vote on client securities on behalf of its clients. Clients receive proxies directly from the Custodian.

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

In this section, SWP is required to disclose whether the Firm requires or solicits the prepayment of more than \$1,200 in investment advisory fees six months or more in advance. In addition, the Firm is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. The Firm has no disclosures pursuant to this Item.

**Strategic Wealth Partners**

An SEC Registered  
Investment Adviser  
520 Lake Cook Road,  
Suite 520  
Deerfield, Illinois 60015  
(224) 632-1600

<https://stratwealth.com>