



SK WEALTH MANAGEMENT, L.L.C.
PERSONAL FINANCIAL PLANNING • INVESTMENT MANAGEMENT

Part 2A of Form ADV: Firm Brochure

SK Wealth Management, LLC
55 Dorrance Street
Providence, RI 02903
401-331-1575
www.skwealth.com

December 31, 2011

This brochure provides information about the qualifications and business practices of SK Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 401-331-1575. 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 SK Wealth Management, LLC, also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 MATERIAL CHANGES

There were no material changes in this document from its previous version, which was dated December 31, 2010.

ITEM 3 TABLE OF CONTENTS

ITEM 4 ADVISORY BUSINESS4

ITEM 5 FEES AND COMPENSATION4

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT5

ITEM 7 TYPES OF CLIENTS5

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS5

ITEM 9 DISCIPLINARY INFORMATION.....9

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS9

**ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS
AND PERSONAL TRADING9**

ITEM 13 REVIEW OF ACCOUNTS13

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION13

ITEM 16 INVESTMENT DISCRETION.....13

ITEM 17 VOTING CLIENT SECURITIES14

ITEM 18 FINANCIAL INFORMATION14

ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISERS14

ITEM 4 ADVISORY BUSINESS

Services

SK Wealth Management, LLC (SKWealth) is a fee only financial planning and investment management firm. We provide financial, estate, retirement, charitable, tax, and investment management planning services. As such, compensation for these services is derived exclusively from fees. SKWealth does not earn commissions (or have any other related compensation arrangements) from the sale of investment or insurance related products. SKWealth conducts asset allocation and also provides investment management through the selection of mutual funds, ETFs (electronically traded funds) and separate account managers. Clients may impose restrictions on investing in certain securities or types of securities.

Our philosophy is to provide financial services that are responsive to our clients' unique goals and objectives that are identified during the financial planning process. In formulating and implementing strategies, we will act as the financial "facilitator" by coordinating the services of other specialists. This process requires a high degree of client involvement. As such, we are committed to educating our clients on the fundamental economic and financial issues relating to their overall financial framework.

SKWealth generates its revenue in the following categories:

<u>Category</u>	<u>Percentage</u>
Investment management fees	95%
Financial planning fees	3%
Tax return preparation fees	1%

SKWealth was organized in the State of Rhode Island in July 1998 and is registered with the Securities and Exchange Commission as an investment advisor. That registration does not imply a certain level of skill or training.

As of December 31, 2011, SKWealth managed discretionary assets of approximately \$109,300,000 and non-discretionary assets of approximately \$3,269,000.

SKWealth requires those employees who determine or give investment advice to be college graduates. In addition, our financial planners generally are required to be Certified Financial Planner™ certificants (or working toward that designation) and Certified Public Accountants. SKWealth's investment personnel are required to have the CFA designation.

ITEM 5 FEES AND COMPENSATION

SKWealth is compensated by fees only. We do not receive any compensation from commissions or other transaction charges. For the management of investment portfolios, our fees are based on the assets under management. These fees are rarely negotiable and are invoiced quarterly (in arrears) and deducted from clients accounts (clients may elect to be billed quarterly in arrears) according to the following schedule:

<u>Annual Account Balances</u>	<u>Percentage</u>
0-\$100,000	1.50%
\$100,001 - \$250,000	1.25%
\$250,001 - \$450,000	1.00%
\$450,001 - \$700,000	0.75%
\$700,001 - \$1,250,000	0.50%
\$1,250,001 - \$2,500,000	0.40%
\$2,500,001 and above	0.30%

Generally, we will quote a maximum total fee for personal financial planning engagements. Other one-time consulting services may be billed at an hourly rate of \$250.

Mutual funds, ETFs, and separately managed accounts carry internal expenses that are in addition to any fees paid to SKWealth. These costs are clearly explained to the client before any investments are made. Also, a custodian of a client's portfolio may charge transactions charges when certain assets are bought or sold (see also Item 15, Custody).

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Not applicable.

ITEM 7 TYPES OF CLIENTS

SKWealth provides these services to individuals, trusts, partnerships, corporations and not-for-profit organizations. In general, we set an overall portfolio minimum at \$300,000. We do occasionally make exceptions to this policy.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Policy

Philosophy

Many investment professionals focus their attention on the evaluation and selection of specific issues (stocks/bonds) rather than on the portfolio as a whole. It is a common misconception that skilled professionals, with their financial resources and information gathering abilities, should be able to consistently "beat the market." It is assumed that this can be done with sophisticated securities analysis and selection, and by "timing" moves into and out of the markets. This assumption is based on the premise that markets are inherently inefficient, thereby allowing investors with superior skills to outperform benchmarks of market performance.

Most academic and industry research, however, supports the concept that markets are efficient. (The nature of efficient markets is such that all participants have the same overall information on the markets in general ... and specific issues in particular.) Ironically, the sophistication of money managers (and their virtually instantaneous access to information) creates greater efficiency in the marketplace, thereby making above-average returns extremely difficult to achieve.

Studies have shown that over 90% of the variability in the returns of a portfolio can be explained by the asset allocation policy - with market timing and security selection playing minor roles. Asset allocation is the process of selecting a mix of asset classes - and the efficient allocation of capital to those assets - by matching historical rates of returns to a specified and quantifiable tolerance for risk. (Risk tolerance is essentially the percentage of an investment portfolio that an investor is willing to risk to achieve a specific rate of return.) It is no longer a one-dimensional process of selecting the right stock, bond, or property to place in a portfolio.

Portfolio diversification is not so much a function of the number of stocks and bonds involved, as it is of the relationships of each asset to each other asset and their relative proportion within the portfolio. Therefore, investors should search for those assets that tend to move independently of one another - or possibly go up in value as the values of other assets decline. By using asset allocation methodologies, investors should achieve higher returns with less risk.

At SKWealth, we utilize Modern Portfolio Theory management techniques, which are concerned with investment analysis, portfolio design, and performance evaluation. In other words, we focus attention on the overall composition of the investment portfolio. Specific investment strategies are based on our clients' unique financial circumstances and explicit risk/reward objectives.

Investment Strategies

At SKWealth, we use a combination of Strategic Asset Allocation (SAA) and Tactical Asset Allocation (TAA) strategies to manage risk and return in concert with a client's financial planning goals.

SAA is applied to asset classes, has long-term goals, and considers risk aversion when deciding asset allocation. Each strategic asset class is assigned specific policy targets, with allowable ranges that provide flexibility.

TAA is a dynamic strategy that actively adjusts a portfolio's SAA based on short-term market forecasts. Its objective is to systematically exploit inefficiencies or temporary imbalances in equilibrium values among different asset or sub-asset classes. Over time, strategic long-term target allocations are the most important determinant of total return for a broadly diversified portfolio.

TAA attempts to add value to SAA by overweighting those asset classes or sub-asset classes that are expected to outperform on a relative basis and underweighting those expected to underperform. In a TAA model, financial and economic variables ("signals") are used to predict performance and assign relative short-term asset-class weightings. TAA can add (or subtract) value, if designed with the appropriate rigor to overcome significant risk factors and obstacles unique to the strategy.

SKWealth may design, revise, and reallocate a client's custom portfolio. Investments are determined based upon the client's investment objectives, risk tolerance, net worth, net income, age, time horizon,

tax situation and other various financial planning and suitability factors. Restrictions and guidelines imposed by the client may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and the client should not expect that the performance of his/her custom portfolios will be identical to any other individual's portfolio performance).

We inform all clients that no model and measure will ever have the ability to capture or foretell every extreme event in the financial markets. That is why it is essential that we combine the use of qualitative criteria for investment management processes with quantitative performance-evaluation metrics. We bring together dynamic correlation, target risk construction, fundamental and technical analysis, as well as mean reversion and historical market cycles to build portfolios to give clients a more consistent glide path to meeting their financial goals.

Investment Implementation

SKWealth uses both internal and external research to develop our asset allocation models.

Mutual funds and ETFs are excellent vehicles for efficiently investing within our predetermined asset allocations. SKWealth has access to the mutual fund and ETF universe through our custodial relationship with Charles Schwab & Co.'s Institutional Division. Individual fund and ETF selection is made using analytical screens that weigh many factors, including (but not limited to) historical performance, adherence to stated investment objective, management status and tenure, portfolio size and internal fund expenses.

More and more, institutional investors are utilizing index funds to implement their asset allocation strategies. Since studies have shown that "active" money managers have historically added minimal value to a portfolio's return, index funds are a lower cost alternative to getting "passive" access to a certain asset class. Whenever appropriate, based on a client's specific circumstances, SKWealth will make use of index products within our portfolios.

For some clients, we will consider using separately managed accounts. Separately managed accounts utilize individual securities (i.e. stocks and bonds) and are managed by specialist money managers. Managed accounts are generally appropriate for high net worth clients, where the emphasis is on tax efficiency. The managers of these accounts are subject to the same due diligence standards applied to our mutual fund and ETF selections.

SKWealth utilizes mutual funds, ETFs, and separately managed accounts for its clients. SKWealth has the discretion to determine, without obtaining specific client consent (1) the securities to be bought or sold; (2) the amounts of such securities; (3) the broker or dealer to be used; and (4) the commission rates paid.

Risks of Investing in Bonds, ETFs & Bond Funds

Interest Rate Risk When interest rates rise, bond prices fall; conversely, when rates decline, bond prices rise. The longer the time to a bond's maturity, the greater its interest rate risk.

Reinvestment Risk When interest rates are declining, investors have to reinvest their interest income and any return of principal, whether scheduled or unscheduled, at lower prevailing rates.

Inflation Risk Inflation causes tomorrow's dollar to be worth less than today's; in other words, it reduces the purchasing power of a bond investor's future interest payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices. Inflation-indexed securities such as Treasury Inflation Protection Securities (TIPS) are structured to remove inflation risk.

Market Risk The risk that the bond market as a whole would decline, bringing the value of individual securities down with it regardless of their fundamental characteristics.

Selection Risk The risk that an investor chooses a security that underperforms the market for reasons that cannot be anticipated.

Timing Risk The risk that an investment performs poorly after its purchase or better after its sale.

Risks of Investing in Equities, ETFs & Equities Funds

Overall Market Risk Predicting future stock market direction requires knowing which way interest rates, inflation, and a host of additional economic factors are heading is an extremely difficult task. Economists spend their careers trying to discover the answers to these questions, usually without much success.

Company Specific Risks These risks relate to a firm's business plan, stock valuation, profitability, accounting practices, growth strategy, and other factors particular to the company, rather than to the overall market.

Performance Measurement

All money managers, active as well as passive, should be held accountable to a predetermined benchmark for performance. At SKWealth, we subscribe to various services that supply us with hundreds of benchmark measures, performance figures for thousands of mutual funds and ETFs, and a database of asset classes that includes information on risk (standard deviation) and other important measures.

SKWealth will electronically and securely supply quarterly performance reports on a regular basis. We have access to transaction and pricing data on a daily basis, and our portfolio management software enables us to provide comprehensive reporting on demand. In addition, our clients receive monthly statements directly from the custodian.

Our reporting system can generate rate of return calculations (time weighted and internal rate of return calculations) for any period desired. Our reports also summarize activity for the period and will compare investment positions to a client's documented allocation policy.

Generally, a financial planner and the Director of Investments will review each client's portfolio twice each quarter. Such reviews are scheduled each quarter and performed on a routine basis. All financial planners and the Director of Investments are reviewers.

ITEM 9 DISCIPLINARY INFORMATION

SKWealth has experienced no legal or disciplinary events in its history.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Disclosure Statement Concerning Economic Benefit for Client Referrals

SKWealth is an investment adviser registered with the Securities and Exchange Commission. SKWealth's members receive an allocation of SKWealth's profits based on the amount of business they generate for SKWealth. This allocation does not increase the amount of fees paid by you as a client. All of SKWealth's members except Jason Archambault are also partners of Sansiveri, Kimball & Co., LLP, (Sansiveri) an independent public accounting firm. As a result, in their capacity as members of SKWealth, Sansiveri's partners may receive an economic benefit for referring clients to SKWealth.

Name of referring member: _____

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

SKWealth has adopted a Code of Ethics for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. SKWealth and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include: general ethical principles, receipt and giving of gifts, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. The Adviser will provide a copy of the Code of Ethics to any client or prospective client upon request.

In many instances, the employees and owners of SKWealth invest in the same securities that are recommended to clients, although the overall investment policies may differ. As such securities would be mutual funds, ETFs or separately managed accounts, this does not appear to produce a conflict of interest. Also, employees and owners of SKWealth are subject to the same transaction fees as are clients of SKWealth.

ITEM 12 BROKERAGE PRACTICES

SKWealth is an independent advisory firm with no exclusive custodial or brokerage agreements. We currently use Charles Schwab & Co., Inc. as our primary custodian. SKWealth also has custodial relationships with The Vanguard Group, American Funds, TD Ameritrade and Prudential.

The Custodians and Brokers We Use

SKWealth does not maintain custody of your assets that we manage; although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We may require that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

How We Select Brokers/Custodians

We seek to select a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- ◆ Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- ◆ Capability to execute, clear, and settle trades (buy and sell securities for your account)
- ◆ Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- ◆ Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.)
- ◆ Availability of investment research and tools that assist us in making investment decisions
- ◆ Quality of services
- ◆ Competitiveness of the price of those services (transaction fees, etc.) and willingness to negotiate the prices
- ◆ Reputation, financial strength, and stability
- ◆ Prior service to us and our other clients
- ◆ Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us From Schwab”)
- ◆ Technological abilities (web site access, etc.)

Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you transaction fees or commissions on trades that it executes or that settle into your Schwab account. For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab's commission rates and asset-based fees applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10,000,000 of their assets in accounts at Schwab. This commitment benefits you because the overall transaction fees, commission rates and/or asset-based fees you pay are lower than they would be otherwise. In addition to transaction fees, commissions and/or asset-based fees, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions, transaction fees or other compensation you pay the executing broker-dealer. Because of this, to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How We Select Brokers/Custodians").

Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®), is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$1 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

Services that Benefit You

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts

not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- ◆ Education conferences and events
- ◆ Consulting on technology, compliance, legal and business needs
- ◆ Publications and conferences on practice management and business succession
- ◆ Access to employee benefits providers, human capital consultants, and insurance providers

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

SKWealth utilizes Schwab's brokerage services as well as their software and other technology to a large degree. SKWealth personnel also routinely attend education events sponsored by Schwab. SKWealth also utilizes Schwab's offerings for publications and conferences on practice management.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to require that you maintain our account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Brokers/Custodians") and not Schwab's services that benefit us only. We have \$109,200,000 in client assets under management, and we do not believe that requiring our clients to collectively maintain at least \$10 million of those assets at Schwab to avoid paying Schwab quarterly service fees presents a material conflict of interest.

ITEM 13 REVIEW OF ACCOUNTS

Client accounts are routinely reviewed by a team of professionals, typically a financial planner and the Director of Investments. Accounts are reviewed at least eight times per year. Internal reviews are performed on a quarterly basis and they are also reviewed before quarterly statements being prepared. Accounts are also reviewed with clients during their financial planning update meetings or on an as-needed basis. Such reviews are designed to rebalance client accounts to their investment policies or to make changes recommended by the SKWealth Investment Committee.

Clients' financial plans are updated on an annual basis or on an as-needed basis.

Written electronic statements (or paper statements, upon request) are prepared quarterly by SKWealth. Such statements contain a listing of assets in the portfolio, investment allocations, performance summary and internal rates of return.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

SKWealth does not pay anyone for client referrals. Also, as mentioned in Item 4, above, SKWealth does not earn commissions (or have any other related compensation arrangements) from the sale of investment or insurance related products.

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

ITEM 15 CUSTODY

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly (most often, monthly). They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them.

ITEM 16 INVESTMENT DISCRETION

We accept discretionary authority to manage securities accounts on behalf of clients. Clients customarily do not place any limitations on this authority. Before we assume this authority, we execute an Investment Advisory Agreement with each client.

ITEM 17 VOTING CLIENT SECURITIES

SKWealth does not take any action or render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities. As we do not accept authority to vote securities, clients will receive proxy solicitation materials directly from their custodian. Clients should not contact us with questions about a particular solicitation.

ITEM 18 FINANCIAL INFORMATION

We do not require prepayment of fees and will bill for financial planning services as charges are incurred, in arrears. In addition, there is no financial condition that is reasonably likely to impair SKWealth's ability to meet its contractual commitments to clients.

ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Not applicable.