

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

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*This brochure provides information about the qualifications and business practices of SK Wealth Management, LLC (SK Wealth). 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, is also available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).*

## ITEM 2 MATERIAL CHANGES

There have been no material changes to this Brochure since the last annual amendment filing dated December 31, 2020. **ANY QUESTIONS:** SK Wealth's Chief Compliance Officer, Jason E. Archambault, remains available to address any disclosure additions or enhancements, or any other issue pertaining to this Brochure.

**ITEM 3 TABLE OF CONTENTS**

**ITEM 4 ADVISORY BUSINESS.....4**

**ITEM 5 FEES AND COMPENSATION.....9**

**ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....10**

**ITEM 7 TYPES OF CLIENTS .....10**

**ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....11**

**ITEM 9 DISCIPLINARY INFORMATION .....14**

**ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....14**

**ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND  
PERSONAL TRADING .....15**

**ITEM 12 BROKERAGE PRACTICES .....15**

**ITEM 13 REVIEW OF ACCOUNTS.....19**

**ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION .....19**

**ITEM 15 CUSTODY.....20**

**ITEM 16 INVESTMENT DISCRETION .....20**

**ITEM 17 VOTING CLIENT SECURITIES.....20**

**ITEM 18 FINANCIAL INFORMATION .....20**

**ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISORS .....21**

## ITEM 4 ADVISORY BUSINESS

### Services

SK Wealth is a fee only financial planning and investment management firm. We offer to provide financial, estate, retirement, charitable, tax, divorce, and investment management planning services. As such, compensation for these services is derived exclusively from fees. SK Wealth does not earn commissions (or have any other related compensation arrangements) from the sale of investment or insurance-related products. SK Wealth conducts asset allocation and provides investment management through the selection of mutual funds and ETFs (electronically traded funds). 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 may, to the extent requested, 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.

SK Wealth generates its revenue in the following categories:

<u>Category</u>	<u>Percentage</u>
Investment management fees	96%
Financial planning fees	2%
Tax return preparation/other fees	2%

SK Wealth 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, 2021, SK Wealth managed discretionary assets of approximately \$422,482,000 and non-discretionary assets of approximately \$9,640,000 for a total of \$432,122,000.

SK Wealth 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/or Certified Public Accountants.

### Miscellaneous

#### Financial Planning and Non-Investment Consulting/Implementation Services

**To the extent requested by the client**, SK Wealth will generally provide financial planning and related consulting services regarding non-investment related matters, such as tax and estate tax planning, insurance, etc. per the terms and conditions of a *Financial Planning and Consulting Agreement* and separate fee (see Item 5 below) Thereafter, SK Wealth will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions do occur based upon assets under

management [generally for those clients that maintain less than \$500,000 under management], special projects, stand-alone planning engagements, etc., for which the Firm may charge a separate or additional fee). **Please Note:** SK Wealth **does not** serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, SK Wealth **does not** prepare legal documents, or sell insurance products. If requested by a client, SK Wealth will provide tax preparation services for a separate and additional fee, per the terms and conditions of a separate written agreement. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including Sansiveri, Kimball & Co., L.L.P. (Sansiveri), a CPA firm with whom the Firm is associated (*see disclosure* at Item 10 below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from SK Wealth. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged unaffiliated licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** SK Wealth, shall be responsible for the quality and competency of the services provided.

### Client Obligations

In performing its services, SK Wealth shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify SK Wealth if there is ever any change in his/her/its financial situation or investment objectives for reviewing/evaluating/revising SK Wealth's previous recommendations and/or services.

### Please Note: Retirement Rollovers-No Obligation/Conflict of Interest

A client or prospective client is under absolutely no obligation to engage SK Wealth as the investment advisor for his/her employer sponsored retirement account. Rather, a client can continue to self-direct his/her retirement account at his/her employer. If the client determines that he/she would like SK Wealth's assistance, SK Wealth shall charge a separate and additional advisory fee for its ongoing advisory services. The client will not incur this separate and additional advisory fee if he/she determines to continue to self-direct his/her account. As a result, any recommendation by SK Wealth that a client engage SK Wealth to manage his/her retirement account that would result in SK Wealth earning a new or additional fee, presents a conflict of interest, since SK Wealth shall derive an economic benefit from such engagement. Again, a client is under absolutely no obligation to engage SK Wealth as the investment advisor for his/her retirement account.

**ANY QUESTIONS:** SK Wealth's Chief Compliance Officer, Jason E. Archambault, remains available to address any questions that a client may have regarding their prospective engagement and the corresponding conflict of interest presented by such engagement.

**Portfolio Activity.** SK Wealth has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, SK Wealth will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account

additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when SK Wealth determines that changes to a client's portfolio are neither necessary nor prudent. Clients remain subject to the fees described in Item 5 below during periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by SK Wealth will be profitable or equal any specific performance level(s).

**Custodian Charges-Additional Fees:** As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, SK Wealth generally recommends that Schwab serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge transaction fees for effecting certain securities transactions. In addition to SK Wealth's investment advisory fee referenced in Item 5 below, the client will also incur transaction fees to purchase securities for the client's account (primarily mutual funds). **ANY QUESTIONS: SK Wealth's Chief Compliance Officer, Jason Archambault, remains available to address any questions that a client or prospective client may have regarding the above.**

**Socially Responsible Investing Limitations.** Certain clients desire to invest all, or a portion, of their investment portfolio in socially responsible mutual funds (the "Funds") (i.e., mutual funds that have a mandate to avoid, when possible, investments in alcohol, tobacco, firearms, oil drilling, etc.). The number of the Funds are substantially few when compared to those that do not maintain such a mandate. The Funds have historically underperformed broad market indices. The Client is under no obligation to invest any portion of their portfolio in the Funds. The Client must accept the above limitations regarding the Funds, including historical underperformance.

**Please Note-Use of Mutual and Exchange Traded Funds:** Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by SK Wealth independent of engaging SK Wealth as an investment advisor. However, if a prospective client determines to do so, he/she will not receive SK Wealth initial and ongoing investment advisory services. **Please Note:** In addition to SK Wealth's investment advisory fee described below, and transaction and/or custodial fees discussed above, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). **ANY QUESTIONS: SK Wealth's Chief Compliance Officer, Jason Archambault, remains available to address any questions that a client or prospective client may have regarding the above.**

**Please Note: Non-Discretionary Service Limitations**

Clients that determine to engage SK Wealth on a non-discretionary investment advisory basis **must be willing to accept** that SK Wealth cannot affect any account transaction(s) without obtaining prior verbal consent to any such transaction(s) from the client. Thus, if SK Wealth would like to make a transaction for a client's account, and client is unavailable, SK Wealth will be unable to affect the account transaction (as it would for its discretionary clients) **without first obtaining the client's verbal consent.**

### Please Note: Investment Risk

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by SK Wealth) will be profitable or equal any specific performance level(s).

### ERISA / IRC Fiduciary Acknowledgment

If the client is: (i) a retirement plan ("Plan") organized under the Employee Retirement Income Security Act of 1974 ("ERISA"); (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an Individual Retirement Account ("IRA") acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then the firm represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by the firm or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

### SKDigital

We also provide portfolio management services through Institutional Intelligent Portfolios™, an automated, online investment management platform for use by independent investment advisors and sponsored by Schwab Wealth Investment Advisory, Inc. (the "Program" and "SWIA," respectively). Through the Program, we offer clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds ("ETFs") and a cash allocation. The client may instruct us to exclude up to three ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at SWIA's affiliate, Charles Schwab & Co., Inc. (CS&Co"). We are independent of and not owned by, affiliated with, or sponsored or supervised by SWIA, CS&Co or their affiliates (together, "Schwab"). The Program is described in the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent Portfolios™ Disclosure Brochure (the "Program Disclosure Brochure"), which is delivered to clients by SWIA during the online enrollment process.

We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. SWIA's role is limited to delivering the Program Disclosure Brochure to clients and administering the Program so that it operates as described in the Program Disclosure Brochure.

We have contracted with SWIA to provide us with the technology platform and related trading and account management services for the Program. This platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The System includes an online questionnaire that helps us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that

is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We do not receive a portion of a wrap fee for our services to clients through the Program. Clients do not pay fees to SWIA in connection with the Program, but we charge clients a fee for our services as described below under Item 5, Fees and Compensation. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure.

We do not pay SWIA fees for its services in the Program so long as we maintain \$100 million in client assets in accounts at CS&Co that are not enrolled in the Program. If we do not meet this condition, then we pay SWIA an annual fee of 0.10% (10 basis points) on the value of our clients' assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

#### ERISA Plan and 401(k) Individual Engagements:

*Trustee Directed Plans.* We can be engaged to provide discretionary and/or non-discretionary investment advisory services to ERISA retirement plans, whereby we manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, we will serve as an investment fiduciary as that term is defined under ERISA. We will generally provide services on an "assets under management" fee basis per the terms and conditions of an Investment Advisory Agreement.

*Participant Directed Retirement Plans.* We can also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of our Retirement Plan Services Agreement. For such engagements, we typically assist the Plan sponsor with the selection of a broad range of investment alternatives from which Plan participants shall select in making their respective investment choices (which may include investment models devised and managed by us on a discretionary basis), and, to the extent engaged to do so, we may also provide corresponding education to assist the participants with their decision making process.

*Client Retirement Plan Assets.* If requested to do so, we can provide investment advisory services relative to the client's 401(k) plan assets. In such event, we allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. Our ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. We will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify us of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account.



## ITEM 5 FEES AND COMPENSATION

*SK Wealth 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 average quarterly balance of 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) per the following schedule:

<u>Annual Account Balances</u>	<u>Percentage</u>
0-\$100,000	1.50%
\$100,001 - \$250,000	1.25%
\$250,001 - \$700,000	1.00%
\$700,001 - \$1,250,000	0.60%
\$1,250,001 - \$2,500,000	0.50%
\$2,500,001 and above	0.40%

\*The above is a tiered fee schedule. This means that, depending on a client's asset level, he/she/they may be subject to multiple fee tiers. For example, a client with assets in the amount of \$1,500,000 would be subject to an annual fee rate of 1.5% on the first \$100,000, 1.25% on the next \$150,000, 1% on the next \$450,000, .6% on the next \$550,000 and 0.5% on the remaining \$250,000.

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 \$300. Divorce financial services are billed at an hourly rate of \$250.

Mutual funds and ETFs carry internal expenses that are in addition to any fees paid to SK Wealth, and if any assets are allocated to a separate account manager, the advisory fee charged by the separate account manager is in addition to SK Wealth's advisory fee. 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).

For clients who are eligible and elect to participate in our SKDigital platform, the following fee schedule applies:

<u>Annual Account Balances</u>	<u>Percentage</u>
0-\$500,000	0.75%
\$500,001 - \$700,000	1.00%
\$700,001 - \$1,250,000	0.60%
\$1,250,001 - \$2,500,000	0.50%
\$2,500,001 and above	0.40%

\*The above is a tiered fee schedule. This means that, depending on a client's asset level, he/she/they may be subject to multiple fee tiers. For example, a client with assets in the amount of \$1,500,000

would be subject to an annual fee rate of .75% on the first \$500,000, 1% on the next \$200,000, 0.6% on the next \$450,000 and 0.5% the remaining \$250,000.

As described in Item 4, Advisory Business, clients do not pay fees to SWIA or brokerage commissions or other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. Brokerage arrangements are further discussed below in Item 12, Brokerage Practices.

For clients who are sponsors of participant-directed ERISA plans, the following fee schedule applies:

<u>Annual Plan Assets</u>	<u>Percentage*</u>
\$1 - \$1,000,000	0.40%
\$1,000,001 - \$4,000,000	0.35%
\$4,000,001 - \$10,000,000	0.25%
\$10,000,001 and above	0.20%

\*The above is a tiered fee schedule. This means that, depending on an ERISA plan's asset level, it may be subject to multiple fee tiers. For example, an ERISA plan with assets in the amount of \$1,500,000 would be subject to an annual fee rate of 0.40% on the first \$1,000,000 and 0.35% on the remaining \$500,000.

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

Not applicable.

#### **ITEM 7 TYPES OF CLIENTS**

SK Wealth provides these services to individuals, trusts, partnerships, and retirement plans. In general, we set an overall portfolio minimum at \$500,000. We do occasionally make exceptions to this policy (see SK Digital, below) and SK Wealth, in its sole discretion, may charge a lesser investment management fee, reduce or waive its aggregate account minimum, charge a fixed fee, or charge no 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, competition, employee/family accounts, courtesy account's, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** SK Wealth's Chief Compliance Officer, Jason Archambault, remains available to address any questions that a client or prospective client may have regarding advisory fees.

#### **SK Digital**

Clients eligible to enroll in the Program include individuals, IRAs and revocable living trusts. Clients that are organizations (such as corporations or partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program. The minimum investment required to open an account in the Program is generally \$100,000. The

Program Disclosure Brochure describes related minimum required account balances for maintenance of the account, automatic rebalancing, and tax-loss harvesting.

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

### **Investment Policy**

#### **Philosophy**

SK Wealth believes that asset allocation and portfolio construction needs to evolve to meet the needs of clients. The expansion of asset classes and the number of ways to gain exposure means investors need to evolve their allocation process. We must learn from history and adopt a more informed and forward-looking approach to allocating assets. The goal is to achieve consistent returns while protecting against downside risks.

Many investment professionals focus their attention on the evaluation and selection of specific issues (stocks/bonds) rather than on the portfolio. 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.

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 SK Wealth, we utilize investment management techniques, which are concerned with investment analysis, portfolio design, risk management, 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 SK Wealth, 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.

SK Wealth 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 strategy 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**

SK Wealth uses both internal and external research to develop our asset allocation strategies.

Mutual funds and ETFs are excellent vehicles for efficiently investing within our predetermined asset allocations. SK Wealth 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.

For many years, academics and investors have debated whether active or passive management represented a better way of investing. We believe there is a role for both active and passive investment options. We understand that active strategies have had difficulties in generating consistent alpha; however, we also know that some strategies have outperformed in rising markets and protected better in falling markets. We strive to find the right balance between strategies that protects our client's downside risk.

SK Wealth utilizes mutual funds and ETFs for its clients. SK Wealth 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 transaction 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 must 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 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 SK Wealth, 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.

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

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 Chief Investment Officer will review each client's portfolio monthly. Such reviews are scheduled each month and performed on a routine basis. All financial planners and the Chief Investment Officer are reviewers.

### **SK Digital**

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

## **ITEM 9 DISCIPLINARY INFORMATION**

SK Wealth 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**

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

**Please Note: Conflict of Interest:** As result of the common ownership between SK Wealth and Sansiveri, the recommendation that a client consider engaging Sansiveri presents a conflict of interest. No SK Wealth client is under any obligation to engage Sansiveri's services. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from SK Wealth.

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

SK Wealth has adopted a Code of Ethics for instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. SK Wealth 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 Advisor 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 SK Wealth invest in the same securities that are recommended to clients, although the overall investment policies may differ. As such securities would be mutual funds or ETFs, this does not appear to produce a conflict of interest. Also, employees and owners of SK Wealth are subject to the same transaction fees as are clients of SK Wealth.

## **ITEM 12 BROKERAGE PRACTICES**

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

### **The Custodians and Brokers We Use**

SK Wealth 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 recommend 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. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client Referrals and Other Compensation). You should consider these conflicts of interest when selecting your custodian.

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 recommend Schwab, a custodian/broker who will hold your assets and execute transactions. When considering whether the terms that Schwab provides 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, margin interest, 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. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. In addition to transaction 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 or other compensation you pay the executing broker-dealer. Because of this, to minimize your trading costs, we have Schwab execute most trades for our account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, 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”). By using another broker or dealer you may pay lower transaction costs.



### Products and Services Available to Us from Schwab

Schwab Advisor Services™ 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. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. 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. 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 and operating our firm. 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

- ♦ Marketing consulting and support

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. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

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

### SK Digital

In addition to our portfolio management and other services, the Program includes the brokerage services of CS&Co, a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co by entering into an account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co, then we cannot manage the client's account through the Program. As described in the Program Disclosure Brochure, SWIA may aggregate purchase and sales orders for ETFs across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Program.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&Co provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to CS&Co retail customers. CS&Co 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. CS&Co's support services described above are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability of us of CS&Co's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### 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. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, our recommendation 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 only us.

**ANY QUESTIONS:** SK Wealth's Chief Compliance Officer, Jason E. Archambault, remains available to address any questions that a client may have regarding the above Schwab arrangement and the corresponding perceived conflict of interest presented by such arrangement.

### **ITEM 13 REVIEW OF ACCOUNTS**

Client accounts are routinely reviewed by a team of professionals, typically a financial planner and the Chief Investment Officer. Accounts and internal reviews are reviewed monthly. 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 SK Wealth 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 SK Wealth. 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**

If a client is introduced to SK Wealth by either an unaffiliated or an affiliated solicitor, SK Wealth may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from SK Wealth's investment management fee and shall not result in any additional charge to the client. If the client is introduced to SK Wealth by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of their solicitor relationship, and shall provide each prospective client with a copy of SK Wealth's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between SK Wealth and the solicitor, including the compensation to be received by the solicitor from SK Wealth.

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. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the referral arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

**ANY QUESTIONS:** SK Wealth's Chief Compliance Officer, Jason E. Archambault, remains available to address any questions that a client may have regarding the above Schwab arrangement and the corresponding conflict of interest presented by such arrangement.

## 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, or if you grant us authority to move your money into another person's account.

Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. 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. **Please Note:** To the extent that SK Wealth provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by SK Wealth with the account statements received from the account custodian.

SK Wealth shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab, etc.) at least quarterly. **Please Also Note:** The account custodian does not verify the accuracy of SK Wealth's advisory fee calculation.

## 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

SK Wealth 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.

### **SK Digital**

As described in the Program Disclosure Brochure, clients enrolled in the Program designate SWIA to vote proxies for the ETFs held in their accounts. We have directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third party proxy voting service provider retained by SWIA for this purpose. Additional information about this arrangement is available in the Program Disclosure Brochure. Clients who do not wish to designate SWIA to vote proxies may retain the ability to vote proxies themselves by signing a special CS&Co form available from us.

## 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 SK Wealth's ability to meet its contractual commitments to clients.

**ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISORS**

Not applicable.

**ANY QUESTIONS: SK Wealth's Chief Compliance Officer, Jason E. Archambault, remains available to address any questions regarding this Part 2A.**