



SW Financial LLC (“SWF”) is an SEC registered, full service brokerage and investment banking firm that offers an array of investment products and services to retail clients and institutions. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. This document provides a summary of the types of services we provide and how you pay.

Free and simple tools are available for investors to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS). Here, you can also find educational materials about broker-dealers, investment advisers, and investing.

**What investment services and advice can you provide me?**

- If you open a brokerage account, you will pay us a **transaction-based fee**, generally referred to as a commission, most times you buy or sell an investment. We will deliver account statements to you each quarter in paper or electronic format.
- You may select investments or we may recommend investments for your account, but the ultimate investment decision as to your investment strategy and the purchase or sale of investments will be yours.
- We may also offer alternative investments to qualified investors. The fees associated with alternative investments may include, but not be limited to, **broker concession fees, and management fees**, which may be charged upon investment or on a per annum basis.
- We offer a limited selection of investments. Other firms may offer a wider range of choices, some of which may have lower costs.
- Unless we agree otherwise, we are not required to monitor your portfolio or investments on an ongoing basis.

**Conversation Starters.** Ask your financial professional these questions to learn more:

- **Given my financial situation, should I choose a brokerage service? Why or why not?**
- **How will you choose investments to recommend to me?**
- **What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?**

**Compare with Advisory Accounts:**

You could also open an advisory account with an **investment adviser**, where you will pay an ongoing **asset-based fee** that is based on the value of your advisory account. Features of a typical advisory account include:

- Advisers provide advice on a regular basis. They discuss your investment goals, design with you a strategy to achieve your investment goals, and regularly monitor your account
- You can choose an account that allows the adviser to buy and sell investments in your account without asking you in advance (“**discretionary account**”) or the adviser may give you advise and you choose what investments to buy and sell (“**non-discretionary account**”).
- Advisers are held to a fiduciary standard that covers the entire investment advisory relationship. For example. Advisers are required to monitor your portfolio, investment strategy and investments on an ongoing basis.
- If you were to pay an asset-based fee in an advisory account, you would pay the fee periodically even if you do not buy or sell. You may also choose to work with an adviser who provides investment advice for an hourly fee, or provides a financial plan for a one-time fee.
- For an adviser that charges an asset-based fee, the more assets you have in the account, the more you pay the adviser. So, the adviser has an incentive to increase the assets in your account in order to increase fees.

**What fees will I pay?**

The fee you pay is based on the specific transaction and not the value of your account. With stocks or exchange-traded funds, this fee is usually a separate commission. With other investments, such as bonds, this fee might be part of the price you pay for the investment (called a “mark-up” or “mark-down”). With mutual funds, this fee (typically called a “load”) reduces the value of your investment.

Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment

**Conversation Starter –**

- **Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

over time. Also, with certain investments such as variable annuities, you may have to pay fees such as “*surrender charges*” to sell the investment.

Our fees vary and are negotiable. The amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what type of account you maintain with us.

*You may also be charged additional fees, such as custodian fees, account maintenance fees and transfer fees.*

The more transactions in your account, the more fees you will typically be charged. We therefore have an incentive to encourage you to engage in transactions.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

**What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?**

When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you.

Here is an example to help you understand what this means:

We can make extra money by selling you certain investments, such as alternative products, because SWF may be the dealer-manager for the product. Also, the manager or sponsor of those investments may share with us revenue it earns on those investments. This creates an incentive for us to make recommendations.

**How do your financial professionals make money?**

SWF financial professionals get paid commissions when stocks and/or bonds are purchased or sold for you. They may also get paid a concession and/or management fee if you purchase an alternative investment (i.e. private placement)

**Do you or your financial professionals have legal or disciplinary history?**

Yes –

You can visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and financial professionals.

**Additional Information**

For additional information about our brokers and services, visit [www.investor.gov](http://www.investor.gov), BrokerCheck ([www.BrokerCheck.Finra.org](http://www.BrokerCheck.Finra.org)), our website <https://www.sw-financial.com> and your account agreement.

To report a problem to the SEC, visit [www.investor.gov](http://www.investor.gov) or call the SEC’s toll-free investor assistance line @ (800) 732-0330. To report a problem to FINRA, visit [www.finra.org](http://www.finra.org) or call FINRA Investor Complaint Center @ (240) 386-4357

**Conversation Starter –**

- How might your conflicts of interest affect me, and how will you address them?

**Conversation Starter –**

- As a financial professional, do you have any disciplinary history? For what type of conduct?

**Conversation Starter –**

- Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?