

DISCLOSURE BROCHURE
PREPARED IN COMPLIANCE WITH
THE INVESTMENT ADVISERS ACT OF 1940 RULE 204-3(A)



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This brochure provides information about the qualifications and business practices of Silverhawk Asset Management, LLC. Being registered as an investment adviser does not imply a certain level -of skill or training. If you have any questions about the contents of this brochure, please contact us at 480-296-0200. 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 Silverhawk Asset Management, LLC (CRD #167798) is available on the SEC's website at www.adviserinfo.sec.gov

JUNE 25, 2021

Item 2: Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

Since the last update on March 31, 2021, the following material changes have occurred:

- Items 8, 10, 11, and 18: Disclosure of the additional risks and conflicts associated with the issuance of promissory notes.
- Items 10 and 11: Disclosure of the sale of interest in Silverhawk Enterprises, LLC with clients and the potential conflicts.
- Item 5: Removal of any and all language associated with due diligence fees, as Silverhawk no longer charges due diligence fees. All fee language has been updated to reflect this change.
- Items 5 and 10: Disclosure around the distribution of insurance products and the potential conflicts associated, in relation to Silverhawk's financial incentive.
- Item 5: Effective July 1, 2021, all new clients will be billed monthly in arrears. Clients with relationships established prior to July 2, 2021, will continue to be billed quarterly until they are fully transitioned to monthly billing.

Full Brochure Available

This Firm Brochure being delivered is the complete brochure for the Firm.

Item 3: Table of Contents

Item 2: Material Changes.....	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	9
Item 6: Performance-Based Fees and Side-by-Side Management	13
Item 7: Types of Clients	13
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	13
Item 9: Disciplinary Information.....	16
Item 10: Other Financial Industry Activities and Affiliations.....	16
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	17
Item 12: Brokerage Practices.....	19
Item 13: Review of Accounts	20
Item 14: Client Referrals and Other Compensation.....	20
Item 15: Custody.....	20
Item 16: Investment Discretion.....	21
Item 17: Voting Client Securities.....	22
Item 18: Financial Information.....	22

Item 4: Advisory Business

Firm Description

Silverhawk Asset Management, LLC, ("Silverhawk") was founded in 2010 and registered as a registered investment adviser in 2013. Silverhawk Enterprises, LLC is the majority owner with Paul J Mershon as the minority owner and Chief Compliance Officer. Paul Mershon is the majority owner of Silverhawk Enterprises, LLC

Silverhawk provides personalized confidential financial planning, consulting, and investment management services primarily to individuals, trusts, estates, charitable organizations, corporations, and other business entities. Advice is provided through consultation with the client and may include determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, business pre-M&A consulting, and estate planning.

Silverhawk applies its TRIA Formula™ when identifying the ideal asset allocation for clients. The TRIA Formula includes three main categories:

1. Core: this portion of the portfolio allows access to tradeable securities, such as stocks and bonds.
2. Opportunistic Investments: when suitable for clients, typically accredited investors only, this portion of the portfolio will make direct investments in private placements with a goal to identify non-correlated, or lessor correlated assets to the broad publicly-traded equity markets as in Core.
3. Risk Protected: this portion of the portfolio will invest in fixed insurance products, such as fixed annuity contracts, that often utilize index crediting strategies.

Although the majority of Silverhawk's clients follow the TRIA Formula™, some clients may end up investing in only one or two of the categories identified above, as an example in Opportunistic Investments, or Risk Protected only.

Silverhawk also advises on IRC code section #1031 exchanges and Delaware Statutory Trusts for those high-net-worth clients looking to make investments that provide tax deferral advantages.

An evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement, risk analysis or similar document. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews of client's portfolios and overall financial picture do occur but are not necessarily communicated to the client unless immediate changes are recommended.

As part of the comprehensive planning process, other professionals (e.g., lawyers,

accountants, tax preparers, insurance agents, etc.) are often engaged directly by the client on an as-needed basis and may charge fees of their own. For example, tax preparation and estate plan review or preparation will be billed to clients directly by the tax preparer and the estate planning document preparer or attorney.

Types of Advisory Services

ASSET MANAGEMENT

Advisory services encompass a wide range of investment objectives, from conservative to aggressive, giving the client and Silverhawk the flexibility to design a custom portfolio and asset allocation that meets the client's specific investment needs. Each client's portfolio is continuously managed based on the client's investment objective on either a discretionary or non-discretionary basis, as outlined in your investment advisory agreement. We will choose which model is appropriate for you based upon the items discussed above. We offer several investment portfolios designed to meet various needs, but portfolios are not necessarily designed specifically for each client.

Silverhawk will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, financial objectives, risk tolerances, investment strategies, investment selection, asset allocation, portfolio monitoring, tax efficient strategies and others. The overall investment program will be based on the above factors. The client will authorize Silverhawk with either discretionary or non-discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

BETTERMENT ADVISOR PLATFORM

Silverhawk may also offer discretionary direct asset management services to some advisory clients utilizing The Betterment for Advisors platform for digital services. On this platform, Silverhawk has the discretion to delegate the management of all or part of the Assets to one or more independent investment managers or independent investment management programs ("Independent Managers"). To the extent utilized, Independent Managers will have limited power-of-attorney and trading authority over those assets Silverhawk directs to them for management. Silverhawk will supervise the Independent Managers and monitor and review asset allocation and asset performance. Silverhawk may terminate or change Independent Managers when, in Silverhawk's sole discretion, Silverhawk believes such termination or changes is in your best interest. Clients will be responsible for fees due both Betterment for Advisors and Silverhawk, as further described in Item 5: Fees and Compensation, of this brochure.

SUB-ADVISOR ARRANGEMENTS

Silverhawk may, from time to time, enter into sub-advisor agreements with other

Registered Investment Advisors to manage client assets. The sub-advisor shall supervise and invest the assets in each client account in accordance with the investment strategy set forth by the client and Silverhawk. At no time will the sub-advisor have total control over client accounts. Silverhawk shall furnish authorization to the custodian in order that sub- advisor(s) may direct the custodian to invest and reinvest or sell assets in the account. Silverhawk will have the authority to hire and fire sub-advisors at their discretion. Depending on how the relationship is set up, either Silverhawk or the sub-advisor will be responsible for sending the client the required disclosures of the sub-advisor.

SILVERHAWK/ AFFINITY

Silverhawk has entered into an agreement with Affinity Investment Advisors, LLC ("Affinity") wherein Affinity will act as an outsourced chief investment officer offering investment management services to clients of Silverhawk. Clients of Silverhawk will not pay additional fees to Silverhawk for the use of Affinity services; Silverhawk pays Affinity a portion of the client's management fee. Affinity also acts as the sub-advisor to the Affinity World Leaders Equity ETF ("ETF", WLDR). The ETF may be recommended to the client portfolios sub-advised by Affinity if such investments are consistent with the investment objectives of the client. If Affinity makes such an investment, those clients will be responsible, indirectly (as investors in the ETF) for a portion of the operating expenses and investment advisory fees, in addition to the management fee charged by Silverhawk.

ERISA PLAN SERVICES 3(21) ADVISOR

Silverhawk offers the following services to the Plan and the Plan participants:

1. Fiduciary Services:

- a. Provide non-discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal, and addition of investment options.
- b. Assist the Client with the selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- c. Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Clients shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- d. Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- e. Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

- f. Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5).

2. Non-fiduciary Services:

- a. Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands Silverhawk's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, Silverhawk is not providing fiduciary advice as defined by ERISA to the Plan participants. Silverhawk will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- b. Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

Silverhawk may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Silverhawk and Client.

3. Silverhawk has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- a. Employer securities;
- b. Real estate (except for real estate funds, direct participation programs, non-publicly traded REITS or publicly traded REITs);
- c. Stock brokerage accounts or mutual fund windows;
- d. Participant loans;
- e. Non-publicly traded partnership interests;
- f. Other non-publicly traded securities or property (other than collective trusts, non-traded REITS, and similar vehicles); or
- g. Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to the Adviser under this Agreement.

FINANCIAL PLANNING AND CONSULTING

If financial planning services are applicable, the client will compensate Silverhawk on an hourly or fixed fee basis described in detail under Item 5: Fees and Compensation of this brochure. Services include but are not limited to a thorough review of all applicable

financial topics including business planning, personal and corporate financial planning, budgeting, cash flow projections, divorce planning, retirement planning, tax planning, estate planning, asset protection planning, investment planning, asset allocation modeling, insurance review and recommendations, pension plan consulting, investment account aggregation advice and others. If a conflict of interest exists between the interests of Silverhawk and the interests of the client, the client is under no obligation to act upon Silverhawk's recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to affect the transaction through Silverhawk. Financial plans will typically be completed and delivered inside of thirty (30) days, but could take longer depending on complexity, cooperation of client and completeness of initial information provide to Silverhawk by the client.

RETAINER FEES, SUBSCRIPTION FEES AND "PERSONAL CFO" FEES

When applicable, clients and Silverhawk may enter into a longer term (12 months or more) retainer fee type arrangement. In this case, the client will be billed monthly for services provided. These services include financial planning and consulting, financial statement preparation and review, dynamic updates of the client's initial financial plan as objectives, circumstances, interest rates, tax rates, tax law and many other elements contributing to the overall wealth planning for the client change. In some cases, Silverhawk will serve as a sort of Personal CFO for the client and assist in coordinating many aspects of wealth management including consulting with the client's other Trusted Advisors (CPA, Attorney, Bankers, etc.).

Client Tailored Services and Client Imposed Restrictions

Silverhawk recognizes that as individuals, our clients have unique goals and interests. As such, we tailor our advisory services to the individual needs of our clients. We begin by offering a comprehensive financial plan that helps us to create a picture of the client's financial condition as well as learn about the client's personal financial goals. The plan also acts as a tool, like a blueprint, which helps the client clarify their investment and life objectives. Out of this plan and together with the client, an investment strategy and asset allocation decisions are agreed upon.

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Client Assets under Management

As of December 31, 2020, Silverhawk had \$181,000,000 in assets under management on a non-discretionary basis and \$146,400,000 in assets under management on a discretionary basis.

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule

ASSET MANAGEMENT

Silverhawk offers discretionary and non-discretionary asset management services to advisory clients. The fees for these services will be based on a percentage of Assets Under Management as follows:

Assets under Management	Maximum Annual Fee	Maximum Monthly Fee
\$0 - \$2,500,000	2.50%	0.2084%
\$2,500,001 - \$5,000,000	2.00%	0.1667%
Above \$5,000,001	1.70%	0.1416%

Advisory fees are tailored to the individual needs of clients. Some clients will pay different fees based upon their contract fee schedules, but no higher than what is disclosed in the ADV part 2A. Silverhawk will not treat higher paying clients more favorably. Fees schedules may vary for clients based on the length of their relationship with Silverhawk. Fee schedules may be reduced the longer a client maintains a relationship with Silverhawk.

Our firm's fees are quoted on an annualized basis, charged, and paid monthly in arrears and are based on the value of your account on the last day of the previous month. Fees will be automatically deducted from your account by the custodian. Clients with established relationships prior to July 1, 2021, will continue to be billed quarterly until they are fully transitioned to monthly billing.

Fees are negotiated and fully disclosed in the clients Investment Advisory Agreement for the Silverhawk Cash Management Account.

BETTERMENT INVESTMENT PLATFORM

When utilizing the Betterment Investment platform, Silverhawk's fee will be prorated and billed monthly in arrears, based on the Client's average daily balance for the prior month multiplied by the annual percentage rate of .75% of Assets charge (i.e., .75%/12). Fees will be automatically deducted from your account. Betterment for Advisors will make quarterly adjustments for deposits and withdrawals in client accounts. Clients with established relationships prior to July 1, 2021, will continue to be billed quarterly until they are fully transitioned to monthly billing.

As part of this process, you understand and acknowledge the following:

- Betterment Securities as the custodian sends statements at least quarterly to Clients showing all disbursements for their account, including the amount of the advisory fees paid to our firm;
- The Client has provided authorization permitting fees to be directly paid by these

terms;

- Betterment Institution calculates the advisory fees and deducts them from the Client's account. The fees are based on a client's average balance of their entire account. Client will see the total fee of 1% (to include the Betterment for Advisors platform fee of 0.25% in addition to the annual percentage of assets charged by Silverhawk of .75%)

Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation. For cancellation after five (5) business days, Silverhawk will be entitled to a pro rata fee for the days service was provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees, and client will acknowledge, in writing, any agreement of increase in said fees.

SUB-ADVISOR ARRANGEMENTS

When Silverhawk determines that it would be of benefit to utilize a Sub-Advisor, your portfolio may be subjected to additional fees. These fees will be billed to your account via the custodian and may be in addition to the active asset management fee that you are paying to Silverhawk. The custodian may also have additional trading or custody fees that your account could be subjected to.

ERISA PLAN SERVICES

The annual fees are based on a range between .30% and 1% of the market value of the Included Assets. Fees are charged monthly in arrears. Clients with established relationships prior to July 1, 2021, will continue to be billed quarterly until they are fully transitioned to monthly billing. The fee will be based on the market value of the Plan assets on the last business day of the previous fee period (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) and will be due the following business day. If this Agreement is terminated prior to the end of the fee period, Silverhawk shall be entitled to a prorated fee based on the number of days during the final period services were provided. The advisory fees will be deducted from the account by the custodian.

- Your independent custodian will send statements at least quarterly to you showing all disbursements from your account, including the amount of the Advisory fees paid to us;
- You provide authorization permitting us to be directly paid by these terms; and
- If we send a copy of our invoice directly to you, we will also send a copy of our invoice to the independent custodian at the same time we send the invoice to you.

The compensation of Silverhawk for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees.

FINANCIAL PLANNING AND CONSULTING

Financial Planning Services are available to all clients on a negotiated fee basis. Fees may be at an hourly rate of \$100 to \$700 per hour or a fixed fee ranging from \$380 - \$50,000, depending on the complexity of the plan and other factors related to the client's situation. Prior to the planning process the client is provided an estimated plan fee and a financial planning fee agreement that details these fees.

RETAINER FEES, SUBSCRIPTION FEES AND "PERSONAL CFO" FEES

Fees for this service range from \$50/month to as much as \$10,000 per month depending on complexity and total wealth of the client.

FIXED FEES FOR 1031 PLANNING AND INVESTMENTS INTO DELAWARE STATUTORY TRUSTS (DST)

When assisting clients with the possibility of utilizing IRC code section #1031, tax deferred exchanges, Silverhawk may recommend that the client invest their exchange proceeds into DST investments. For these services, Silverhawk charges a flat fixed fee. The fee is negotiable with each client but will range from a \$10,000 minimum fee to a maximum fee of \$250,000. The fee range is a result of a number of factors, including; the variability of the types of transactions, the amount of properties being sold, the amount of properties being purchased, the amount of DSTs reviewed, analyzed and considered by the client, the amount of properties in each DST, the time, expertise and experience of the advisor, and many other factors.

Additional Fees Clients May Pay

In addition to the fees paid to Silverhawk, clients may incur transaction charges for trades executed in their accounts by the custodian. These charges may include mutual fund transactions fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). Silverhawk does not receive any portion or participate in any way with these transaction costs. The custodial and transaction fees are subject to change at any time. The exact amount and frequency of these fees will vary. These fees are separate from our fees and will be disclosed by the firm that executes the trades. Also, clients will pay the following separately incurred expenses, of which we do not receive any part: charges imposed directly by a mutual fund, index fund, or exchange traded fund which are disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), fees charged by the manager of any sub-advisor or independent manager.

For more details on the broker-dealers we select and how this may impact the fees you pay please see Item 12: Brokerage Practices, of this brochure.

If a client has invested in a private fund recommended under the Opportunistic Investments portion of their portfolio, the client must be aware of the additional fees they

may incur, which would be outlined in the offering memorandum, or prospectus, provided by the private fund sponsor.

Refund of Client Fees

Clients may terminate services at any time with thirty (30) days written notice.

Silverhawk does not bill in advance for its asset management services. Fees will be pro-rated up to the date of notification. Financial plans will require a deposit amount with the balance due upon plan delivery. Client may cancel within five (5) business days for a full refund. After the five (5) business days, any prepaid, unearned fees will be refunded to the client on a pro rata basis or any unpaid, earned fees will be due Silverhawk on a pro rata basis; whichever is applicable. Sub-advisers may bill in advance and the fee arrangement for these advisers will be disclosed in the Form ADV Part 2 of that advisers.

Other Compensation

Certain of Silverhawk's employees are also insurance agents with Silverhawk Insurance Services, LLC ("SIS") a licensed insurance agency and affiliate of Silverhawk. SIS and these individuals are entitled to receive commissions or other remuneration on the sale of insurance products. As such, they effect insurance transactions and receive separate, yet customary compensation. Under no circumstance does the client pay both a commission to these individuals and an asset management fee to Silverhawk on the same pool of assets. Please see Item 10 - Other Financial Industry Activities and Affiliations for additional information.

Item 6: Performance-Based Fees and Side-by-Side Management

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Silverhawk does not use a performance-based fee structure because of the conflict of interest. Performance-based compensation may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

Description

Silverhawk provides investment advice to:

- Individuals
- High net worth individuals
- Pensions and profit-sharing plans
- Business entities
- Foundations and Not for Profit entities

Client relationships vary in scope and length of service. Some clients may require and/or receive more services than others, and not all clients will require/receive the same amount of time from the Silverhawk.

Account Minimums

Silverhawk requires a minimum of \$250,000 to open an account. Silverhawk may, at its discretion, waive or reduce the minimum account size.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Core Portfolio

For the Core portion of a client's portfolio, Silverhawk is utilizing the outsourced chief investment officer services of Affinity. Affinity employs a quantitative approach to initial portfolio construction coupled with qualitative analysis to ensure data quality and to leverage the experience of Affinity's portfolio managers. The proprietary model utilizes several fundamental factors, such as dividend payouts, earnings and price movements when evaluating securities for the model. The strategy has a long only orientation which will include both long and short-term purchases.

Opportunistic Portfolio

For the Opportunistic portion of a client's portfolio, Silverhawk employs a number of different means and accesses multiple outside resources to provide for an appropriate level of due diligence in identifying various private placement and direct participation investment offerings that may be recommended to our clients. This may include sponsor

financial reviews, real estate demographic trends, site visits, attendance at sponsor provided due diligence meetings, attendance at industry sponsored due diligence conferences, access and review of third-party due diligence and review summaries, the hiring of our own due diligence counsel and review, consulting with other industry professionals as well as industry specialists. The due diligence process is ongoing and continual and may include the gathering of available information like; marketing materials, audited financial reports sponsor and investment entity operating statements, profit and loss statements, balance sheets, offering memorandums, subscription agreements, annual reports, industry outlook reports, economic studies, and others.

Risk Protected Portfolio

For the Risk Protected portion of a client's portfolio, Silverhawk relies on the experience and expertise of the advisors that have affiliated and licensed via SIS. Paul Mershon as Founding member possesses over 40 years of experience as a licensed insurance professional and has acquired multiple continuing education certifications such as Chartered Life Underwriter (CLU), Chartered Financial Consultant (ChFC), Certified Financial Planner (CFP), Registered Health Underwriter (RHU), and others. Advisors representing SIS also attend Industry Sponsored Education Symposiums and Insurance Carrier sponsored education and due diligence meetings. SIS is also an owner/member of Lion Street, a national network of elite financial firms that serves the needs of high-net worth, high-income and business-owner clients with sophisticated insurance solutions. SIS, via this relationship, has direct access to top tier insurance companies, their executives, as well as access and resources provided by Lion Street's well educated and experience advisor support team.

Investment Strategy

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives from time to time. Each client executes an Investment Policy Statement, Risk Tolerance and/or Riskalyze score, or similar form that documents their objectives and their desired investment strategy as well as their acceptable level of risk desired in their investment portfolio.

Silverhawk may also employ other strategies that could include long-term purchases, short-term purchases, trading, and option writing (including covered options, uncovered options, or spreading strategies).

Silverhawk also applies the TRIA Formula™ when determining assets allocation strategies for clients, as further detailed in Item 4: Advisory Business, of this brochure.

Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks

involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- *Interest-rate Risk*: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk*: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- *Inflation Risk*: When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk*: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk*: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- *Business Risk*: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk*: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk*: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Promissory Note Risk*: Promissory notes often involve an uncollateralized and uninsured promise to pay. The issuer is only obligated to repay the principal at maturity with interest payable at stated times, although the issuer may also make a "best effort" offer to redeem at par prior to maturity upon an investor's request. The promissory notes are not securities registered with the Securities and Exchange

Commission and rating agencies do not normally rate them. They are illiquid, do not trade on an open market and are not considered investment grade securities. The interest rates they carry may be at below market rates although they may be competitive with short-term instruments. Accordingly, you should not expect these promissory notes to generate returns that are competitive with equities or other long-term debt investments. Absent any indication that the issuer may have difficulty fulfilling its redemption obligations, Silverhawk will typically fair value these notes at "par," the original amount of the loan made to the organization. Silverhawk does not adjust the stated value of the note to reflect risk, duration, and relationship to market interest rates.

- *Private Fund Risk.* Private funds present their own set of individual risks and investors must familiarize themselves with the fund, company, limited partnership, or limited liability company they are investing in by reviewing the fund documents (i.e., Private Placement Offering Memorandum). Often, funds charge additional expenses and fees and present liquidity risk as the investor is not able to liquidate outside of the fund's specific lockout period.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Silverhawk or the integrity of Silverhawk's management. Silverhawk has no disciplinary events to report.

Item 10: Other Financial Industry Activities and Affiliations

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

INSURANCE

Silverhawk is affiliated with Silverhawk Insurance Services ("SIS"), a licensed insurance agency, by virtue of common ownership. From time to time, Silverhawk may refer a client to SIS for insurance services, or SIS may refer a client to Silverhawk for advisory services. Neither Silverhawk nor SIS receives a fee for making such referrals. Insurance services provided by SIS are separate and distinct from Silverhawk's advisory services and are provided for via separate, although typical compensation. Certain employees of Silverhawk may also be insurance agents of SIS. As such, these individuals are able to effect insurance transactions and receive commissions or other compensation accordingly. No Silverhawk client is obligated to use SIS for insurance services and conversely, no SIS client is obligated to use the advisory services provided by Silverhawk.

Clients have the option to purchase these products through another insurance agent of their choosing.

ISSUANCE OF PROMISSORY NOTES

Clients of Silverhawk, when suitable, have been issued promissory notes through commonly owned entities of Silverhawk. This presents of conflict of interest, as Silverhawk has a financial incentive to favor the financial outcome of the clients that have outstanding promissory notes. As further described in Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss, promissory notes carry their own degree of risks that clients must be aware of and prepared to bear, including the risk of Silverhawk not making payments on the promissory notes. In addition, if clients used funds from their advisory account managed by Silverhawk and Silverhawk subsequently made payments for the promissory note into their advisory account, clients will be paying a management fee on the payments made by Silverhawk once they have been added to their advisory account. This will also increase the overall value of the client's portfolio and Silverhawk's regulatory assets under management.

OWNERSHIP IN RELATED ENTITIES

Clients of Silverhawk, when suitable, have purchased minority interests in Silverhawk Enterprises, LLC, the holding company, and majority owner of Silverhawk. This presents of conflict of interest, as Silverhawk has a financial incentive to favor the financial outcome of the clients that have purchased interests within Silverhawk Enterprises, LLC.

Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

Silverhawk may, from time to time, enter into sub-advisor agreements with other Registered Investment Advisors to manage client assets. The sub-advisor shall supervise and invest the assets in each client account in accordance with the investment strategy set forth by the client and Silverhawk. At no time will the sub-advisor have total control over client accounts. Silverhawk shall furnish authorization to custodian in order that sub-advisor(s) may direct the custodian to invest and reinvest or sell assets in the account. Silverhawk will have the discretion to hire and fire sub-advisors at their discretion.

Client may pay additional fees when Silverhawk hires a sub-advisor. The fees for these services could be in addition to the fee schedule set forth in Item 5: Fees and Compensation.

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

Code of Ethics Description

The employees of Silverhawk have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of Silverhawk employees and

addresses conflicts that may arise. The Code defines acceptable behavior for employees of Silverhawk. The Code reflects Silverhawk and its supervised persons' responsibility to act in the best interest of their client.

One area which the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

Silverhawk's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer, or director of Silverhawk may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Silverhawk's Code is based on the guiding principle that the interests of the client are our top priority. Silverhawk's officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put the client's interests over the interests of either employees or the company.

The Code also applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

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

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

As disclosed in Item 10: Other Industry Affiliations and Activities, related parties to Silverhawk maintain loans with some clients through the issuance of promissory notes. In addition, some clients of Silverhawk have invested as minority owners in Silverhawk Enterprises, LLC. These present a potential conflict as Silverhawk has a financial incentive to favor the outcome of the clients with outstanding promissory notes and ownership in Silverhawk Enterprises, LLC.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflict of Interest

Silverhawk and its employees may buy or sell securities that are also held by clients. In

order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Silverhawk with copies of their brokerage statements.

The Chief Compliance Officer of Silverhawk is Paul Mershon. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

Item 12: Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

Silverhawk will use its discretion in recommending the broker-dealer and therefore the commission charged. In selecting or recommending the broker-dealer, Silverhawk will comply with its fiduciary duty to obtain best execution. Silverhawk will take into account such relevant factors as:

- Price
- The broker-dealer's facilities, reliability, and financial responsibility
- The ability of the broker-dealer to effect transactions, particularly with regards to such aspects as timing, order size and execution of order
- The research and related brokerage services provided by such broker-dealer to Silverhawk, notwithstanding that the account may not be direct or exclusive beneficiary of such services.
- Any other factors Silverhawk considers to be relevant.

Silverhawk does not use brokerage commissions, mark-ups, or mark-downs to obtain research or other products and services from our Custodians. We receive no client referrals from the broker-dealer/custodian that would create a conflict when recommending custodians to clients. Silverhawk has no incentive to select or recommend a particular broker-dealer other than receiving acceptable execution for our clients.

Silverhawk does not use Directed Brokerage arrangements with broker-dealers.

Betterment Advisor Platform and Sub-Advisors have their own process for selecting broker-dealers and reviewing for best execution, which must be reviewed in their respective ADV Part 2A.

Aggregating Securities Transactions for Client Accounts

When in the client's best interest and feasible, Silverhawk will in its discretion aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other clients of Silverhawk. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

Betterment Advisor Platform and Sub-Advisors have their own process for aggregating securities, which must be reviewed in their respective ADV Part 2A.

Item 13: Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Paul Mershon, Chief Compliance Officer reviews or supervises the review of the accounts at least quarterly. Account reviews are performed more frequently when market conditions dictate. Financial Plans are considered complete when recommendations are delivered to the client and a review is done only upon request of client.

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

Review meetings may take place in person, using web-based services, or over the phone. While these meetings are important whenever a client's circumstances or needs change, Silverhawk encourages clients to make time for review meetings even when the client believes there is no compelling reason to.

Content of Client Provided Reports and Frequency

Clients receive written, or digital at the client's discretion, account statements from their custodian no less than quarterly. Client may receive additional reports from Betterment, or the Sub-Advisors as described within their Form ADV Part 2A. Client receives confirmations of each transaction in account and an additional statement during any month in which a transaction occurs.

Under financial planning services, the client will receive a one-time written financial plan.

Item 14: Client Referrals and Other Compensation

Silverhawk does not currently have any referral or solicitation arrangements with third parties for referring clients.

Item 15: Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged

to compare the account statements received directly from their custodians to any performance report statements prepared by Silverhawk.

Silverhawk is deemed to have constructive custody solely because advisory fees are directly deducted from client's account by the custodian on behalf of Silverhawk.

Silverhawk is also deemed to have limited custody due to its Third-Party Standing Letters of Authorization ("SLOA").

Silverhawk and its qualified custodian meet the following seven (7) conditions in order to avoid maintaining full custody and be subject to the surprise exam requirement:

1. The Client provides an instruction to the qualified custodian, in writing, that includes the Client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The Client authorizes Silverhawk, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The Client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the Client's authorization and provides a transfer of funds notice to the Client promptly after each transfer.
4. The Client has the ability to terminate or change the instruction to the Client's qualified custodian.
5. Silverhawk has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the Client's instruction.
6. Silverhawk maintains records showing that the third party is not a related party nor located at the same address as Silverhawk.
7. The Client's qualified custodian sends the Client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16: Investment Discretion

Silverhawk accepts discretionary authority to manage securities accounts on behalf of clients. Silverhawk has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. By signing a discretionary investment advisory agreement with our firm and/or a limited power of attorney, the client will authorize Silverhawk discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

Item 17: Voting Client Securities

Silverhawk does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent. When assistance on voting proxies is requested, Silverhawk will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

Item 18: Financial Information

Balance Sheet

A balance sheet is not required to be provided because Silverhawk does not serve as a custodian for client funds or securities and Silverhawk does not require prepayment of fees of more than \$1,200 per client and six months or more in advance.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

Silverhawk has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients. Related parties of Silverhawk have existing loans with clients through the issuance of promissory notes, which are further described in Item 10: Other Financial Activities and Affiliations, of this brochure.

Bankruptcy Petitions during the Past Ten Years

Neither Silverhawk nor its management has had any bankruptcy petitions in the last ten years.