

## Customer Relationship Summary "Form CRS"

**Waterway Wealth Management** is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

### Relationships & Services:

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

We offer financial planning and investment advisory services to retail investors. Our financial planning services involve collecting pertinent information about your goals and objectives. This includes present and anticipated assets and liabilities, retirement goals, investment horizon, financial needs, and cost of living needs. We use these to build a custom plan for you. Financial planning services do not involve the active management of accounts, but instead focuses on your overall financial situation.

For our investment advisory services, we offer investments in individual debt and equity securities, mutual funds, index funds, exchange-traded funds, and options. If appropriate, we also offer access to private issues that invest in real estate and other hard assets. Our investment advisory services are offered on a discretionary basis. When you grant us discretionary authority for investment management services, you provide us the authority to determine the investments to buy or sell in your account on an ongoing basis. We periodically reassess and continuously monitor your investments. Reviews are conducted at least quarterly and consist of written/electronic statements of your holdings based on our analysis of your investments, cash flows, and market activity. Additional reviews may be triggered by events such as a change in your risk tolerance, financial position, or investment objective, change in a company or fund's management, unusual market or economic circumstances or other unforeseen events. We seek to meet with you in person at least annually, with the meeting covering both financial plan and investment management aspects.

**Account Minimums and Other Requirements:** We prefer an initial minimum investment amount, generally aggregating all accounts belonging to a set of family members, of \$1,000,000. We reserve the right to waive or lower this minimum. You may place restrictions on our services or investments in writing.

**Additional Information:** Please see Form ADV, Part 2A Brochure (Items 4 and 7) on our website at <https://waterwaywealth.com/wp-content/uploads/2021/03/Wrap-Fee-ADV2A-ADV2B-Privacy-March-2021-FINAL.pdf>

**Conversation Starters:** *Given my financial situation, should I choose an investment advisory 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?*

### Fees, Costs, Conflicts & Standard of Conduct:

#### What fees will I pay?

We offer advisory accounts through a Wrap Fee Program. For participation in our Wrap Fee Program, your fees are based on an annual percentage of the value of your account(s) and may be negotiated. This fee is charged quarterly, in advance at the rate of 1/4<sup>th</sup> of the annual fee with the rate based on the aggregate value of all accounts belonging to a family. Asset-based fees associated with the Wrap Fee Program include most transaction costs and fees to a broker-dealer or bank that has custody of these assets, which can be higher than other asset-based advisory fees. A wrap fee program simplifies how your quarterly fees are calculated regardless of the number of transactions you have. You may pay additional fees charged by other parties such as transaction fees, or internal fees, marketing, or administrative costs. Additionally, you are responsible to pay deferred sales charges, odd-lot differentials, transfer taxes and other fees charged by the custodian. The more assets in your account, the more you will pay in fees, and

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we may, therefore, have an incentive to encourage you to increase the assets in your account. However, at certain thresholds, your fee schedule may be reduced due to the increased level of assets, which may result in a lower fee rate being charged to your account.

For Financial Planning services, we bill hourly or as a fixed rate based on the complexity of your plan.

**Additional Information:** 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 and review our Form ADV, Part 2A Brochure (Item 5) on our website at <https://waterwaywealth.com/wp-content/uploads/2021/03/Wrap-Fee-ADV2A-ADV2B-Privacy-March-2021-FINAL.pdf>

**Conversation Starter.** *Help me understand how these fees and costs might affect my investments. If I give you \$1,000,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

**When we act as your investment adviser,** we are required to act in your best interest as a fiduciary, and not put our interest ahead of yours. At the same time, how we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice, we provide you. Here are some examples to help you understand what this means: because we pay your custodians for the transaction fees in your accounts, we have a potential conflict of interest with you. Paying these fees could incentivize us to minimize trades in order to lower our costs. This is mitigated by our following our investment strategy. We use a combination of no-load mutual funds equities and ETFs, many of are traded without transaction costs. We recommend broker-dealers as your account custodian which provide us software and other technology intended to help us manage and further develop our advisory practice. In light of our arrangements with those custodians, a conflict of interest exists between our interests and yours because we have incentive to recommend them based on the benefits we receive.

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**Conversation Starters:** *How might your conflicts of interest affect me, and how will you address them?*

**How do your professionals make money?**

Our personnel receive a salary and a discretionary bonus based on the success of the firm.

### Disciplinary History:

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

No. Visit <https://Investor.gov/CRS> for a free and simple search tool to research us and our financial professionals

**Conversation Starters:** *As a financial professional, do you have any disciplinary history? For what type of conduct?*

### Additional Information:

**For additional information about our services,** please visit our website at <https://www.waterwaywealth.com/> If you would like additional, up-to-date information or a copy of this disclosure, please call 281.363.0000 for our Texas office or 505.275.2436 for our New Mexico office.

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