

# **Firm Brochure**

(Part 2A of Form ADV)

For

**Southward Financial Services, LLC**

# Cover Page

## **Southward Financial Services, LLC**

**9165 Winston Road**

**Pickerington, OH 43147**

**(614) 864-0759**

**(800) 284-9516**

**SFSPlan@insight.rr.com**

This Brochure provides information about the qualifications and business practices of Southward Financial Services, LLC. If you have any questions about the contents of this Brochure, please contact us at (614) 864-0759, (800) 284-9516, or by email at SFSPlan@insight.rr.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), the Ohio Division of Securities or by any state securities authority.

Additional information about Southward Financial Services, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site by a unique identifying number, known as a CRD number. The CRD number for Southward Financial Services, LLC is 119849.

Registration with the SEC, the Ohio Division of Securities or other state securities authorities as a registered investment adviser does not imply a certain level of skill or training.

This Brochure was last updated on March 31, 2018.

# Summary of Material Changes

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## **Annual Update**

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

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## **Material Changes since the Last Update**

Southward Financial Services, LLC's prior Brochure was issued on March 31, 2017. The Material Changes in this Firm Brochure are:

The section titled "Amount of Assets Under Advisement" found on page 2 of the Form ADV Part 2A has been changed to read:

As of December 31, 2017, Southward Financial Services, LLC provided non-discretionary and discretionary advice on approximately \$28,900,000 in assets for approximately 38 clients.

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## **Full Brochure Available**

Whenever a client would like to receive a complete copy of our Brochure, please contact us by telephone at (614) 864-0759, (800) 284-9516 or by email at [SFSplan@insight.rr.com](mailto:SFSplan@insight.rr.com).

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# Advisory Business

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## **Firm Description**

Southward Financial Services, LLC was founded in 2000.

Southward Financial Services, LLC provides personalized confidential financial planning and investment management to individuals, trusts, estates and charitable organizations. Advice is provided through consultation with the client and may include, but is not limited to: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Southward Financial Services LLC also provides tax preparation services to individuals, trusts and small businesses. This service is provided by a CPA on staff, and is independent of financial planning and investment management services. Clients may choose to use either or both services.

Southward Financial Services LLC is a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees (also called solicitors fees) are accepted.

Investment advice is provided with the client making the final decision on investment selections. Southward Financial Services LLC does not act as a custodian of client assets. The client always maintains asset control. Southward Financial Services LLC may place trades for clients under a limited power of attorney if the client so desires. Otherwise, clients may elect to place their own trades.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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**Principal Owners**

Roger E. Southward is the sole owner of Southward Financial Services LLC.

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**Amount of Assets Under Advisement**

As of December 31, 2017, Southward Financial Services LLC provided non-discretionary advice on approximately \$28,900,000 in assets for approximately 38 clients.

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**Non-Participation in Wrap Fee Programs**

Southward Financial Services LLC, as a matter of policy and practice, does not sponsor any wrap fee program. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions.

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**Types of Advisory Services**

In general, advisory services are tailored to meet the needs of individual clients. Each investment portfolio is individually designed. The goals and objectives for each client are documented in each client file. Investment policy statements are created that reflect the stated goals and objectives.



Clients may impose restrictions on investing in certain securities or types of securities. This most often occurs when clients request certain social investing needs be addressed, such as through the use of mutual funds which avoid investments in certain companies. Other restrictions may be imposed by clients with respect to the (average or longest) maturity or credit quality of fixed income investments.

Agreements may not be assigned without client consent.

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### **Types of Agreements**

The following agreements define typical client relationships.

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#### **Financial Planning Agreement**

A financial plan is designed to help the client with aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations. The client may elect to exclude any of the above parts of the plan or request specific areas only to be addressed. The client and Southward Financial Services LLC will execute a letter of agreement at the beginning of the engagement outlining the scope of the work.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is determined by the time necessary to complete the work as outlined. The fee is \$120.00 (one-hundred-twenty-dollars) per hour, rounded to the nearest quarter hour. Southward Financial Services LLC will establish a not-to-exceed total fee as part of the letter of agreement governing the work. This hourly rate is not negotiable.

Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be determined by mutual agreement. The client must approve the change of scope in advance of the additional work being performed when additional hours are necessary.

After delivery of a financial plan, clients may elect to engage Southward Financial Services LLC for Investment Management Services. This Service shall be governed by a new agreement. If the new agreement is executed within six months of the completion of the Financial Planning Agreement, all fees paid for that service shall be credited against the Investment Management Service Agreement.

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### **Investment Management Service Agreement**

Most clients choose to have Southward Financial Services LLC manage their assets in order to obtain ongoing in-depth advice and financial planning. All aspects of the client's financial affairs are reviewed. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Management Service Agreement is provided to the client in writing prior to the start of the relationship. An Investment Management Service Agreement may include, but is not limited to: cash flow management; insurance review; investment management (including

performance reporting); education planning; retirement planning; estate planning; and tax planning, as well as the implementation of recommendations within each area. The client may engage Southward Financial Services LLC to undertake tax preparation as a separate service.

The annual Investment Management Service Agreement fee is based on a percentage of investable assets. "Investable assets" shall be mutually determined by Southward Financial Services LLC and the client and identified in the Agreement. Fees are calculated at the close of each calendar quarter and are set according to the following schedule:

0.90% on the first \$300,000;

0.70% on the next \$700,000 (from \$300,001 to 1,000,000); and

0.50% on the assets above \$1,000,000.

This fee schedule is negotiable. There is no minimum fee. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Investment Management Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or Southward Financial Services LLC may terminate an Agreement by 30 day written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

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### **Retainer Agreement**

In some circumstances, a Retainer Agreement is executed in lieu of an Investment Management Service Agreement when it is more appropriate to

work on a fixed-fee basis. The annual fee is determined based on the scope of services and is negotiable.

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### **Tax Preparation Services**

Tax preparation services are offered as a stand-alone service. Financial planning clients may elect to have Southward Financial Services LLC prepare their taxes, and will be charged the standard fee based on the complexity of their returns.

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### **Asset Management**

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. Southward Financial Services LLC does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), corporate debt securities, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, and futures contracts.

Initial public offerings (IPOs) are not available through Southward Financial Services LLC.

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### **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying Southward Financial Services LLC in writing and paying the rate for

the time spent on the investment advisory engagement prior to notification of termination; see Fees page 9 for method of calculating the fee due. While it is generally the policy of Southward Financial Services LLC to not ask for any advance payment, should the client have made an advance payment, Southward Financial Services LLC will refund any unearned portion of the advance payment.

Southward Financial Services LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing. While it is generally the policy of Southward Financial Services LLC to not ask for any advance payment, should the client have made an advance payment, Southward Financial Services LLC will refund any unearned portion of the advance payment.

# Fees and Compensation

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## **Description**

Southward Financial Services LLC bases its fees on hourly charges, a percentage of assets under management, and fixed fees.

Retainer Agreements are priced on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced on an hourly charge.

Fees are negotiable.

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## **Fee Billing**

Investment Management Service fees are billed quarterly, in arrears, meaning that we invoice a client after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Southward Financial Services LLC reserves the right to impose a late payment fee of five percent (5%) of the invoiced amount if payment is not made within thirty-days of the client receiving the invoice.

Fees for financial plans are billed upon completion and acceptance of the final report.

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## **Other Fees**

The payment that a client makes to Southward Financial Services LLC is the sole source of the firm's compensation. However, a client may incur other costs in pursuing their goals, which may include but are not limited to:

- Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security.

The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

- Mutual fund companies may charge contingent deferred sales charges on the sale of mutual funds a client may have acquired before working with SFS;
- Custodians and other financial institutions may charge custodial fees and other charges; and
- Other professionals may charge for services they render.

Southward Financial Services LLC, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by the client to Southward Financial Services LLC. Southward Financial Services LLC does not receive any portion of those fees.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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### **Past Due Accounts and Termination of Agreement**

Southward Financial Services LLC reserves the right to stop work on any account that is more than 30 days overdue. In addition, Southward Financial

Services LLC reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Southward Financial Services LLC judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.



# Performance-Based Fees

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## **Sharing of Capital Gains**

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

Southward Financial Services LLC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

# Types of Clients

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## **Description**

Southward Financial Services LLC generally provides personalized confidential financial planning and investment management to individuals, trusts, estates and charitable organizations.

Client relationships vary in scope and length of service.

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## **Account Minimums**

Southward Financial Services LLC does not require a minimum account size. No minimum fee is set for Investment Management Services Agreements or Retainer Agreements.

# Methods of Analysis, Investment Strategies and Risk of Loss

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## Overview

Southward Financial Services LLC provides investment strategy and implementation for its clients principally using no-load mutual funds and individual securities where appropriate. Mr. Roger E. Southward is responsible for establishing the firm's investment philosophy and strategies.

The main sources of information for investment planning include but are not limited to financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that Southward Financial Services LLC may use include Morningstar mutual fund and stock information, Charles Schwab & Company's research information, Advisor Intelligence, and other internet-based services.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy. This Statement serves as a guideline for future decision-making as well as a benchmark for evaluation.

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## Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation among a wide range of different investments. Asset classes used include:

- U.S. stocks of all sizes

- Stocks of firms headquartered in developed market countries such as the European Union, Canada or Japan
- Stocks of firms headquartered in developing market countries such as India or China
- Investment grade bonds of various maturities
- Corporate bonds carrying less than an investment grade, or high-yield bonds
- Mutual funds seeking to replicate the performance of different commodity indices
- Mutual funds following specific strategies designed to produce returns that are not correlated or related to the general stock market (often referred to as alternative strategies)
- Real estate investment trusts or REIT
- Money market accounts

A given client Investment Policy Statement will use some or all of these asset classes to craft a strategic asset mix designed to meet the goals of the client while also matching their risk tolerance. There can be no guarantee that these goals may be achieved.

Once a portfolio is established, it is monitored at least quarterly to rebalance assets to predetermined levels (as a percentage of the portfolio) as outlined in the Investment Policy Statement. Southward Financial Services LLC believes that such regular examination and rebalancing maintains the portfolio and its associated risk and return potential. It also forces the client to sell assets that have done exceptionally well and to purchase assets that have lagged in terms of relative performance.

The quarterly review also focuses upon the performance of the funds and/or securities. Performance is compared to appropriate benchmarks and changes implemented where a given investment has significant underperformance for an extended period of time, where the investment has changed management personnel, undergone a significant change in strategy or been convicted of violation of securities laws or regulations.

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### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. 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 not buy as much as 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' operation 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.

# Disciplinary Information

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## **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

# Other Financial Industry Activities and Affiliations

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## **Financial Industry Activities**

Southward Financial Services LLC is solely registered as a Registered Investment Advisor through the State of Ohio.

Southward Financial Services LLC provides tax preparation services to both financial planning clients and other individuals and businesses.

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## **Affiliations**

Southward Financial Services LLC has no outside business arrangements.



# Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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## **Code of Ethics**

The employees of Southward Financial Services LLC are committed to following a Code of Ethics that is available for review by clients at any time. Clients are also notified of the availability of the Code of Ethics with a paragraph on each invoice. Prospective clients will receive a copy of the Code of Ethics at the beginning of the engagement.

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## **Participation or Interest in Client Transactions**

Southward Financial Services LLC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees may not sell their own securities to clients, nor may employees purchase securities from clients. Employees comply with the provisions of the Southward Financial Services LLC Compliance Manual.

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## **Personal Trading**

The Chief Compliance Officer of Southward Financial Services LLC is Roger E. Southward. He reviews all employee trades each quarter and maintains records of his own trades that may, from time to time, be reviewed by outside regulators.

The personal trading reviews are to ensure that clients of the firm receive preferential treatment. Since all employee trades are of such small size, the trades do not affect the securities markets.

# Brokerage Practices

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## **Selecting Brokerage Firms**

Southward Financial Services LLC does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. Southward Financial Services LLC recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Southward Financial Services LLC recommends a discount brokerage firm, Charles Schwab and Co. and a mutual fund company, Vanguard Group, as custodians.

Southward Financial Services LLC does not receive fees or commissions from either of these recommendations.

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## **Best Execution**

Consistent with its fiduciary obligations, Southward Financial Services LLC seeks best execution in all transactions. We define "best execution" as the best price we believe we may obtain for a specific trade in light of all relevant circumstances. It is the firm's understanding that issues with best execution are not relevant in the purchase and sale of mutual funds, as these sales occur at the end of each business day, at prices set by the fund company and set for all buyers and sellers.

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## **Soft Dollars**

Southward Financial Services LLC receives no soft dollar benefits from any outside vendor. Southward Financial Services LLC pays all vendors directly for services rendered.

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**Order Aggregation**

Southward Financial Services LLC does not use trade aggregation for its clients due to the small size of the firm.

# Review of Accounts

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## **Periodic Reviews**

Account reviews are performed quarterly by Roger E. Southward. Account reviews may be performed more frequently when market conditions dictate.

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## **Review Triggers**

Other conditions that may trigger a review include but are not limited to changes in the tax laws, new investment information, and changes in a client's own situation.

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## **Regular Reports**

Clients receiving investment management services receive a written quarterly report. This report includes tables showing

- portfolio value and composition by asset class and security or mutual fund
- rates of return for the portfolio and asset class for the quarter, year to date and since inception of the relationship with Southward Financial Services LLC
- inflows and outflows from the portfolio
- other information as needed for that client's evaluation of investment performance.

Account reviews shall examine if changes need to be made in investments due to market performance. The reviews also consider changes in light of the investment objectives of the client or changes in life circumstances.

# Client Referrals and Other Compensation

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## **Incoming Referrals**

Southward Financial Services LLC has been fortunate to receive many client referrals over the years. The referrals come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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## **Referrals Out**

Southward Financial Services LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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## **Other Compensation**

Southward Financial Services LLC has no source of compensation other than fees paid by clients.

# Custody

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## **General Policy**

It is our policy to not accept custody of a client's investments. In other words, we are not granted access to our client's accounts in ways which would enable us to withdraw or transfer or otherwise move funds or cash from any client account to our accounts or the account of any third party. This is for the safety of our clients' assets.

Southward Financial Services LLC does not deduct any fees from a client's account. All fees due Southward Financial Services LLC are invoiced to the client and paid by the client.

All of our clients receive account statements directly from qualified custodians, such as a bank or broker-dealer that maintains those assets. As noted in Brokerage Practices, page 20, Southward Financial Services LLC recommends the use of either or both of two different firms for custody services. The client should carefully review these account statements, and compare them to the quarterly or other reports we make available to the client. We urge all of our clients to compare statements in order to ensure that all account transactions remain proper, and to contact us with any questions.

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## **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the quarterly performance reports provided by Southward Financial Services LLC.

# Investment Discretion

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## **Discretionary Authority for Trading**

As a matter of policy, Southward Financial Services LLC does not generally accept discretionary authority to manage securities accounts on behalf of clients. Southward Financial Services LLC consults with an individual client prior to each trade to obtain concurrence.

The client approves the custodian to be used. Southward Financial Services LLC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

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## **Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. The client may sign a limited power of attorney so that we may execute the trades that the client has approved. This power does not give Southward Financial Services LLC the authority to withdraw funds, to change the client's address or to change account beneficiaries.

Clients may chose to execute trades on their own after consultation and advice from Southward Financial Services LLC. In those cases, the client may elect not to grant Southward Financial Services LLC a limited power of attorney.

# Voting Client Securities

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## **Proxy Votes**

Without exception, Southward Financial Services LLC does not vote proxies on behalf of clients. All proxy materials received on behalf of a client account are sent directly to the client or a designated representative of the client, who is responsible for voting the proxy. Southward Financial Services LLC personnel may answer client questions regarding proxy-voting matters in an effort to assist the client in determining how to vote the proxy. However, the final decision of how to vote the proxy rests with the client.



# Financial Information

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## **Financial Condition**

Southward Financial Services LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Southward Financial Services LLC does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

# Requirements for State-Registered Advisors

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## Requirements for State-Registered Advisors

Roger E. Southward, CFP® is the owner and president of Southward Financial Services, LLC. He holds a Bachelor of Arts in Political Science from Wittenberg University, Springfield, Ohio, and a Master of Public Administration from the Maxwell School, Syracuse University, Syracuse, New York. He earned his Certified Financial Planner designation in February, 1999. Prior to starting Southward Financial Services, LLC in January, 2000, he was Vice President for Business and Finance at Trinity Lutheran Seminary, Columbus, Ohio.

Mr. Southward is not involved in any outside business interests or positions.

Southward Financial Services, LLC does not use performance-based fees for any accounts.

Mr. Southward is not involved in any relationships or arrangements with any issuer of securities.

# Business Continuity Plan

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## **General**

Southward Financial Services LLC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

While the Plan attempts to cover many different possibilities where our services would be disrupted, it is impossible to plan in advance for every contingency. Clients should know that they always have access to their own funds and may withdraw them without Southward Financial Services LLC participating in that action. Clients should understand how to contact all custodians who hold their accounts and know how to issue instructions to those institutions.

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## **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, telephone line outage, Internet outage, and aircraft accident. Electronic files are backed up daily and archived offsite.

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## **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

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## **Loss of Key Personnel**

Southward Financial Services LLC has made arrangements with another financial advisory firm to support Southward Financial Services LLC in the event of Roger E. Southward's serious illness or disability.

# Information Security Program

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## **Information Security**

Southward Financial Services LLC maintains an information security program to reduce the risk that clients' personal and confidential information may be breached. The program is reviewed annually with all staff and includes, but is not limited to, issues of physical security of the office and electronic safekeeping of information.

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## **Privacy Notice**

Southward Financial Services, LLC is committed to safeguarding the confidential information of its clients. We hold all personal information provided to the firm by our clients in the strictest confidence. These records include all personal information that we collect from the client in connection with any of the services provided by Southward Financial Services, LLC.

Southward Financial Services LLC has never disclosed information about or from our clients to nonaffiliated third parties, except as permitted or required by law and does not anticipate doing so in the future.

If we were to change this policy, we would be required to notify clients in advance and our clients would have certain rights to block disclosures. Our policy with respect to personal information about our clients is listed below.

- We do not disclose a client's personal information to anyone without that client's permission, except as permitted or required by law.
- The categories of nonpublic information that we collect from a client depend upon the scope and purpose of the engagement.

- With a client's permission, we may disclose limited information to individuals and firms named by the client and/or with whom the client has established a relationship.
- We maintain a secure office and computer environment and procedures to ensure that client information is not placed at unreasonable risk.
- We require strict confidentiality in our agreements with unaffiliated third parties that require access to client personal information. Federal and state authorities and regulatory authorities may review our records and client's personal records as permitted by law.
- We do not provide client's personal information to mailing list vendors or solicitors.
- Personally identifiable information about our clients will be maintained for the period of time that records are required to be maintained by federal and state laws.
- Should a client become inactive client or should our relationship end, we will continue to protect the confidentiality and security of said client's personal information in accordance with this privacy policy.

# Brochure Supplement (Part 2B of Form ADV)

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## **Effective Date of Supplement**

The effective date for this Supplement is June 1, 2013

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## **Education and Business Standards**

Southward Financial Services LLC requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include, but are not limited to: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA.

Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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## **Professional Certifications**

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

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**Roger E. Southward, CFP®**

President

Southward Financial Services LLC

9165 Winston Road

Pickerington, OH 43147

Phone: (614) 864-0759

**This brochure supplement provides information about Roger E. Southward that supplements the Southward Financial Services LLC Firm Brochure. You should have received a copy of that Firm Brochure. Please contact Southward Financial Services LLC if you did not receive the Southward Financial Services LLC brochure or if you have any questions about the contents of this supplement.**

**Additional information about Roger E. Southward is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Educational Background and Business Experience

Roger E. Southward graduated with a Bachelor of Arts in Political Science from Wittenberg University, Springfield, Ohio in 1979. He received a Masters in Public Administration, concentration in local government finance, from Syracuse University, Syracuse, New York in 1980. He earned the Certified Financial Planner ® designation in 1999.

Mr. Southward has been President and sole owner of Southward Financial Services LLC since January 1, 2000. Prior to that, he served for ten years as Vice President for Business and Finance at Trinity Lutheran Seminary, Columbus, Ohio.

Mr. Southward was born February 19, 1957.

### Disciplinary Information

Roger E. Southward possesses no disciplinary history required to be disclosed by the Securities and Exchange Commission or the Division of Securities.

### Other Business Activities

Roger E. Southward has no business activities other than his work with and for Southward Financial Services LLC.

### Additional Compensation

Roger E. Southward receives no other compensation beyond that received from Southward Financial Services LLC.

### Supervision

As President and sole owner of Southward Financial Services LLC, Roger E. Southward is not supervised by another individual.

### State Disclosures

Roger E. Southward has not been the subject of any arbitration claims, a self-regulatory organization or administrative proceeding or a bankruptcy petition.



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