



Introduction

Shearwater Capital is registered with the Securities and Exchange Commission as an investment advisor. Brokerage and investment advisory services and fees differ, and it is important for you, the retail investor, to understand the 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.

What investment services and advice can you provide me?

We offer investment advisory and financial planning services to retail investors. We offer these services through the selection of mutual funds, exchange-traded funds, stocks, and bonds in taxable, tax deferred and Roth accounts. Your funds or assets are held in your account in your name at a qualified custodian such as TD Ameritrade or Charles Schwab. Your funds are not pooled or mixed with the assets of other clients. Included as part of our standard services is monitoring of your accounts, which occurs at least weekly for accounts at TD Ameritrade and Charles Schwab and monthly for accounts held at other custodians as part of your employer retirement plan. We have accepted investment authority on your assets/funds that allows us to purchase and sell mutual funds, exchange-traded funds, stocks, and bonds (assets). We buy and sell specific assets that we feel are best to keep your portfolio aligned with our agreed upon ratio of stocks, bonds, alternative assets, and cash.

The hyperlink below provides more detailed information about our services.

<https://adviserinfo.sec.gov/firm/summary/115399>. Please refer specifically to “View latest Form ADV filed” under Items 4 and 7.

Below are some questions you as a retail investor may wish to ask us about our relationship and services with you:

- *“Given my financial situation, should I choose an investment advisor 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?”*

What fees will I pay?

Our firm charges a fee every three months (quarterly) based on a percentage of assets under management.

<u>Account Size</u>	<u>Annual Fee</u>
<\$100,000	0.85%
\$100,000-\$250,000	0.75%
\$250,000-\$500,000	0.65%
\$500,000-\$1,000,000	0.55%
\$1,000,000-\$2,500,000	0.45%
\$2,500,000-\$5,000,000	0.35%
\$5,000,000-\$10,000,000	0.25%
> \$10,000,000	0.15%

The annual costs quoted above apply to the total value of all accounts that a client has with Shearwater Capital. In other words, if you have a taxable account, an IRA, and a Roth IRA with a combined value of \$1.1 million, the annual cost would be 0.45% based on the total value of the accounts. Since we collect an asset-based fee, the more assets there are in your account, in general the more you will pay in fees and the firm may therefore have an incentive to encourage you to increase the assets in your account. Our fee structure is more favorable for you than a tiered or blended fee structure in which the 0.85% cost is applied to the first \$100,000, 0.75% to the next \$150,000, etc. Our fee structure can result in the total fee actually decreasing as you increase assets up to the lower range of the next tier. For example, using the annual fees above, the total fee on accounts totaling \$1,100,000 is less than the total fee on \$990,000. TD Ameritrade and Schwab as custodians that hold your funds do not charge an account maintenance fee but may charge a fee for buying or selling mutual funds or stocks, wire transfer fees, or surrender charges. Other custodians may charge account maintenance fees or there may be fees for Shearwater Capital to access your account. The mutual fund company (Vanguard, Dimensional Funds, etc.) deducts a fee (the expense ratio) from your assets held in that fund. *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.

Additional information is available at: <https://adviserinfo.sec.gov/firm/summary/115399>. Please refer specifically to “Part 2 Brochures” under item 5 on page 5.

You may wish to ask us: *“Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”*

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 legally and morally required to act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide. Here is an example to help you understand what this means: Shearwater Capital has a conflict of interest regarding advice given on adding new assets or transferring assets into accounts managed by our firm in that we receive compensation for your assets managed by our company. At Shearwater Capital, our only source of revenue is from the investment management fees paid by our clients. Our firm does not make money from any other fees or revenue streams. We do not charge a fixed or minimum fee. We do not sell proprietary products, receive third-party payments, participate in revenue sharing or buy or sell investments from our company or company principal accounts directly to you. We therefore have no financial incentive to sell you any particular mutual fund, exchange-traded fund, annuity, or insurance product. We do have a financial incentive to increase your assets under our management.

You may wish to ask us, *“How might your conflicts of interest affect me, and how will you address them?”*

The hyperlink below provides more detailed information about our services.

<https://adviserinfo.sec.gov/firm/summary/115399>. Please refer specifically to “Part 2 Brochures” under item 10 and 11.

How do your financial professionals make money?

Our employees are compensated with a fixed salary. There is no compensation for our employees based on the time and complexity required to meet a client’s needs, the amount of client assets they service, the products sold, or product sales commission. There is no non-cash compensation for our employees.

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

No. Since Shearwater Capital was founded in 1999, there have been no complaints filed against the company with state or federal regulatory agencies and no legal or disciplinary actions have been taken against the company or its principals or employees.

You can search for information on our firm and our financial professionals with a free and simple search tool at

<https://www.investor.gov/CRS>

You may wish to ask a financial professional and start a conversation about the financial professional’s disciplinary history: *“As a financial professional, do you have any disciplinary history? For what type of conduct?”*

For additional information about our investment advisory services visit:

our company website: <https://www.shearwatercapital.com/>

or the SEC website: <https://adviserinfo.sec.gov/firm/summary/115399>

You can obtain an up-to-date copy of this relationship summary or other information at 314-434-4750 or on our website.

You, as a retail investor, may wish to ask a financial professional and start a conversation about the contacts and complaints: *“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?”*

If you have any concerns about how you are treated by a contact person at our company, please feel free to contact one of our Principals, Jeff Brown, or our Chief Compliance Officer, Jared Meese, at our company office at 314-434-4750.