



SHERWOOD
• FINANCIAL MANAGEMENT •

**Sherwood Financial Management
Form ADV Part 2A**

CRD #305997

8463 Sheridan Drive
Williamsville, NY 14221

March 13, 2026

This Form ADV Part 2A (the “Brochure”) provides information about the qualifications and business practices of Sherwood Financial Management (“SFM” or Advisor). If you have any questions about the contents of this Brochure, please contact us at (716) 302-4265 or by email at tracy@sherwoodfinancialmanagement.com. You may also visit our website at www.sherwoodfinancialmanagement.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Sherwood Financial Management is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Annual Update

The last annual amendment update of this Brochure was filed on March 26, 2025.

Material Changes since the Last Update

Since the last filing of this brochure on March 26, 2025, there have been no material changes to this ADV.

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Item 4: Advisory Business

Sherwood Financial Management (“SFM” or the “Advisor”) is a financial planning and investment management firm wholly owned by Tracy L. Sherwood.

The Advisor serves as a fiduciary to Clients, as defined under applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest.

SFM managed \$23,904,903 in non-discretionary regulatory assets under management as of December 31, 2025.

Types of Advisory Services

Sherwood Financial Management offers Financial Planning and Investment Management Services, which are described in more detail below. Before receiving any advisory services, clients will need to sign a written advisory agreement that details the terms of service.

Financial Planning Services

Financial planning involves an evaluation of a client’s current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as they affect and are affected by the entire financial and life situation of the client. Clients engaging our Financial Planning Services will receive an electronic report, providing the client with a detailed financial plan designed to achieve their stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern. We will work with the client to select specific areas to cover. These areas may include, but are not limited to, the following:

- **Financial Goals:** We will help clients identify and prioritize their financial goals, and work with them to develop a plan to better focus their efforts and resources over the relative time period.
- **Cash Flow and Debt Management:** We will conduct a review of the client’s income and expenses to determine their current surplus or deficit, along with advice on maximizing their income, saving and/or paying down debt.
- **College Savings:** This includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for the client to save

the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review the client's financial picture as it relates to eligibility for financial aid.

- **Employee Benefits Optimization:** We will review their benefits package and offer recommendations for maximizing their employee benefits.
- **Insurance:** This includes a review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- **Investment Analysis:** This analysis involves assessing the client's current investment asset allocation relative to profiling their risk tolerance, discussion of their financial goals and time horizon to invest. The strategies and types of investments we may recommend are further discussed in Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss below.
- **Retirement Planning:** Our retirement planning services typically include projections of the client's likelihood of achieving their financial goals and maintaining their financial independence over their lifetime. We may provide multiple scenarios to highlight strategies to consider and their relative impact, such as working longer, saving more, modifying the level of risk they are accepting with investments, and social security maximization strategies. We may also stress test their plan to highlight the impact if the client is near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during retirement years.
- **Risk Management:** A risk management review includes an analysis of the client's exposure to major risks that could have a significant adverse impact on their financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (that is, "self-insuring").
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of the client's overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with the consideration that there is always a possibility of future changes to federal, state, or local tax laws and rates that may impact the client's situation. We recommend that clients consult with a qualified tax professional before initiating any tax planning strategy, and we may provide clients with contact information for accountants or attorneys who specialize in this area when hiring someone for such purposes.

- **Estate Planning:** This usually includes an analysis of the client's exposure to estate taxes and their current estate plan, which may include whether the client has a will, powers of attorney, trusts; and other related documents. Our advice also typically includes ways for the client to minimize or avoid future estate taxes by implementing appropriate estate planning strategies, such as the use of applicable trusts. We always recommend that clients consult with a qualified attorney when initiating, updating, or completing estate planning activities. We may provide clients with contact information for attorneys who specialize in estate planning when hiring an attorney for such purposes.

We base our financial plans on the information provided to us. Inaccurate or incomplete information could result in an inaccurate or incomplete financial plan. To create a financial plan, we must make certain assumptions with respect to interest and inflation rates, past trends, and future projections of the performance of the market and economy. Changes to a client's personal financial circumstances, goals, or objectives could cause the financial plan to become inaccurate and out of date.

Financial Planning Services are provided on a non-discretionary basis. This means clients have the option to implement any of the recommendations made in the financial plan. Clients are not obligated to implement any financial planning recommendations made by us. We do not have any control over the timing or accuracy of any transactions executed by the client.

Depending on the client's needs, we offer three different arrangements for our Financial Planning Services: Ongoing Financial Planning, Project Based Financial Planning, and Hourly Financial Planning.

- **Ongoing Financial Planning:** Our Ongoing Financial Planning Services involve working one-on-one with a planner on an ongoing basis. By paying a fixed quarterly fee, clients work with a planner to develop and implement their plan. The planner will provide ongoing support for implementation and monitoring of the plan, recommending any required changes, and ensuring the plan is up to date as the client's financial situation evolves. The client will be taken through a data-gathering process establishing their goals and values around money. Once the client's information is reviewed, their plan will be built and analyzed, and then the findings, analysis, and potential changes to their current situation will be reviewed with them. Clients subscribing to this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve their stated financial goals and objectives. If a follow-up meeting is required, we will meet at the client's convenience. The plan and the client's financial situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to confirm that any agreed upon action steps have been carried out. On an annual basis, there will be a full review of the plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time. We rely on clients to notify us of any changes to their investment objectives or financial situation, so the plan can be updated.

- **Project Based Financial Planning Services:** We provide Project Based Financial Planning Services on specific financial topics or questions, such as retirement planning, risk management, college savings, cash flow, debt management, work benefits, and estate and incapacity planning. This service is engaged on a project basis for a one-time financial plan. Clients will receive a written or an electronic report, providing them with a detailed financial plan designed to achieve their stated financial goals and objectives. We will provide an analysis and recommendations regarding specific topics, depending on the client's needs. For Project Based Financial Plans, we do not provide ongoing review of or updates to the financial plan.
- **Hourly Financial Planning Services:** This service involves working with a planner on an hourly basis to build a financial plan or answer questions based on specific topics. We provide a limited-scope financial plan or analysis based on the client's needs. We do not provide support with implementation of the plan, and we do not provide ongoing support with implementation, review, or monitoring of the plan.

SFM does not serve as an attorney, accountant or insurance agent, and no portion of our services should be construed as legal, accounting or insurance services. SFM does not prepare estate planning documents or tax returns, nor does it sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant and/or its representatives. *Please Note:* If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relating to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Investment Management Services

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice and ongoing management oversight to clients regarding the investment of their funds based on the individual needs of each client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and identify a portfolio based on the client's individual needs and investment objectives. We will also review and discuss a client's prior investment history.

The client's investment portfolio includes brokerage accounts held by a qualified custodian for which the client has appointed us as the investment adviser of record. We assign an investment portfolio designed to meet the client's specific needs and financial circumstances.

We assign an investment strategy based on the information clients provide to us. Inaccurate or incomplete information could result in an inappropriate investment portfolio. Past performance is no indication of future performance, and we cannot offer any guarantees or promises that clients' goals and objectives will be met. Changes to a client's personal financial circumstances, goals, or objectives could cause an investment strategy to become inaccurate and out of date. We rely on clients to notify us promptly of any changes to their investment objectives or financial situation so their investment portfolio can be updated, if necessary.

Retirement Plan Rollovers - A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If SFM recommends that a client roll over their retirement plan assets into an account to be managed by SFM, such a recommendation creates a conflict of interest if SFM will earn an advisory fee on the rolled over assets. As such, any investment recommendation that SFM makes is based on SFM's belief that the recommendation is in the Client's best interest.

Selection of Other Advisers

Third Party Asset Managers - Sub-Advisor referred to as "Outside Managers"

A third-party asset manager acts either as a sub-advisor or direct advisor over the account and makes all investment decisions in accordance with model portfolio allocations. A model is a collection of individual securities specifically chosen with the goal of achieving a particular investment objective. The decision about which model to offer is made by the Advisor based on each end-client's risk profile and investment objectives. The manager trades the model.

Sherwood Financial Management may delegate the management of all or part of the Portfolio to one or more independent investment managers or independent investment management programs ("Outside Managers"). Client may approve or disapprove the use of outside managers for their account.

Outside Managers will have limited power-of-attorney and discretionary trading authority over those assets the Advisor directs to them for management. This discretionary authority is provided to Outside Managers pursuant to a sub-advisory agreement with the client's advisor. Client provides discretionary trading and fee collection authorization through paperwork required by their custodian.

The Outside Managers will be authorized to buy, sell and trade in accordance with Client's investment needs and to give instructions, related to their authority, to the broker-dealer and the custodian of Client's Portfolio.

Outside Managers selected to manage designated assets for Client will have discretion to determine the securities to buy and sell for the account, subject to any reasonable restrictions imposed by client. Client will be provided with a copy of the sub-advisor's annual ADV Disclosure Brochure, which Client should carefully review for important details about the manager; their fees and services.

If we recommend using an Outside Manager, SFM will:

- Assist in the identification and ongoing review of your investment objectives
- Recommend and assist in the selection of appropriate money managers
- Recommend specific investment strategies offered by the money managers
- Assist in the review of performance and progress toward your investment objectives
- Recommend any appropriate changes to your investment strategy
- Recommend the hiring and firing of money managers, as needed.

Client Obligations

In performing its services, SFM shall not be required to verify any information received from the Client or from the Client's other professionals; and is expressly authorized to rely thereon. Moreover, each Client is advised that it remains the Client's responsibility to promptly notify SFM if there is ever any change in the Client's financial situation or investment objectives for the purpose of reviewing/evaluating/revising SFM's previous recommendations and/or services.

Client Tailored Services and Client Imposed Restrictions

SFM offers the same suite of services to all clients. SFM will focus on client's specific needs and may tailor financial planning services and use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. The Client may, at any time, impose reasonable restrictions, in writing, on SFM's services.

Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. SFM does not participate in wrap fee programs.

Item 5: Fees and Compensation

Below is a brief description of our fees, however, you should review your executed Advisory Contract for more detailed information regarding the exact fees you will be paying.

Please note, unless a client has received this brochure at least 48 hours prior to signing an Advisory Contract, the Advisory Contract may be terminated by the Client within five (5) business days of signing the Advisory Contract without penalty.

Financial Planning Fees

Project-Based Financial Planning / Comprehensive Financial Plan

SFM charges either a fixed or hourly fee for Project-Based Financial Planning / Comprehensive Financial Plan. Fixed fee rates range between \$3,000 to \$10,000. Our hourly rate is \$300.

The fee range is dependent upon variables including the specific needs of the Client, complexity, estimated time, research, and resources required to provide services to you, among other factors we deem relevant. Fees are negotiable at Advisor's discretion and the final agreed upon fee will be outlined in your Advisory Contract.

The one-time engagement commences once new client onboarding materials are executed, requested documentation is provided, and the retainer fee is paid. While the time it takes to complete the planning engagement will depend on several factors; including but not limited to, advisor/client schedule, client's ability to provide documentation as well as complexity of their financial situation, it will typically be no later than 6-8 weeks from commencement.

SFM requires up to half of Project-Based Planning / Comprehensive Planning fees to be collected in advance with the remainder due upon delivery of the project. SFM will not bill an amount above \$500 more than 6 months or more in advance of rendering the services.

In the event of early termination, any prepaid but unearned fees will be refunded to the Client and any completed deliverables of the project will be provided to the Client and no further fees will be charged. Fees for this service may be paid by electronic funds transfer.

Ongoing Financial Planning

SFM charges a quarterly fixed fee for Ongoing Financial Planning. These arrangements are typically for a defined period and meant to assist in plan implementation and provide on-going advisory oversight as client nears their stated goal, such as 1-3 years from full retirement. Fees are paid quarterly in advance, ranging from \$750 to \$2,500 per quarter. The fee range is dependent upon variables including the specific needs of the Client, complexity, investable assets, estimated time, research, and resources required to provide services to you, among other factors we deem relevant. Fees may be negotiable at the Advisor's discretion and the final agreed upon fee will be outlined in the Advisory Contract. Client is subject to an initial fee which is the fee for the construction of a comprehensive financial plan as highlighted above.

Investment Management Fees

Fee Schedule:

Total Assets Under Management	Annual Fees
\$0 - \$500,000	1.00%
\$500,001 - \$1,000,000	0.75%
\$1,000,001 - and up	0.60%

The advisory fee is calculated using the value of the assets in the Account on the last business day of the prior billing period.

SFM generally requires a minimum relationship size of \$300,000. The Advisor, in their sole discretion, may choose to waive the minimum. Clients who may not meet the investment minimum may engage SFM for financial planning services under a separate agreement.

SFM's annual investment advisory fee shall include investment advisory services, and, to those who avail themselves, financial planning services. There is no additional charge for these services.

Investment Management Fees are negotiable at the adviser's discretion. The final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of SFM's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice. Refunds are made by check and mailed to clients.

Selection of Other Advisers Fees

SFM may direct clients to third-party investment advisers. SFM will not be compensated for directing clients to utilize a third-party investment adviser.

Third-party asset manager fees are currently fixed, paid quarterly in advance and paid by Sherwood Financial Management (net from the quarterly fees charged by SFM).

The client would be notified prior to any future changes in this arrangement.

Other Types of Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for Client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

Prepayment of Fees

SFM collects fees in advance. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check or return deposit back into the client's account.

For investment management fees, fees are paid quarterly in advance. Clients may terminate the investment management immediately upon written notice. The fee refunded will be equal to the balance of the fees collected in advance minus the daily rate* times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

For fixed fees for ongoing financial planning, fees are paid quarterly in advance. SFM requests a 30-day written notice to terminate the ongoing financial planning relationship. If the service is terminated mid quarter, SFM will refund any unearned pre-paid fees.

Outside Compensation for the Sale of Securities to Clients

Neither SFM nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

SFM does not accept performance-based fees or other fees based on a share of capital gains or on capital appreciation of the assets of a client.

Item 7: Types of Clients

SFM generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

There is an account minimum of \$300,000, which may be waived by SFM in its discretion.

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

Methods of Analysis and Investment Strategies

Methods of Analysis

SFM's methods of investment analysis include fundamental, cyclical, passive investing and applies to the underlying principles of modern portfolio theory.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Passive Investment Management We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve the desired relationship between correlation, risk, and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange-traded funds, subject to low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and are relatively tax efficient (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal). In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark.

Modern portfolio theory is an investment approach that attempts to maximize portfolio expected return for a given amount of portfolio risk or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

The underlying principles of MPT are:

- Investors are risk averse. The only acceptable risk is that which is adequately compensated by an expected return. Risk and investment return are related and an increase in risk requires an increased expected return.
- Markets are efficient. The same market information is available to all investors at the same time. The market prices of every security are fairly based upon this equal availability of information.

- The design of the portfolio as a whole is more important than the selection of any particular security. The appropriate allocation of capital among asset classes will have far more influence on long-term portfolio performance than the selection of individual securities.
- Investing for the long-term (preferably longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.
- Increasing diversification of the portfolio with lower correlated asset class positions can decrease portfolio risk. Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another.

Investment Strategies

SFM primarily invests in Outside Managers model portfolios that consist of broadly diversified index ETFs and actively managed mutual funds and/or additional ETFs. Each portfolio is diversified among a variety of asset classes. The asset classes represented in each portfolio will vary depending upon the goals and objectives of the portfolio and the market conditions prevailing at the time, but may include funds that represent US stocks, international stocks, US fixed income, international fixed income, real estate, commodities, managed futures and gold. The asset classes represented in the portfolios will be determined by the holdings of the mutual funds and ETFs comprising the portfolio. Actively managed funds will be selected based on Outside Manager's assessment of the skill of their managers and their ability to contribute positively to the performance of the portfolios. As part of this process, these decisions will draw upon the input of the Outside Manager's Investment Committee.

Clients may impose certain reasonable restrictions on securities such as transferring in securities to be held long-term and not sold. Those securities may serve as a security proxy for security held in a model portfolio.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. There is also a risk that the portfolios will not achieve their specific investment objectives. There is an additional risk that the active managers will not provide positive contributions to the portfolio anticipated by the outside managers' investment committee. There is a risk that index-oriented funds included in portfolios will not precisely track the performance of the indexes they are intended to replicate.

Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Modern Portfolio Theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Investment Strategies

Long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short-term trading risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

Equity: Generally, it refers to buying shares of common stock in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments. Common stock may go up and down in price quite dramatically, and in the event of an issuer bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

Fixed income: Investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Corporate Bonds: Debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond’s maturity, the greater its interest rate risk.

Municipal Bonds: Debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond’s tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor’s tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

Criminal or Civil Actions

There are no criminal or civil actions to report.

Administrative Proceedings

There are no administrative proceedings to report.

Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

Registration as a Broker/Dealer or Broker/Dealer Representative

Neither SFM nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither SFM nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither SFM nor its representatives have any material relationship to this advisory business that would present a possible conflict of interest.

Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

SFM may direct clients to third-party investment advisers. SFM will not be compensated for clients that utilize a third-party investment adviser. The fees will not exceed any limit imposed by any regulatory agency. SFM will always act in the best interests of the client, including when determining which third party investment adviser to recommend to clients. SFM will verify that all recommended advisers are properly licensed, notice filed or exempt in the states where SFM is recommending the adviser to clients.

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

Code of Ethics

SFM has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors,

Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions.

The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc. and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility for acting in an ethical and professionally responsible manner in all professional services and activities.

A summary of the Code of Ethics Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to Clients.
- Competence - Associated persons shall provide services to Clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to Clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential Client information without the specific consent of the Client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matters shall reflect the credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

SFM's Code of Ethics is available free upon request to any client or prospective client.

Recommendations Involving Material Financial Interests

SFM does not recommend that clients buy or sell any security in which a related person to SFM or SFM has a material financial interest.

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of SFM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of SFM to buy or sell

the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SFM will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of SFM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of SFM to buy or sell securities before or after recommending securities to clients, resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, SFM will never engage in trading that operates to the client's disadvantage if representatives of SFM buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

Factors Used to Select Custodians

Our firm does not have any affiliation with any custodian we recommend. Specific custodian recommendations are made to clients based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

In recommending custodians, we recognize our obligation to seek the best execution of transactions in client accounts. However, it is our belief that the determinative factor in the analysis of best execution is not the lowest possible cost, but whether the custodian's transactions represent the best qualitative execution, while taking into consideration the full range of the services provided. The factors we consider when evaluating a custodian for best execution include, without limitation, the custodian's:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody),
- Capability to execute, clear, and settle trades (that is, buy and sell securities for client accounts),
- Capability to facilitate transfers and payments to and from accounts (such as wire transfers, check requests, or bill payment),
- Breadth of available investment products (such as stocks, bonds, mutual funds, and exchange-traded funds),
- Availability of investment research and tools that assist us in making investment decisions,

- Quality of services,
- Competitiveness of the price of those services (such as commission rates, margin interest rates, or other fees) and willingness to negotiate the prices,
- Reputation, financial strength, security, and stability, and
- Prior service to us and our clients.

With this in consideration, our firm recommends Charles Schwab & Co., Inc. (“Schwab”), member of the Financial Industry Regulatory Authority (“FINRA”) and Securities Investor Protection Corporation (“SIPC”), as the qualified custodian to facilitate our management of client accounts. Although clients may request us to use a custodian of their choosing, we generally recommend that clients open brokerage accounts with Schwab. If a client does not wish to place their assets with Schwab, we cannot manage the client’s accounts on a discretionary basis. The client will ultimately make the final decision of the custodian to be used to hold the client’s investments by signing the selected custodian’s account opening documentation.

Research and Other Soft Dollar Benefits

Our firm does not have any soft dollar arrangements with custodians, whereby soft dollar credits, used to purchase products and services, are earned directly in proportion to the amount of commissions paid by a client. However, as a result of being on their institutional platform, Schwab may provide us with certain services and products that may benefit us. All such soft dollar benefits are consistent with the safe harbor provisions contained in Section 28(e) of the Securities Exchange Act of 1934, as amended.

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (such as trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (that is, we do not have to request them) and at no charge to us. The benefits received by our firm do not depend on the number of brokerage transactions directed to Schwab. As part of our fiduciary duties to clients, we at all times must put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm in and of itself creates a potential conflict of interest and may indirectly influence our choice of Schwab for custody and brokerage services. This conflict of interest is mitigated by our regular best execution reviews of using and selecting custodians to ensure our recommendation remains appropriate. The following is a more detailed description of Schwab’s support services:

- **Services That Benefit Clients:** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment from our clients. These services generally benefit clients and their accounts.
- **Services That May Not Directly Benefit Clients:** Schwab also makes available to us other products and services that benefit us but may not directly benefit clients or client accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third-parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that: provide access to client account data (such as duplicate trade confirmations and account statements); facilitate trade execution and allocate aggregated trade orders for multiple client accounts; provide pricing and other market data; facilitate payment of our fees from our clients' accounts; and assist with back-office functions, recordkeeping, and client reporting.
- **Services That Generally Benefit Only Us:** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include educational conferences and events; consulting on technology, compliance, legal, and business needs; and publications and conferences on practice management and business succession. **Brokerage and Custody Costs** For our clients' accounts that Schwab maintains, Schwab generally does not charge clients separately for custody services but is compensated by charging clients commissions or other fees on trades that it executes or that settle into client accounts. Certain trades (for example, many mutual funds and exchange-traded funds) may not incur Schwab commissions or transaction fees.

Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge clients separately for custody services but is compensated by charging clients commissions or other fees on trades that it executes or that settle into client accounts. Certain trades (for example, many mutual funds and exchange-traded funds) may not incur Schwab commissions or transaction fees.

Brokerage for Client Referrals

We do not receive referrals from any custodian, broker-dealer, or third-party in exchange for using that custodian, broker dealer, or third-party.

Directed Brokerage

We do recommend that clients use the custody and brokerage services of Schwab. However, clients may custody their assets at a custodian of their choice. We execute client transactions directly with the qualified custodian that holds the client account, and we do not allow clients to

direct us to execute transactions through a specific broker dealer. By allowing clients to choose a specific custodian, we may be unable to achieve the most favorable execution of client transactions, which may cost clients more money over using a lower-cost custodian.

Aggregating (Block) Trading

Generally, we do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as “block trading”).

Advisor may engage the services of a third-party asset manager, also referred to as sub-advisor. Third party investment advisor firm may engage in block trading. Their practices can be reviewed in their Form ADV Part 2 filing in item 12B.

Item 13: Review of Accounts

Client accounts managed under our Investment Management Services will be reviewed regularly on at least a quarterly basis by Tracy L Sherwood, President and Chief Compliance Officer. Accounts are reviewed with regard to the client’s investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, additions or deletions of client-imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm, subadvisor or per client’s needs.

Clients will receive trade confirmations from the custodian for each transaction in their accounts, as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

Sherwood Financial Management will not provide written reports to clients.

Investment Management Services includes Financial Planning Services. For those Clients that avail themselves of Financial Planning Services, Advisor will review plan on an annual basis.

For clients receiving our Ongoing Financial Planning Services, we will review their financial plan on an annual basis. For clients receiving our Project Based Financial Planning Services or Hourly Financial Planning Services, we typically do not provide any ongoing review, monitoring, or reporting.

Item 14: Client Referrals and Other Compensation

Other than the benefits from custodians disclosed in Item **12: Brokerage Practices above**, we do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

Account Statements

All assets are held by 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 documentation or reports prepared by "SFM".

Sherwood Financial Management is deemed to have constructive custody solely because advisory fees are directly deducted from client's accounts by the custodian on behalf of "SFM". Pursuant to CCR Section 260.237(b)(3) and standing letters of authorization.

A. The investment adviser and/or sub advisor has custody of the funds and securities solely because of its authority to make withdrawals from client accounts to pay its advisory fee.

B. The investment adviser and/or sub advisor has written authorization from the client to deduct advisory fees from the account held with the qualified custodian.

C. Each time a fee is directly deducted from a client account, the investment adviser and/or subadvisor concurrently:

1. Sends the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and
2. Sends the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.

D. The investment adviser notifies the Commissioner in writing that the investment adviser intends to use the safeguards provided in this paragraph (b)(3). Such notification is required to be given on Form ADV. "SFM" and its qualified custodian will meet the following conditions when a standing letter or authorization (SLOA) has been established with a client:

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 "SFM", 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 instructions to the client's qualified custodian.

5. "SFM" 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. "SFM" maintains records showing that the third party is not a related party of "SFM" or located at the same address as "SFM".
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

For those client accounts where we provide investment management services, we do not maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Third Party Asset Managers (sub-advisors) used for investment management may exercise discretion.

At the start of the advisory relationship, the client will establish brokerage accounts at the custodian and execute a Limited Power of Attorney which will grant our firm discretion over the account. We will serve in a nondiscretionary capacity which will be outlined in the advisory agreement and signed by the client.

Recommendations made under our Financial Planning Services made with regard to accounts for which we do not provide Investment Management Services are provided on a non-discretionary basis. Clients are responsible for initiating any transactions necessary to implement our recommendations.

Item 17: Voting Client Securities (Proxy Voting)

Sherwood Financial Management does not vote proxy for securities held in clients' investment accounts. Therefore, clients maintain exclusive responsibility for voting proxies, acting on corporate actions, any class action lawsuits or bankruptcy related to securities held client's investment accounts. The client shall instruct the client's qualified custodian to forward the client copies of all proxies and shareholder communications relating to the client's investment assets.

Item 18: Financial Information

Registered investment advisers are required to provide clients with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of any bankruptcy proceedings.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$500 in fees per client six months or more in advance.

Item 19: Requirements For State Registered Advisers

Principal Executive Officers and Management Persons; Their Formal Education and Business Background

SFM currently has only one management person: Tracy L. Sherwood. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

Other Businesses in Which Advisory Firm or Personnel are Engaged and Time Spent on Those (If Any)

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

Calculation of Performance-Based Fees and Degree of Risk to Clients

SFM does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

Material Disciplinary Disclosures for Management Persons of this Firm

There are no civil, self-regulatory organizations, or arbitration proceedings to report under this section.

Material Relationships That Management Persons Have with Issuers of Securities (If Any)

Sherwood Financial Management, nor Tracy L. Sherwood have any relationship or arrangement with issuers of securities.



**Sherwood Financial Management
Form ADV Part 2B**

Firm Supplemental Brochure for Tracy L. Sherwood

Personal CRD #7187659

Sherwood Financial Management
8463 Sheridan Drive
Williamsville, NY 14221
(716) 320-4265
tracy@sherwoodfinancialmanagement.com

Updated March 2026

Item 2: Educational Background and Business Experience

Name: Tracy L. Sherwood

Born: 1971

Educational Background and Professional Designations:

Education:

- | | |
|------|---|
| 1997 | CFP designation CFP Professional Education Program
College for Financial Planning |
| 1993 | B.S., Business Administration Business/Finance
State University of New York College at Brockport |
| 1991 | Associate's Degree, Business Administration
Niagara County Community College |

Designations:

CFP® - Certified Financial Planner

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning.
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;

- **Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- **Ethics** – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Business Background:

11/2019 - Present	President & Chief Compliance Officer Sherwood Financial Management
08/1994 - 05/2019	Senior Financial Advisor Ogorek Wealth Management LLC

Item 3: Disciplinary Information

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of this advisory business.

Item 4: Other Business Activities

Tracy L. Sherwood is not engaged in any investment-related business or occupation (other than this advisory firm).

Item 5: Additional Compensation

Tracy L. Sherwood does not receive any economic benefit from any person, company, or organization, other than Sherwood Financial Management, in exchange for providing clients advisory services through Sherwood Financial Management.

Item 6: Supervision

As the Chief Compliance Officer of Sherwood Financial Management, Tracy L. Sherwood supervises all activities of the firm. Tracy L. Sherwood's contact information is on the cover page of this disclosure document. Tracy L. Sherwood adheres to applicable regulatory requirements, together with all policies and procedures outlined in the firm's code of ethics and compliance manual.

Item 7: Requirements For State Registered Advisers

This disclosure is required by state securities authorities and is provided for your use in evaluating this investment advisor representative's suitability.

- A. Tracy L. Sherwood has NOT been involved in any of the events listed below.
1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity,
 - b) fraud, false statement(s), or omissions,
 - c) theft, embezzlement, or other wrongful taking of property,
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
 2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity,
 - b) fraud, false statement(s), or omissions,
 - c) theft, embezzlement, or other wrongful taking of property,
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
- B. Tracy L. Sherwood has NOT been the subject of any bankruptcy.