

1. Cover Page

**Firm Brochure
(Part 2A of Form ADV)**

Eric Linger, DBA

Sherwood Investments

Financial Planning & Investment Management

Registered Investment Advisor

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This brochure provides information about the qualifications and business practices of Eric Linger, DBA *Sherwood Investments*. 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. Being a Registered Investment Advisor does not imply a certain level of skill or training.

The last section describes my education and business background.

Additional information about *Sherwood Investments* is available on the SEC's website at www.adviserinfo.sec.gov or www.sherwood-investments.com.

If you have any questions, please contact me at 425-898-8989 or by email at elinger@sherwood-investments.com or visit the SI web site, www.sherwood-investments.com.

2. Material Changes

Annual Update

This Material Changes section of this brochure is updated annually or when significant changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update in 2025

An associate is designated to provide immediate “continuity of service” to clients in the event that Mr. Linger is unexpectedly incapacitated or permanently unavailable.’

Clients’ funds are held by the custodian, Charles Schwab, following the merger of TD Ameritrade with Charles Schwab.

Full Brochure Available

This document contains the complete Firm Brochure. If you have any questions or would like to receive additional copies, please contact SI by telephone at: 425-898-8989 or by email at: elinger@sherwood-investments.com .

Firm Brochure Part 2A of Form ADV

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Form ADV Part 2A

4. Advisory Business

Firm Description

Sherwood Investments was founded in 1996.

Eric Linger, DBA *Sherwood Investments*, is a fiduciary, fee-only (no commissions) Registered Investment Advisor and Financial Planner. He provides personalized financial planning and investment management to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

As a fiduciary, *Sherwood Investments* must always act in your best interest and disclose any conflicts of interest and put your interest before ours. Therefore, we do not accept any commissions and we are totally independent. *Sherwood Investments* is strictly a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, 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 or kick-backs are accepted.

Sherwood Investments does *not* act as a custodian of client assets. The client always maintains asset control. *Sherwood Investments* places trades for clients under a limited power of attorney.

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.

Sherwood Investments may furnish advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of December 31, 2025, *Sherwood Investments* managed approximately \$84 million in investable assets for 41 clients. We try to limit our services to approximately this number. All (100%) of the assets are managed on a discretionary basis, and none (0%) are managed on a non-discretionary basis.

Principals

Eric Linger is the principal of *Sherwood Investments* and is also the Chief Compliance Officer. Matt Boelter is an associate, available to provide immediate "continuity of service" to clients in the event that Mr. Linger is incapacitated or permanently unavailable.

Principal Owner's Background

The principal, Eric Linger, is a Registered Investment Advisor and the only employee. He provides all investment advice and related supervisory activities.

He received a Bachelor of Science in Electrical Engineering (BSEE) from Penn State, Master of Science in Electrical Engineering (MSEE) from New York University, and an MBA from Monmouth University.

Registrations

Mr. Linger was first registered with the SEC on 4/17/1996 and worked in the state of New Jersey as an independent Registered Investment Advisor. He passed his Series 7 Exam on 11/11/1997 while working for Edward Jones. Later, he also passed his Series 63, 65 and Insurance licensing exam. In 1999 he left Edward Jones and resumed his Financial Planning and Investment Advisory practice, *Sherwood Investments*.

Additional Information

Please see Section 22, "Requirements for State-Registered Advisors", for additional information regarding the background and qualifications of Eric Linger, principal.

Associate

Matt Boelter of *Edelman Financial Engines* is a Registered Investment Advisor and is an associate. The arrangement between Mr. Linger and Mr. Boelter is for Mr. Boelter to provide immediate "continuity of service" to clients in the event that Mr. Linger is unexpectedly incapacitated.

What SI Will Not Do

1. SI does not take possession of your funds or investments except for asset management fees that you have authorized. All funds and investments remain in your name and are held by a national brokerage firm, called the custodian that you have chosen.
2. SI does not profess to be able to "time the markets" to achieve extraordinary returns. I do not believe that anyone can consistently project the next "hot market". I believe that proper asset allocation and careful security selection and consideration of the economic environment will lead to the best and most consistent investment returns
3. SI does not guarantee a rate of return, or even that your portfolio will never lose money. I promise only good professional investment service. All investments carry a risk, including CDs and money market funds. At any point in time, your investments will be worth more or less than you originally invested. When you invest, you assume various risks, which depend on the assets selected.

On-going Investment Management

Sherwood Investments manages clients' assets and provides ongoing advice and life planning. Realistic goals are determined 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 financial review may include some or all of the following: 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 scope of work and fee for an Investment Advisory Service Agreement is provided to the client in writing prior to the start of the relationship.

The client or the investment manager may terminate an Agreement by a 30-day written notice to *Sherwood Investments*. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed, including the 30-day notice period. The most recent portfolio value is used as the basis for the fee computation, adjusted for the number of days during the billing quarter.

Custodian

All assets are held by a third party, called the "custodian". The custodian for all securities (other than annuities and 401(k) plans) is Charles Schwab. I work directly with Charles Schwab *Institutional Services* and not the *retail* departments of Charles Schwab. The custodian for annuities is the insurance company selected by the client.

Factors entering my decision to use Charles Schwab Services are their low fees, a large selection of mutual funds and good customer service. Other factors entering my decision to use Charles Schwab include custodial fees charged by the broker for holding your securities, commission rates, quality of execution and record keeping and reporting capabilities. *Sherwood Investments* attempts to minimize the total cost for all brokerage services paid by the client. However, it may use a broker that charges a higher or lower fee for a service, such as commission rates, than can be obtained from another broker.

I seek the best execution price of investments purchased and sold for my clients, but I do not guarantee that this is always or ever achieved.

The research products and services that *Sherwood Investments* receives from the custodian may include financial information about companies and industries, research software, and other products or services that may assist investment decision making responsibilities. Such research and services are provided to all investment advisors with the selected custodian and are not considered to be paid for with "soft dollars". However, the commissions charged by a broker/custodian for a particular transaction, or set of transactions, may be more or less than the amounts another broker who did not provide research services or products might charge.

Under Federal and State laws I am required to state that a potential conflict of interest could arise from the services provided by the custodian. I do not believe such a conflict exists since I put the interests of clients first.

Type of Investments Selected

Assets are invested primarily in mutual funds, exchange-traded funds and individual bonds. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. A transaction fee may be charged for the purchase or sale of some funds, ETFs and stocks.

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. *Sherwood Investments* does not receive any compensation, in any form, from fund companies.

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

Initial public offerings (IPOs) are not available through *Sherwood Investments*.

Investment Restrictions

Clients may restrict the type or quantity of securities that *Sherwood Investments* may purchase or hold in their investment portfolio. All restrictions must be given to the advisor in writing, either on the initial agreement or any time later.

See Section 16 for further details on client-imposed investment restrictions.

Valuation of Securities

Sherwood Investments will value securities that are listed on a national securities exchange or on NASDAQ at the closing price, on the valuation date, on the principal market where the securities are traded. If the securities are not actively traded, the valuation will be as stated by the custodian holding your securities.

Termination of Agreement

Services may be terminated by you or SI within five business days of the date of acceptance of this agreement without penalty to you. After five business days, this agreement may be terminated by either party by providing the other party with a 30 day advance written notice. If termination occurs prior to the conclusion of any quarter, you will be billed the pro-rata portion of the annual fee, including the 30-day notice period. If fees are paid in advance, *Sherwood Investments* will refund the pro-rata portion of the unearned fee to you within 30 days of the termination date.

5. Retirement Plan Rollovers

Your Choices

When you leave (or have left) an employer, you have several choices of what to do with your qualified retirement plan such as a 401(k) or 403(b). Each choice has distinct advantages and disadvantages which I discuss here.

- a. Rollover assets to an IRA managed by yourself or by *Sherwood Investments*
- b. Leave assets in your former employer's plan
- c. Move assets to your new employer's plan
- d. Take a lump sum distribution

Some of the factors that should be considered and compared include taxes and penalties; services offered; the number and type of investment options; fees and expenses; treatment of employer stock; when minimum distributions may be required; and protection of assets from creditors and legal judgments.

a. Rollover to an IRA

Rolling over your assets to an IRA managed by *Sherwood Investments* or even one managed by yourself is a direct transfer and not a taxable event. Advantages of rolling over the assets to SI's management include consolidating your retirement account with other assets I manage for you. The management fee charged on these assets by *Sherwood Investments* may be higher than in your current plan. However, since the management fee decreases as your assets under management increase, the average cost of professional management services to you may be lowered.

SI also offers a wider selection of investments than you will have available in an employer sponsored plan. You will also have the flexibility to convert the IRA to a Roth IRA, unavailable to you if you keep your assets in an employer sponsored plan. Your assets that are rolled over into an IRA can continue growing tax-deferred. You will, however, be required to take the mandatory Required Minimum Distributions (RMD), starting at age 70.5.

b. Leave assets with your former employer

If you leave your investments with your employer, they will remain tax deferred (same as Option a, above) and there is no additional paperwork. Penalty-free withdrawals may be permitted if you separated from service after age 55 and there may be increased protection from creditors. The investment products may have a higher or lower cost.

Disadvantages include very limited investment choices; potentially limited access and control; your eligibility to rollover the assets may lapse; you typically are charged administrative fees or other charges.

c. Move assets to your new employer

The advantages and disadvantages are like Option b, above.

d. Take a lump sum distribution

If you take a lump sum distribution, all your money is immediately available to you. However, there are several significant disadvantages. The money no longer grows tax-deferred. Also, there is a mandatory 20% withholding for federal taxes if you are under age 59.5. There may be additional taxes (depending on your tax bracket) that you owe when you file your federal tax return. There may be state and local taxes on your distribution. There also is a 10% penalty if you under age 59.5. Because of these costs, this is usually the least desirable choice.

6. Fees and Compensation

On-going Investment Management Services

The fees and compensation discussed in this section apply to the on-going investment management services provided.

Description

All securities are purchased and sold for you without commissions. (See “Other Fees”, below.) I do not receive any commissions, thereby avoiding any possible conflicts of interests. My management fee is based solely on the value of your investment portfolio

Sherwood Investments bases its fees on a percentage of assets under management and are negotiable.

Fee Billing Procedure

Investment management fees are billed quarterly, in *arrears*. This means you are billed for the past three-months, after the services have been provided. Payment in full is expected.

You may choose to have the fee deducted directly from your account(s) by the custodian, Charles Schwab, so you do not need to write a separate check. Alternatively, you may remunerate *Sherwood Investments* directly. Some or all the accounts in your household may be grouped together and billed to one account.

You authorize *Sherwood Investments* and the Custodian to deduct the investment management fee from your account(s). This is necessary even if you select to remunerate *Sherwood Investments* directly since your account(s) will be billed if you are more than 20 days delinquent in your payment.

Account statements showing your account activity, holdings, and fees are sent to you by the custodian within 30 days of the close of each calendar quarter. *Sherwood Investments* sends you a written invoice showing the fee, the formula used to calculate the fee; the fee calculation itself; the time period covered by the fee; the amount of assets under

management on which the fee was based and the name of the custodian(s) on your invoice. We send these to you through email within ten business days of the request for payment or payment of the fee. We urge you to compare this information with the fees shown on your account statement.

Annual Fee Schedule

The *annual* management fee for financial planning and investment management services is shown in the table below. One-fourth of the *annual* fee is the quarterly fee. It is applied to the value of the assets under management on the last business day of the quarter. The fee is billed in the subsequent month, *after* services have been provided. Current client contracts may exist where the fees are higher or lower than the above fee schedule.

- 1.50% on the first \$250,000
- 1.25% on the next \$250,000 (from 250,000 to 500,000)
- 1.00% on the next \$500,000 (from 500,000 to 1,000,000)
- 0.90% on the next \$1,500,000 (from 1,000,000 to 2,500,000)
- 0.80% on the next \$2,500,000 (from 2,500,000 to 5,000,000)
- 0.70% on the assets above \$5,000,000.

Note:

1. The value of assets is as stated by the custodian, Charles Schwab.
2. All accounts in your household under SI management are added together to determine the total portfolio value and give you the lowest fee to all accounts.
3. Large withdrawals and deposits before the end of the billing cycle will be prorated, at the discretion of Sherwood Investments.
4. The management fee for all accounts in your household may be combined and deducted from one account.
5. The quarterly fee is one-fourth of the annual fee. The annual fee is shown for clarity and is not a separate or additional fee.
6. Example for a \$350,000 portfolio:

$$\text{Qtly. Fee} = 1.50\% \times 250,000 / 4 + 1.25\% \times 100,000 / 4 = \$1,250$$
7. Minimum fee is \$250 per quarter.

Sherwood Investments may waive the minimum fee and/or charge a lesser investment management fee based upon certain criteria including, but not limited to, historical client-advisor relationship and dollar amounts of assets managed.

Other Fees

Custodian Fees

Custodians (Charles Schwab and others) 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.

I receive no part of these fees. These fees are in addition to all fees paid to us. Additionally, mutual funds, ETFs, REITs, bond broker/dealers and outside managers all charge fees that are separate from my fee. Again, I receive no part of these fees and do not benefit in any way from these fees.

Mutual Fund Fees

Because mutual funds pay advisory fees to their investment advisors (not *Sherwood Investments*) and such fees are therefore indirectly charged to all holders of mutual fund shares, clients with mutual funds in their portfolios are paying both the Advisor and the mutual fund manager for the management of their assets. Such clients are therefore subject to both the Advisor's direct management fee and the indirect management fee of the mutual fund's manager.

Some mutual funds pay 12b-1 fees, distribution fees, and or shareholder service fees to broker-dealers that offer such mutual funds to their clients. These charges affect the Net Asset Value of these mutual fund shares and are thus indirectly borne by mutual fund shareholders such as *Sherwood Investments* clients.

Some mutual fund companies have imposed a redemption fee, which is another fee that some funds charge their shareholders when shares are sold or redeemed within a short period of time from the purchase of the mutual fund shares. Although a redemption fee is deducted from redemption proceeds just like a deferred sales load, it is not considered to be a sales load. Unlike a sales load, which is generally used to compensate brokers, a redemption fee is typically used to defray fund costs associated with a shareholder's redemption and is paid directly to the fund, not to a broker. The SEC generally limits redemption fees to 2%. In most cases, the Funds will use the "first-in, first-out" (FIFO) method to determine the holding period. Under this method, the date of the redemption will be compared with the earliest purchase date of shares held in the account. While it is not the general practice of *Sherwood Investments* to sell client's securities in a period that would generate a redemption fee, *Sherwood Investments* might do so if in its opinion the sale is in the client's best interests or mutual fund shares must be redeemed to pay fees from the account.

A complete explanation of these charges is contained in the prospectus and "Statement of Additional Information" for each mutual fund. You can get a prospectus from the mutual fund company through its website or by telephone or mail. *Sherwood Investments* can also provide you with a copy.

Bond Fees

I may purchase and sell individual bonds and other fixed income securities for clients from sources other than the custodian Charles Schwab, when this is in the client's best interest. An additional, small fee (currently \$24) may be charged the client for this service by the custodian and is added to the cost of the purchase or sale.

Mutual Fund and ETF Expenses

Mutual funds and ETFs 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 you to *Sherwood Investments*.

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

Past Due Accounts and Termination of Agreement

Sherwood Investments reserves the right to stop work on any account that is more than 30 days overdue. In addition, *Sherwood Investments* 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 *Sherwood Investments'* judgment, to providing proper financial advice. Any unearned portion of fees collected in advance will be refunded within 30 days.

7. Performance-Based Fees

Sharing of Capital Gains

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

Sherwood Investments 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.

8. Types of Clients

Description

Sherwood Investments provides investment advice primarily to individuals and small businesses. Clients may also include pension and profit-sharing plans, trusts, estates, charitable organizations, and corporations or other business entities.

It is well recognized that it is very difficult for someone to manage their *own* investments objectively. Therefore, most clients are individuals who recognize the importance of receiving professional, objective financial advice and on-going investment management.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size varies and is based on a number of factors including, but not limited to, the earning power of the client, future assets that the client might add to their accounts and *Sherwood Investments'* relationship with relatives who are existing clients.

9. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods involve considering a number of factors.

Mutual Funds and ETFs: When selecting mutual funds, among the considerations are the fund's risk adjusted return; fund objective; consistency of performance with the current fund manager; fund manager tenure; research and support strength of the fund management company; fund expenses; the annual turnover ratio; and fit with the client's objectives and other investments in the portfolio.

Individual Bonds: When selecting individual bonds, among the considerations are the credit rating and outlook; taxable vs. non-taxable; insured vs. non-insured bonds; bond duration vs. credit rating; yield to maturity; a worst-case yield; yield to call; bond coupon; current yield; and fit with the client's objectives and other investments in the portfolio.

Individual Stocks: When selecting individual stock, among the considerations are reasonable valuations; sustainable, strong earnings and revenue growth; dividend history; company outlook; and fit with the client's objectives and other investments in the portfolio

The main sources of information include financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that *Sherwood Investments* may use include Steele Mutual Fund data base, Morningstar Principia mutual fund information, Morningstar Principia stock information and the World Wide Web.

Investment Strategies

The primary investment strategy used for client accounts is asset allocation. 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.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor. SI's investment approach 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' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

10. Disciplinary Information

Legal and Disciplinary

The firm has not been involved in legal or disciplinary events related to past or present investment clients.

11. Other Financial Activities & Affiliations

Financial Industry Activities

Sherwood Investments is *not* a securities broker-dealer, hedge fund, futures commission merchant, commodity pool operator or a commodity trading advisor.

Affiliations

Sherwood Investments does *not* have arrangements with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

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

Code of Ethics

Sherwood Investments is committed to a fiduciary obligation to each client. This means that *Sherwood Investments* always acts in the client's best interest, and the client's interest is always placed ahead of my interest. Investment opportunities must be offered first to clients before I may act on them for myself, family members, or friends who are not clients.

The Code of Ethics sets out the ethical conduct premised on the fundamental principles of openness, integrity, honesty and trust. I place the highest value on ethical conduct. I should live up not only to the letter of the Code, but also to the ideals of the Code.

I comply with both the letter and the spirit of all applicable federal and state securities laws. The Code is designed to guard against violations of securities laws and to protect the reputation of *Sherwood Investments*.

I am held personally accountable for learning, endorsing, promoting and applying this Code to my own conduct and work.

Participation or Interest in Client Transactions

Sherwood Investments and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities other than mutual funds ahead of client trades. Employees comply with the provisions of the *Sherwood Investments Compliance Manual*.

Personal Trading

The Chief Compliance Officer of *Sherwood Investments* is Eric Linger, principal. He reviews all trades after they are reported online by Charles Schwab. This is usually within three business days of the trade date.

13. Brokerage Practices

Selecting Brokerage Firms

Sherwood Investments does not have any affiliation with product sales firms (brokerage houses, discount brokers or custodians). *Sherwood Investments* selects the custodian for client assets based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Sherwood Investments transactions are through the custodian, Charles Schwab. I work directly with Charles Schwab Institutional and not the *retail* departments of Charles Schwab.

I do not make recommendations of brokerage firms and trust companies.

Sherwood Investments does *not* receive fees or commissions from any of these arrangements.

Sherwood Investments participates in services offered by Charles Schwab. Charles Schwab Institutional is an unaffiliated SEC-registered broker-dealer and FINRA member. Charles Schwab offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. *Sherwood Investments* receives some benefits from Charles Schwab services.

There is no direct link between *Sherwood Investments* and Charles Schwab. However, *Sherwood Investments* receives economic benefits from Charles Schwab that are typically not available to Charles Schwab retail investors.

Benefits I receive from Charles Schwab allow me to efficiently and better conduct business for clients. These benefits include the following products and services, provided without cost or at a discount:

- Receipt of duplicate client statements and confirmations
- Research related products and tools; consulting services; access to a trading desk serving *Sherwood Investments* participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to *Sherwood Investments* by third party vendors.

Charles Schwab may also have paid for business consulting and professional services received by *Sherwood Investments*. Some of the products and services made available by Charles Schwab may benefit *Sherwood Investments* but may not directly benefit its clients. These products or services may assist *Sherwood Investments* in managing and administering client accounts, including accounts not maintained at Charles Schwab. Other services made

available by Charles Schwab are intended to help *Sherwood Investments* manage and further develop its business. The benefits received by *Sherwood Investments* do not depend on the amount of brokerage transactions directed to Charles Schwab.

As part of its fiduciary duties to clients, *Sherwood Investments* endeavors at all time to put the interests of its clients first. However, the receipt of economic benefits by *Sherwood Investments* could create a potential conflict of interest and could indirectly influence the *Sherwood Investments*' choice of Charles Schwab for custody and brokerage services.

Sherwood Investments may receive succession planning, practice valuation and equity management services from Charles Schwab.

Charles Schwab does not supervise *Sherwood Investments* and has no responsibility for *Sherwood Investments*' management of client portfolios or *Sherwood Investments*' other advice or services to clients.

Best Execution

Sherwood Investments periodically reviews the accuracy and timeliness of the execution of trades at each custodian each quarter. Trading fees charged by the custodians are also periodically reviewed. *Sherwood Investments* does not receive any portion of the trading fees.

Soft Dollars

Sherwood Investments does not receive any (\$0.00) software maintenance credit from Charles Schwab for having them act as custodian of client assets and for their securities traded through Charles Schwab.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

14. Review of Accounts

Periodic Reviews

Client accounts are reviewed on an on-going basis by the principal of *Sherwood Investments*, Eric Linger. Reviews include determining if account holdings are still suitable or if some securities should be sold and replaced by other securities/mutual funds/ETFs.

Formal annual reviews are not held with clients since it is believed that it is better for clients to be kept informed throughout the year by *Sherwood Investments*.

Review Triggers

The frequency of reviews is dictated by many factors, including market conditions, changes in the performance and outlook of securities held by the client, changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Clients can review their account positions, history, management fees, recent statements and tax information online. They can also have this information sent directly to them from the custodian by mail. Annual tax information such as 1099 statements are sent directly to the clients by the custodian and are also available online.

Sherwood Investments does not generate these statements and remains independent of all financial reports that clients receive. I will help clients interpret their statements and reports that they receive. This may involve generating reports summarizing their transactions and/or current positions.

Disadvantages include very limited investment choices; potentially limited access and control; your eligibility to rollover the assets may lapse; you typically are charged administrative fees or other charges.

15. Client Referrals and Other Compensation

Incoming Referrals

Sherwood Investments has been fortunate to receive many client referrals over the years. The referrals came from current clients; estate planning attorneys; accountants; personal friends; and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

Sherwood Investments does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

None.

16. Custody

Account Statements

All assets are held at the custodian, Charles Schwab. They provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to review the account statements received directly from their custodians and report any suspected discrepancies immediately to *Sherwood Investments*.

17. Investment Discretion

Discretionary Authority for Trading

Sherwood Investments has discretionary authority to manage accounts on behalf of clients. This means that *Sherwood Investments* may determine, without obtaining client consent, the securities to be bought or sold and the amount of the securities to be bought or sold. (See Investment Restrictions, below.)

Discretionary trading authority expedites the placing of trades for clients, thus allowing SI to better manage clients' assets and meet their investment objectives.

Non-Discretionary Authority for Retirement Accounts and Annuities

You can have *Sherwood Investments* monitor your annuities, 401(k) or similar retirement accounts held by your employer. If so, I will have non-discretionary authority of these plans. This means I will advise you of suggested changes and it is up to you to implement the changes. You agree to send SI quarterly statements of your account showing account positions and balances at the close of the quarter. These statements will be sent by you within five days of the end of each quarter, i.e., five days after March 31, June 30, September 30 and December 31. You will also send an end-of-month statement for any month where there are any changes in your investment allocations.

The reason SI has non-discretionary authority is because most employers and insurance companies limit access to their retirement systems to their employees or annuitants.

Investment Restrictions

While *Sherwood Investments* has discretion over which securities are to be purchased on behalf of clients, clients may impose certain restrictions. Clients may restrict the type or quantity of securities that *Sherwood Investments* may purchase or hold in their investment portfolio. For example, they may specify that no tobacco company stocks are to be purchased or held in their portfolio. All restrictions must be given to the advisor in writing, either on the initial agreement or any time later.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that I may execute the trades that you have approved.

18. Voting Client Securities

Proxy Votes

Sherwood Investments does not vote proxies for clients. Clients are expected to vote their own proxies. I do not act or give advice regarding voting of proxies of your securities or regarding any companies named in class action lawsuits

19. Financial Information

Financial Condition

Sherwood Investments 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 1) *Sherwood Investments* does not serve as a custodian for client funds or securities and 2) does not require *prepayment* of fees of more than \$500 per client six months or more in advance.

20. Continuity of Service

To assure that service to clients is uninterrupted and continuous, this client–advisor contract can be assigned to another Registered Investment Advisor or investment firm in the event of incapacitation, death or retirement of the principal or termination of *Sherwood Investments*. If one of these events should occur, *Sherwood Investments* has a succession plan with Viridian Advisors to provide continuous service to you. Details are specified in a separate agreement with you, the “Continuity of Service Request”.

21. Cyber Security

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

Our office network is protected from malicious Internet attacks by a firewall and is frequently updated with the latest threat-prevention algorithms. Access to the PC network is allowed only to authorize users with a valid account and password and our passwords meet strict complexity requirements. All PCs and servers are protected with anti-virus and anti-spyware software which are automatically updated daily.

Our secure web server is hosted outside of *Sherwood Investments*’ network and does not contain any client data of any nature and therefore does not represent a threat to your personal information even in the unlikely event of a compromise in web security. Website data is backed up daily to an off-site location. All data backups are encrypted with 448-bit Blowfish encryption prior to transfer and sent through a secure 128-bit Secure Socket Layer SSL tunnel to the off-site backup datacenter. All traffic to and from our web site is protected via industry-standard SSL encryption.

22. Requirements for State-Registered Advisors

Eric Linger, Personal Information

Title: Principal of Sherwood Investments

Age: Over 60

Contact information:

Phone: 425-898-8989

Email: elinger@sherwood-investments.com

Education

Educational Background:

- MBA, Monmouth University
 - Master of Science in Electrical Engineering (MSEE), New York University
 - Bachelor of Science in Electrical Engineering (BSEE), Penn State
-

Disciplinary Information

Arbitration Claims: None

Disciplinary Information or Claims: None

Self-Regulatory Organization Proceedings: None

Administrative Proceedings: None

Criminal Actions: None

Bankruptcy Petitions: None

Prior Brokerage/Financial Experience

Edward Jones

Somerville, NJ

Mr. Linger managed the Edward Jones brokerage firm's branch office in Somerville, NJ. He was responsible for assisting clients achieve their short and long-term objectives. He evaluated clients' needs and adversity to risk and recommended and purchased a wide variety of investment products, including stocks, bonds, mutual funds, commercial paper, CDs, annuities, CMOs, long-term health care insurance and other insurance products.

Prior Business Experience

AT&T

Mr. Linger has held executive positions in financial planning and analytical areas at AT&T. His responsibilities included making investment decisions for how capital should be spent and recovered and for directing teams develop financial models to evaluate alternative investment opportunities and maximizing the return on invested capital.

Bell Labs

Mr. Linger began his professional career at Bell Telephone Laboratories as an Electrical Engineer in Military Systems Engineering. While there, Bell Labs fully sponsored him at New York University to obtain a MSEE and later fully sponsored him at Monmouth University to obtain an MBA.

Continuing Education

Mr. Linger completes over 30 credits of continuing education every year to be abreast of the latest financial planning, estate planning and investment strategies.

Honorariums

- Eta Kappa Nu
 - Sigma Tau
 - Tau Beta Pi.
-

Affiliations

Mr. Linger is an active member of the National Association of Personal Financial Advisors (NAPFA). Membership requires extensive experience as a fee-only investment advisor.

TV Appearances

Mr. Linger appears from time to time as a financial commentary on TV on both the East and West Coast and is quoted in newspapers and professional publications because of his investment knowledge and insight.

Other Business Activities

Eric Linger is the president of his homeowner's association, Shadows at Swan Lake. He spends an average of two hours per week on this function. His involvement as president of the association does not conflict with his managing client accounts or duties and responsibilities as a Financial Planner and Registered Investment Advisor.