Waterway Wealth Management, L.L.C.
Wrap Fee Program Brochure

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April 2019
(Item 1)

This wrap fee program brochure provides information about the qualifications and business practices of Waterway Wealth Management, L.L.C. If you have any questions about the contents of this brochure, please contact us at 281-363-0000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Waterway Wealth Management, L.L.C. also is available on the SEC’s website at www.adviserinfo.sec.gov.
MATERIAL CHANGES (ITEM 2)

The last annual update of this brochure was in March 2019. Since that update the following material changes have occurred to our business:

April 2019

We moved our Woodlands office to a new floor in our same building. Our new address is:
21 Waterway, Suite 500
The Woodlands, TX 77380
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SERVICES, FEES AND COMPENSATION (ITEM 4)

SERVICES

Advisory Firm Description

Waterway Wealth Management, L.L.C. (“WWM” or the “Firm”) has been in business since July 2012. The sole owner is Daniel Paul Michalk. WWM provides its clients with investment advisory services, which include comprehensive wealth management services and financial planning services.

Wrap Fee Program Description

The WWM Wrap Fee Program (the “Program”) is a fee-only investment management program sponsored by WWM in which WWM pays for all transaction expenses the custodian charges accounts the Firm manages. The Program provides families, individuals, pension and profit sharing plans, trusts and estates the ability to trade in individual debt and equity securities, mutual funds, index funds, exchange-traded funds, options and other eligible securities without incurring separate brokerage commissions or transaction charges.

WWM’s investment management service includes:

- Determining clients’ investment goals.
- Evaluating current assets.
- Determining projected cash flow needs.
- Determining any investment constraints.
- Determining client risk tolerance.
- Developing an asset allocation, including specific investment recommendations.
- Placing trades in the client’s account as appropriate.
- Ongoing support:
  - Support to the client for the investment account establishment and/or transfer assistance.
  - Portfolio monitoring.
- Quarterly reports.

Comprehensive Wealth Management

The Firm also provides a customized service to families or individuals requiring the Firm to take a much more integrated role in coordinating the client’s financial picture. This service may include some or all of the following:

- Financial planning
- Investment management
- Interviewing, selecting and overseeing:
  - Accountants
  - Mortgages
  - Banking relationships
  - Tax planning and filing
  - Estate planning
WWM also offers financial planning services which are separate from the Program. Please refer to our Form ADV Part 2A for more information on those services.

FEES and COMPENSATION

Program Fees

Clients in the Program pay a single annualized fee for participation in the Program (the "Program Fee") as shown in the table below. The Program Fee is negotiable and may be adjusted based on the complexity of each client’s individual situation. For existing clients, WWM’s fee for investment advisory services is assessed at the annual rate shown on the client’s agreement. Accounts owned by members of the same family (often extended family) are usually aggregated in order to grant the lowest fee to all family members, generally with a family minimum of $1,000,000 of assets under management. Fees are deducted from each member’s account on a pro rata basis and clients may direct us to deduct fees from a different account. WWM’s fee structure for new clients follows:

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<th>Assets Under Management</th>
<th>Annual Wrap Program Fee</th>
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<td>$1,000,000 to $3,000,000</td>
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Fees are generally billed quarterly in advance at the rate of one fourth of the annual fee shown above, with the rate based on the aggregate value of all accounts belonging to a family. Fees charged to each account for the next quarter are calculated based on the portfolio valuation, including cash and accrued interest, as of the close of market on the last business day of the previous quarter. Additional deposits and withdrawals of funds and/or securities to the Program may be made to the account at any time, and do not result in fee adjustments retroactively. Program Fees are calculated pro rata for partial billing periods (for new or closed accounts) based upon the initial value of the assets in the account and the number of days remaining in the calendar quarter. This fee calculation is computed by Black Diamond, the Firm’s portfolio management software, which receives a daily valuation of securities from the account custodian or an independent pricing service.

Because we have a long history of serving our clients and pride ourselves on serving clients’ needs individually, different clients are on different fee schedules. This means some clients may be paying more (or less) than other clients with the same amount of assets under management. We do not differentiate our investment management service we provide to clients based on each client’s fee schedule or structure.

WWM’s Investment Advisory Agreement and the client’s agreement with the custodian authorize the custodian to deduct the Program Fee from the client’s account and remit it directly to WWM. In arrangements where the Program Fee is deducted directly from the client’s account, the custodian will send the client a statement, at least quarterly, indicating all amounts disbursed from the client’s Account, including the amount of the Program Fee paid directly to WWM. This fee deduction is deemed a form of custody by the Securities and Exchange Commission, although all client securities, investments and funds are held by an outside custodian.
Comprehensive Wealth Management Fees

Because of the differing nature of each family’s needs, this service is provided on a proposal basis, where the Firm outlines to the family (or individual) what will be provided at what price. An agreement for Comprehensive Wealth Management, which will contain the proposal as an addendum, will be executed and will show exactly what services the client will receive from the Firm, any reports and regular meetings, and what fees the client will be paying. These fees (and associated services) are included in the client’s Annual Program Fee.

Fee Comparison

Under the Program, clients receive both investment advisory services and the execution of transactions in eligible securities for a single, combined annualized fee, the Program Fee. Participation in the Program may cost the client more or less than purchasing such services separately elsewhere. For example the Program Fee, which is fixed regardless of the number of transactions occurring in the account, may be more or less than paying for execution on a per-transaction basis and paying a separate fee for advisory services. WWM does not charge its clients higher advisory fees based on the Firm’s trading activity. Clients should be aware that WWM may have an incentive to limit the Firm’s trading activities in the clients’ accounts because WWM is charged for executed trades.

The WWM Program Fee may be higher or lower than fees charged by other sponsors of comparable investment advisory programs. WWM receives the entire Program Fee, and then reimburses the custodian for the transaction fees and any other charges the Firm incurred on behalf of a managed client account incurred (if any) during the prior quarter. Thus, WWM receives and retains the majority of the quarterly Program Fee. WWM offers only the Program to its clients in order to eliminate client concerns regarding variable transaction costs.

Additional Costs

The Program Fee includes transaction fees charged by the custodian on client accounts the Firm manages. Deferred sales charges, odd-lot differentials, transfer taxes and other fees the custodian charges the accounts will be paid by the client. Any additional charges (which would be at the client’s request) to the account by the custodian are paid by the client. These additional fees would be for items such as requesting paper certificates.

When WWM recommends a mutual fund, ETF or money market fund for a client’s account, two separate fees may be charged to the client, either directly or indirectly. The first fee, which is direct, is WWM’s investment management fee where the fund is included in the asset base for the quarterly fee calculation. The second fee, which is indirect, is the set of internal fees charged by the investment company for the fund’s investment management, marketing, administration and marketing assistance. These internal expenses are disclosed in each fund’s prospectus which is provided to each client by the custodian.

Other Compensation for Participation in Wrap Fee Program

WWM recommends various qualified custodians for clients. WWM has a custodial arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, “Fidelity”). WWM may also recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (“Schwab”), a
registered broker-dealer, member SIPC, to maintain custody of clients’ assets and to effect trades for their accounts. The Firm prefers that clients in need of brokerage and custodial services use either Fidelity or Schwab as they provide a number of resources and services which are helpful both to the Firm and to its clients.

**Fidelity**

Fidelity provides WWM with “institutional platform services.” The services provided by Fidelity include, among others, brokerage, custody and other related services. The services that assist WWM in managing and administering clients’ accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients’ accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help WWM manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom WWM may contract directly. WWM receives these benefits as a result of its clients’ relationships with Fidelity, but has no formal soft dollar arrangements and receives no compensation from Fidelity. These benefits provided by Fidelity might assist WWM with its administration of client accounts, and thus slightly help its profitability, creating a potential conflict of interest with clients. WWM believes this is not a material conflict.

**Schwab**

Schwab provides WWM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least $10 million of WWM’s clients’ assets are maintained in accounts at Schwab Advisor Services. Schwab’s services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For WWM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to WWM other products and services that benefit WWM but may not benefit its clients’ accounts. These benefits may include national, regional or WWM specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of WWM by Schwab
Advisor Services personnel, including meals, some of which may accompany educational opportunities. Other of these products and services assist WWM in managing and administering clients’ accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of WWM’s fees from its clients’ accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of WWM’s accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to WWM other services intended to help WWM manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to WWM by independent third parties. Schwab Advisor Services may but currently does not discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to WWM. While, as a fiduciary, WWM endeavors to act in its clients’ best interests, WWM’s recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to WWM of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

The final decision to custody assets with Schwab or Fidelity is at the discretion of WWM’s clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA account holder. WWM is independently operated and owned and is not affiliated with Fidelity or Schwab.

WWM recommends Fidelity or Schwab as “qualified custodians” for clients’ accounts, with each client signing a separate agreement with Fidelity or Schwab. In recommending a custodian, WWM considers the range and quality of the products the custodian offers, the technical support provided, execution quality, commission rates, the financial responsibility and responsiveness of the custodian to both WWM and its clients. WWM recognizes its responsibility to attain best execution and recognizes that limiting its custodial relationships may affect its ability to provide best execution on a trade-by-trade basis. However, WWM evaluates each entire custodial relationship in assessing best execution on a client-by-client basis.

**PORTFOLIO REQUIREMENTS AND TYPES OF CLIENTS (ITEM 5)**

**PORTFOLIO REQUIREMENTS**

WWM prefers an initial minimum investment amount, generally aggregating all accounts belonging to a set of family members, of $1,000,000. WWM reserves the right to waive or lower this minimum. The Firm’s Albuquerque branch office reserves the right to lower the account minimum for services to be provided at the branch location.
TYPES OF CLIENTS

WWM provides investment supervisory services and manages investment advisory accounts for:

- families and individuals,
- high net worth individuals,
- pension and profit sharing plans,
- trusts and estates

PORTFOLIO MANAGER SELECTION AND EVALUATION (ITEM 6)

WWM is the only portfolio manager for the Program described in this wrap fee program brochure. WWM does not offer access to additional portfolio managers, but offers one fee to its clients in order to eliminate concerns regarding variable transaction costs. To the extent that WWM receives the Program Fee as a result of recommending itself, the Firm is in a conflict of interest with its clients.

ADDITIONAL FIRM INFORMATION

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

WWM does not receive performance-based fees on any accounts in which the Firm would share the gains in clients’ accounts. Side-by-side management would apply if the Firm managed both accounts paying such fees and accounts not paying performance fees.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

WWM uses a combination of the following types of analysis in evaluating investments for client accounts:

- Charting—Analysis of charts of past stock performance
- Fundamental—Analysis of financial attributes of a company, such as revenue growth, debt to equity ratio, inventory turnover, etc.
- Technical—Analysis which assumes past performance is a predictor of future performance
- Cyclical—Analysis based on business, industry, calendar or historical cycles

Investment strategies for client accounts are structured to meet each client’s objective. Asset allocation is the major differentiation between strategies. Diversification is accomplished within asset categories by varying sectors, time horizons and income production. Risks vary accordingly, although all accounts are subject to market risk. Investing in securities involves risk of loss that clients should be prepared to bear.

VOTING CLIENT SECURITIES

WWM does not vote client proxies for securities held in client accounts. Clients receive proxy information directly from the custodians by email or US mail, and may contact WWM for assistance in voting on any particular issue.
CLIENT INFORMATION PROVIDED TO WATERWAY WEALTH MANAGEMENT (ITEM 7)

After an analysis of the information provided by the client, WWM assists the client in developing an appropriate investment strategy for the assets in his/her account (the “Investment Strategy”). Thereafter, clients are contacted periodically and are requested to provide WWM with information regarding changes to their financial situation or investment objectives. WWM periodically reassesses the current Investment Strategy based on any other information provided by the client regarding his/her client profile.

The agreement that clients enter with WWM provides that the client grants WWM complete discretion (through a limited power of attorney) to determine both the securities purchased and sold and the amounts of those purchases and sales. Clients may place restrictions on WWM’s discretion in writing.

CLIENT CONTACT WITH WATERWAY WEALTH MANAGEMENT (ITEM 8)

All clients are encouraged to contact or meet on a semi-annual basis with WWM to review their account reports, update their client information and determine whether changes should be made to their Investment Strategy. There are no restrictions on clients to contact or consult with WWM regarding the Program or their accounts.

ADDITIONAL INFORMATION (ITEM 9)

DISCIPLINARY INFORMATION

There have been no disciplinary actions against WWM or Daniel Michalk nor any other individuals associated with the Firm.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

WWM has no other financial industry activities or affiliations.

CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING

WWM has adopted a Code of Ethics which describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as "employees") and focuses on three specific areas where employee conduct has the potential to adversely affect the client: misuse of confidential information; personal securities trading and outside business activities. Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with the Firm. Any client or prospective client may request a copy of the Firm’s Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm’s business and represent the minimum requirements to which the Firm expects employees to adhere:

- Clients’ interests come before employees’ personal interests and before the Firm’s interests.
• The Firm must fully disclose all material facts about conflicts of which it is aware between the Firm and its employees’ interests on the one hand and clients’ on the other.
• Employees must operate on the Firm’s behalf and on their own behalf consistently with the Firm’s disclosures and to manage the impacts of those conflicts.
• The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
• The Firm and its employees must always comply with all applicable securities laws.

**Misuse of Nonpublic Information**

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing personal or client securities trades.

**Personal Securities Trading**

Daniel Michalk and individuals associated with the Firm may buy, sell or hold in their personal accounts the same securities the Firm recommends to its clients. Such trades may occur simultaneously with or after trades placed on behalf of clients and receive average pricing or after client trades with clients always receiving the same or better pricing.

To avoid conflicts of interest, the Firm has established the following policies:

• An officer, director or employee of WWM shall not buy or sell securities for a personal portfolio when the decision to purchase is substantially derived, in whole or in part, by reason of employment with the Firm, unless the information is also available to the investing public on reasonable inquiry. No person associated with WWM shall prefer his or her own interest to that of any client. Employees may participate in block trades.

• Employee accounts must be held at Fidelity, so the Firm is able to monitor on a daily basis any trades that employees have placed in their personal accounts.

The Firm’s Code of Ethics allows the purchase of IPOs or private placements only with prior permission from Daniel Michalk, the Firm’s Chief Compliance Officer. Clients may request to review a copy of the Firm’s Code of Ethics, which contains the employee trading policy.

Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with the Firm’s policies.

**Outside Business Activities**

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed.

**REVIEW OF ACCOUNTS**

Daniel Michalk, Managing Member, conducts all client portfolio reviews for The Woodlands office. David Michalk, Investment Advisor Representative, conducts all client portfolio reviews for the Albuquerque branch office. Reviews are conducted as a matter of course at least quarterly and
consist of looking at portfolio holdings, cash flows, and market activity in light of client objectives. Additional reviews may be triggered by events such as a client meeting, change in a client’s risk tolerance, financial position or investment objective, change in a company or fund’s management, unusual market or economic circumstances or other unforeseen events.

The Firm provides clients with quarterly written/electronic statements of portfolio holdings. The custodian provides detailed written statements of realized gains/losses.

CLIENT REFERRALS AND OTHER COMPENSATION

WWM does not compensate any person outside the Firm directly or indirectly for client referrals.

FINANCIAL INFORMATION

There is no financial condition that is reasonably likely to impair WWM’s ability to meet its contractual commitments to its clients.

Client Assets Under Management

As of December 31, 2018, WWM’s Program had $295,950,356 of discretionary assets under management.

Termination

The typical Program agreement WWM enters into with clients allows for either party to terminate the agreement immediately upon receipt of written notice. The client may terminate the agreement without penalty or fees within five (5) business days after entering the agreement. Otherwise, at the date of termination, the Firm agrees to refund any prepaid unearned fees to the client on a pro rata basis. Any fees due to outside parties which Waterway has engaged on behalf of the client will be paid promptly by the client. The Firm will provide clients of the Program services with summary statements on a year-to-date basis upon termination.
Waterway Wealth Management, L.L.C.
ADV 2A (Firm Brochure for financial planning)

Please see our Wrap Brochure for information about our investment advisory services.

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ADVISORY BUSINESS (ITEM 4)

Advisory Firm Description

Waterway Wealth Management, L.L.C. ("WWM" or the "Firm") has been in business since July 2012. The sole owner is Daniel Paul Michalk.

Types of Advisory Services

Financial Planning Services

Financial planning advice will typically involve providing a variety of services to clients regarding the management of their financial resources based upon an analysis of their individual needs. The Firm will first conduct a complimentary initial consultation during which pertinent information about the client’s financial circumstances and objectives is collected. The information normally covers, but is not limited to, present and anticipated assets and liabilities, retirement goals, investment horizon, financial needs and cost of living needs. Once such information has been reviewed and analyzed, the Firm produces and presents to the client a written financial plan designed to achieve the client’s stated financial goals and objectives.

Investment Advisory Services

WWM also offers investment advisory services, which are separately disclosed in the Firm’s Wrap Fee brochure. The WWM Wrap Fee Program (the “Program”) is a fee-only investment management program sponsored by WWM, and in which it pays for all transaction expenses the custodian charges accounts the Firm manages. Please see the Wrap Fee brochure for particulars of this Program.

Client Assets Under Management

As of December 31, 2018, the Firm had $295,950,356 of discretionary assets under management.

FEES AND COMPENSATION (ITEM 5)

WWM utilizes the following financial planning fee schedule, subject to negotiation depending on the nature, complexity and time involved in providing the client with requested services:

Fixed Fees

WWM will charge a fixed fee, which typically ranges between $3,500 and $10,000 for comprehensive financial planning services. This fee may be negotiated, is determined at the onset of the engagement and depends upon the complexity of the client’s needs and the scope of the financial planning services required to meet those needs. This fee is charged one-half up front and one-half upon completion of the plan, with plans generally being completed within 90 days. In limited circumstances, the total cost could potentially exceed this fixed amount, which is directly dependent upon the complexity of the contracted service. In such cases, WWM will notify the client and may request that the client pay an additional fee.
Hourly Fees

WWM charges an hourly consultation fee, which ranges between $100 and $300 depending on the nature of the contracted services. These consultation fees are due immediately upon completion of the consultation.

Wrap Program Fees

Clients in the Program pay a single annualized fee for participation in the Program (the “Program Fee”) as shown in the table below. The Program Fee is negotiable and may be adjusted based on the complexity of each client’s individual situation. For existing clients, WWM’s fee for investment advisory services is assessed at the annual rate shown on the client’s agreement. Accounts owned by members of the same family (often extended family) are usually aggregated in order to grant the lowest fee to all family members, generally with a family minimum of $1,000,000 of assets under management. Fees are deducted from each member’s account on a pro rata basis and clients may direct us to deduct fees from a different account. WWM’s fee structure for new clients follows:

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Fees are generally billed quarterly in advance at the rate of one fourth of the annual fee shown above, with the rate based on the aggregate value of all accounts belonging to a family. Fees charged to each account for the next quarter are calculated based on the portfolio valuation, including cash and accrued interest, as of the close of market on the last business day of the previous quarter. Additional deposits and withdrawals of funds and/or securities to the Program may be made to the account at any time, and do not result in fee adjustments retroactively. Program Fees are calculated pro rata for partial billing periods (for new or closed accounts) based upon the initial value of the assets in the account and the number of days remaining in the calendar quarter. This fee calculation is computed by Black Diamond, the Firm’s portfolio management software, which receives a daily valuation of securities from Fidelity Investments or an independent pricing service.

Because we have a long history of serving our clients and pride ourselves on serving clients’ needs individually, different clients are on different fee schedules. This means some clients may be paying more (or less) than other clients with the same amount of assets under management. We do not differentiate our investment management service we provide to clients based on each client’s fee schedule or structure.

The Program Fee includes transaction fees charged by the custodian on client accounts the Firm manages. Deferred sales charges, odd-lot differentials, transfer taxes and other fees the custodian charges the accounts will be paid by the client. Any additional charges (which would be at the client’s request) to the account by the custodian are paid by the client. These additional fees would be for items such as requesting paper certificates.

When WWM recommends a mutual fund, ETF or money market fund for a client’s account, two separate fees may be charged to the client, either directly or indirectly. The first fee,
which is direct, is WWM’s investment management fee where the fund is included in the asset base for the quarterly fee calculation. The second fee, which is indirect, is the set of internal fees charged by the investment company for the fund’s investment management, marketing, administration and marketing assistance. These internal expenses are disclosed in each fund’s prospectus which is provided to each client by the custodian.

Termination

The typical financial planning agreement WWM enters into with clients allows for either party to terminate the agreement immediately upon receipt of written notice. The client may terminate a financial planning agreement without penalty within five (5) business days after entering the agreement. Otherwise, at the date of termination, the client agrees to pay fees due the Firm based on time expended to date on the plan or the Firm will refund any prepaid fees which have not yet been earned.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT (ITEM 6)

WWM does not charge any performance-based fees or engage in side-by-side management.

TYPES OF CLIENTS (ITEM 7)

WWM provides investment advisory services to:

- Individuals
- High net worth individuals
- Pension and profit sharing plans
- Trusts and estates

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS (ITEM 8)

WWM does not invest for clients in its financial planning role. Please see our Wrap Brochure for particulars about our investment advisory services.

The financial planning process involves the collection, organization and assessment by WWM of all relevant client data, as well as identification of the client’s financial concerns, goals and objectives. The primary objective of this process is to allow WWM to assist the client in developing a strategy for the successful management of income, assets and liabilities in meeting the client’s long-term financial goals and objectives.

Financial plans are based on the client’s financial situation at the time the plan is presented and are based on financial information disclosed by the client to WWM. WWM cannot offer any guarantees or promises that the client’s financial goals and objectives will be met. As the client’s financial situation, goals, objectives or needs change, the client must notify WWM promptly.

Clients are advised that financial plans do not guarantee investment results. Investment assumptions included in a financial plan are not guaranteed and should be monitored based on each client’s individual risk tolerance, time horizon and portfolio allocation.
DISCIPLINARY INFORMATION (ITEM 9)

There have been no disciplinary actions against WWM or Daniel Michalk.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS (ITEM 10)

WWM has no other financial industry activities or affiliations.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING (ITEM 11)

Code of Ethics

WWM has adopted a Code of Ethics which describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as “employees”) and focuses on three specific areas where employee conduct has the potential to adversely affect the client:

- Misuse of nonpublic information
- Personal securities trading
- Outside business activities

Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with the Firm. Any client or prospective client may request a copy of the Firm’s Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm’s business and represent the minimum requirements to which the Firm expects employees to adhere:

- Clients’ interests come before employees’ personal interests and before the Firm’s interests.
- The Firm must fully disclose all material facts about conflicts of interest of which it is aware between itself and clients as well as between Firm employees and clients.
- Employees must operate on the Firm’s behalf and on their own behalf consistently with the Firm’s disclosures and to manage the impacts of those conflicts.
- The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- The Firm and its employees must always comply with all applicable securities laws.

Misuse of Nonpublic Information

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing personal or recommending clients’ securities trades.
Personal Securities Trading

WWM or individuals associated with the Firm may buy, sell or hold in their personal accounts the same securities the Firm recommends to its clients. This creates a potential conflict of interest with the possibility of Firm personnel obtaining a better price than clients obtain. To mitigate this conflict, such trades may occur on the same day at the same time receiving average pricing or after the client with the client receiving the same or better pricing. The purchase of IPOs or private placements is allowed with prior permission from Daniel Michalk, the Firm’s Chief Compliance Officer. The Firm does not allow front running.

Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with the Firm’s policies.

Outside Business Activities

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed or the employee will be directed to cease this activity.

**BROKERAGE PRACTICES (ITEM 12)**

In its financial planning role, the Firm does not recommend brokers for clients.

For the Program, WWM recommends various qualified custodians for clients. WWM has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, “Fidelity”). WWM may also recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, to maintain custody of clients’ assets and to effect trades for their accounts. The Firm prefers that clients in need of brokerage and custodial services use either Fidelity or Schwab as they provide a number of resources and services which are helpful both to the Firm and to its clients.

Fidelity provides WWM with “institutional platform services.” These services provided by Fidelity include, among others, brokerage, custody and other related services. The services that assist WWM in managing and administering clients’ accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients’ accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help WWM manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom WWM may contract directly. WWM receives these benefits as a result of its clients’ relationships with Fidelity, but has no formal soft dollar arrangements and receives no compensation from Fidelity. These benefits provided by Fidelity might assist WWM with its
administration of client accounts, and thus slightly help its profitability, creating a potential conflict of interest with clients. WWM believes this is not a material conflict.

Schwab provides WWM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least $10 million of WWM’s clients’ assets are maintained in accounts at Schwab Advisor Services. Schwab’s services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For WWM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to WWM other products and services that benefit WWM but may not benefit its clients’ accounts. These benefits may include national, regional or WWM specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of WWM by Schwab Advisor Services personnel, including meals, some of which may accompany educational opportunities. Other of these products and services assist WWM in managing and administering clients’ accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of WWM’s fees from its clients’ accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of WWM’s accounts, including accounts not maintained at Schwab Advisor Services.

Schwab Advisor Services also makes available to WWM other services intended to help WWM manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to WWM by independent third parties. Schwab Advisor Services may, but is not currently, discounting or waiving fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to WWM. While, as a fiduciary, WWM endeavors to act in its clients’ best interests, WWM’s recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to WWM of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.
The final decision to custody assets with Schwab or Fidelity is at the discretion of WWM’s clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA account holder. WWM is independently operated and owned and is not affiliated with Fidelity or Schwab.

WWM recommends Fidelity or Schwab as a “qualified custodian” for clients’ accounts, with each client signing a separate agreement with Fidelity or Schwab. In recommending a custodian, WWM considers the range and quality of the products the custodian offers, the technical support provided, execution quality, commission rates, the financial responsibility and responsiveness of the custodian to both WWM and its clients. WWM recognizes its responsibility to attain best execution and recognizes that limiting its custodial relationships may affect its ability to provide best execution on a trade-by-trade basis. However, WWM evaluates its entire custodial relationship in assessing best execution on a client-by-client basis.

**REVIEW OF ACCOUNTS (ITEM 13)**

Daniel Michalk, Managing Member, or Robert Dwyer, Sr. Financial Planner, conducts all financial plan reviews for The Woodlands office. David Michalk, Investment Advisor Representative, reviews financial plans for the Albuquerque branch office. A customized written financial plan is produced and presented to each client, with the exception of hourly consultations, which may or may not result in a written document.

**CLIENT REFERRALS AND OTHER COMPENSATION (ITEM 14)**

The Firm does not pay outside individuals or entities for referring clients.

**CUSTODY (ITEM 15)**

Additionally, several clients have established standing instructions with Schwab or Fidelity which allow clients to direct Waterway to send funds from their account to other accounts with written instructions from the client. WWM has been determined to have a form of custody over these accounts since the amount and/or timing of these transfers are not pre-defined. However, these accounts are not required to be surprise examined by a public accounting firm.

**INVESTMENT DISCRETION (ITEM 16)**

The Firm does not manage accounts in its financial planning role so does not have investment discretion.

**VOTING CLIENT SECURITIES (ITEM 17)**

In its financial planning role, the Firm does not vote proxies for clients.

**FINANCIAL INFORMATION (ITEM 18)**

There is no financial condition that is reasonably likely to impair the Firm’s ability to meet its contractual commitments to its clients.
This brochure supplement provides information about Daniel P. Michalk that supplements the Waterway Wealth Management, L.L.C. brochure. You should have received a copy of that brochure. Please contact Daniel Michalk at 281.363.0000 if you did not receive Waterway Wealth Management, L.L.C.’s brochure or if you have any questions about the contents of this supplement.

Additional information about Daniel P. Michalk is available on the SEC’s website at www.adviserinfo.sec.gov.
EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Daniel P. Michalk, CFP®, ChFC, born 1970

Daniel P. Michalk graduated from Texas A&M with a B.S. in mechanical engineering. In 1994, Dan began working in the financial planning industry. He is a CERTIFIED FINANCIAL PLANNER™, a designation granted by the CFP® Board of Standards, Denver, Colorado and a Chartered Financial Consultant (ChFC), a designation granted by the American College of Bryn Mawr, Pennsylvania.

Dan is a member of the Financial Planning Association (FPA). He has lived in The Woodlands since 1995 with his wife, Lisa, and his three boys and is active in the community through many volunteer and charitable organizations.

Business Background:
Waterway Wealth Management, L.L.C., Managing Member and Chief Compliance Officer, (June 2012 – present)
Heritage Wealth Management, Inc., President and Chief Compliance Officer (July 2002 – December 2012)
AIG Financial Advisors, Registered Representative (July 2002 – April 2006)
Lutheran Brotherhood Securities Corp., Registered Representative (December 1994 – June 2002)

Education:
American College, Bryn Mawr, PA, ChFC (Chartered Financial Consultant professional designation), (2001)
Passed Level I of the CFA exam, December 2017; June 2019, Level II Candidate in the CFA Program

Certified Financial Planner® Certification

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.
- Examination – Pass the comprehensive CFP® Certification Examination.
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year).
- 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 in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years.
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct.

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

**Chartered Financial Consultant Designation**

The Chartered Financial Consultant® (ChFC) designation program focuses on the comprehensive financial planning process as an organized way to collect and analyze information on a client's total financial situation; to identify and establish specific financial goals; and to formulate, implement, and monitor a comprehensive plan to achieve those goals.

The ChFC program provides financial planners and others in the financial services industry with in-depth knowledge of the skills needed to perform comprehensive financial planning for their clients.

To earn this designation, an eight-course examination must be passed. Designations are usually attained within 15-24 months. Three years of business experience immediately preceding the date of use of the designation is required. Each designee must also complete 30 hours of continuing education every two years.

**Chartered Financial Analyst Charter**

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute—the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

**High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients’ interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters
**Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today’s quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

**Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

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**DISCIPLINARY INFORMATION**

Daniel P. Michalk has no disciplinary or legal events to disclose.

**OTHER BUSINESS ACTIVITIES**

Daniel P. Michalk is not actively engaged in any other investment-related business or occupation.

**ADDITIONAL COMPENSATION**

Daniel P. Michalk does not receive any economic benefit from a non-client for providing advisory services.

**SUPERVISION**

Daniel P. Michalk is a principal of the Firm and is not supervised.
Robert B. Dwyer, CFP®

Waterway Wealth Management, L.L.C.
21 Waterway, Suite 500
The Woodlands, TX  77380
281.363.0000
robert@waterwaywealth.com

April 2019

This brochure supplement provides information about Robert Dwyer that supplements the Waterway Wealth Management, L.L.C. brochure. You should have received a copy of that brochure. Please contact Daniel Michalk at 281-363-0000 if you did not receive Waterway Wealth Management, L.L.C.’s brochure or if you have any questions about the contents of this supplement.

Additional information about Robert Dwyer is available on the SEC’s website at www.adviserinfo.sec.gov.
EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Robert B. Dwyer, CFP®, born 1971

Robert B. Dwyer graduated from Texas A&M University with a B.B.A., double major in Finance and Accounting. He is a proud member of the Fightin’ Texas Aggie Class of 1995. He began working in the financial planning industry in 1997. Robert is a member of the Financial Planning Association (FPA). He earned his CERTIFIED FINANCIAL PLANNER™ designation in 2004.

Robert currently serves as Scout Master of his son’s Boy Scout Troop 424 in Katy. Past activities include 2004 President, 2005 Chairman of the Reveille Club of Houston and Nation Chief (President) of Katy YMCA Indian Guides/Princess program. He and his family are members of Grand Lakes Presbyterian Church.

Business Background:
Waterway Wealth Management, L.L.C., Financial Planner, (January 2013 – present)

Education:

Certified Financial Planner® Certification

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.
- Examination – Pass the comprehensive CFP® Certification Examination.
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year).
- 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 in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years.
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct.
CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**DISCIPLINARY INFORMATION**

Robert B. Dwyer has no disciplinary or legal events to disclose.

**OTHER BUSINESS ACTIVITIES**

Robert B. Dwyer is not actively engaged in any other investment-related business or occupation.

**ADDITIONAL COMPENSATION**

Robert B. Dwyer does not receive any economic benefit from a non-client for providing advisory services.

**SUPERVISION**

Robert B. Dwyer is supervised by Daniel P. Michalk, a principal of the Firm, who can be reached at 281.363.0000
This brochure supplement provides information about Jack D. Cowling that supplements the Waterway Wealth Management, L.L.C. brochure. You should have received a copy of that brochure. Please contact Daniel Michalk at 281.363.0000 if you did not receive Waterway Wealth Management, L.L.C.’s brochure or if you have any questions about the contents of this supplement.

Additional information about Jack D. Cowling is available on the SEC’s website at www.adviserinfo.sec.gov.


EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Jack D. Cowling, CFA, born 1971

Jack D. Cowling graduated from the University of North Florida with a B.B.A. in Finance. He began working in the financial services industry in 1993. He earned the Chartered Financial Analyst (CFA) from the CFA Institute and is currently a member of the CFA Society of Houston.

Jack and his wife live with their son Liam in The Woodlands. He enjoys playing t-ball or soccer on the weekends with his son and is also a supporter of the arts. Prior to moving to the Houston area and The Woodlands, Jack served on the Fine Arts Council for the Austin Diocese, the Executive Committee for the Austin Lyric Opera and co-Chair of the Austin Lyric Opera Endowment Corporation.

Business Background:
Waterway Wealth Management, L.L.C., Portfolio Manager, (April 2019 – present)
Altruista LLC, Portfolio Manager, (November 2015 – April 2019)
Cinque Partners, LLC, Partner, Sr. Portfolio Manager, (February 2012-November 2015)
Wells Fargo Alternative Asset Management, Sr. Investment Manager, (August 2001 – February 2012)

Education:
Bachelor's Degree in Business Administration, Finance, Summa Cum Laude,
University of North Florida, Jacksonville, Florida (1993)

Chartered Financial Analyst Charter
The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute—the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

High Ethical Standards
The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients’ interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters
Global Recognition
Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today’s quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

Comprehensive and Current Knowledge
The CFA Program provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

DISCIPLINARY INFORMATION
Jack D. Cowling has no disciplinary or legal events to disclose.

OTHER BUSINESS ACTIVITIES
Jack D. Cowling is not actively engaged in any other investment-related business or occupation.

ADDITIONAL COMPENSATION
Jack D. Cowling does not receive any economic benefit from a non-client for providing advisory services.

SUPERVISION
Jack D. Cowling is supervised by Daniel P. Michalk, Managing Member and Chief Compliance Officer.
David C. Michalk, ChFC

Waterway Wealth Management, L.L.C.
8300 Carmel Avenue NE, Suite 103
Albuquerque, NM 87122

505.275.2436
david@waterwaywealth.com

April 2019

This brochure supplement provides information about David C. Michalk that supplements the Waterway Wealth Management, L.L.C. brochure. You should have received a copy of that brochure. Please contact Daniel Michalk at 281.363.0000 if you did not receive Waterway Wealth Management, L.L.C.’s brochure or if you have any questions about the contents of this supplement.

Additional information about Daniel P. Michalk is available on the SEC’s website at www.adviserinfo.sec.gov.
EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

David C. Michalk, ChFC, born 1963

David C. Michalk has been a Financial Advisor in Albuquerque for more than 15 years. He is a Chartered Financial Consultant (ChFC), a designation granted by the American College of Bryn Mawr, Pennsylvania. David graduated from the University of Texas Galveston with a B.S. in Physical Therapy and began working in the financial planning industry in 1997.

David is the current Vice President of Lutherhaven Retreat and a member of Faith Lutheran Church in Albuquerque.

Business Background:
Waterway Wealth Management, L.L.C., Investment Adviser Representative (December 2013 – present)
Thrivent Investment Management Inc., Registered Representative (August 1997 – December 2013)

Education:
Concordia Lutheran Austin, Physical Therapy, (1984)
University of Texas Galveston, B.S., Physical Therapy, (1986)
University Mary Hardin Baylor, Athletic Trainer Certification, (1996)
American College, Bryn Mawr, PA, ChFC (Chartered Financial Consultant professional designation), (2005)

Chartered Financial Consultant Designation

The Chartered Financial Consultant® (ChFC) designation program focuses on the comprehensive financial planning process as an organized way to collect and analyze information on a client's total financial situation; to identify and establish specific financial goals; and to formulate, implement, and monitor a comprehensive plan to achieve those goals.

The ChFC program provides financial planners and others in the financial services industry with in-depth knowledge of the skills needed to perform comprehensive financial planning for their clients.

To earn this designation, an eight-course examination must be passed. Designations are usually attained within 15-24 months. Three years of business experience immediately preceding the date of use of the designation is required. Each designee must also complete 30 hours of continuing education every two years.
**DISCIPLINARY INFORMATION**

David C. Michalk has no disciplinary or legal events to disclose.

**OTHER BUSINESS ACTIVITIES**

David C. Michalk has no other business activities. He is the sole owner of Waterway Wealth Management Albuquerque LLC, which is an entity established for tax purposes and conducts no business beyond supporting his work as an investment advisor representative for Waterway Wealth Management, L.L.C.

**ADDITIONAL COMPENSATION**

David C. Michalk does not receive any economic benefit from a non-client for providing advisory services.

**SUPERVISION**

David C. Michalk is supervised by Daniel P. Michalk, a principal of the Firm, who can be reached at 281.363.0000.
**Facts**

**What does Waterway Wealth Management do with your personal information?**

**Why?**
Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.

**What?**
The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security Number and driver’s license number
- Account balances and income
- Credit and payment history

When you are no longer our client, we continue to share your information as described in this notice.

**How?**
All financial companies need to share client’s personal information to run their everyday business. In the section below, we list the reasons financial companies can share their client’s personal information; the reasons Waterway Wealth Management, L.L.C. chooses to share; and whether you can limit this sharing.

<table>
<thead>
<tr>
<th>Reasons we can share your personal information</th>
<th>Does Waterway Wealth Management share?</th>
<th>Can you limit this sharing?</th>
</tr>
</thead>
<tbody>
<tr>
<td>For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or to report to credit bureaus.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>For our marketing purposes – to offer our products and services to you.</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>For joint marketing with other financial companies</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>For our affiliates’ everyday business purposes – Information about your transactions and experiences</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>For our affiliates to market to you</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>For non-affiliates to market to you</td>
<td>No</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Questions?**
Call (281) 363-0000
<table>
<thead>
<tr>
<th>Who we are</th>
<th>Waterway Wealth Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who is providing this notice?</td>
<td>Waterway Wealth Management</td>
</tr>
<tr>
<td>What we do</td>
<td>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</td>
</tr>
</tbody>
</table>
| How does Waterway Wealth Management, L.L.C. protect my personal information? | We collect your personal information, for example, when you
- Open or close an account
- Authorize a trade or authorize a direct fee-deduction
- Authorize to raise cash
- Have a financial plan prepared

We may also collect your personal information from other companies |
| Why can’t I limit all sharing? | Federal law gives you the right to limit only
- Sharing for affiliates’ everyday business purposes – information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. |
| Definitions | Companies related by common ownership or control. They can be financial and nonfinancial companies. |
| Affiliates | Waterway Wealth Management, L.L.C. has no affiliates. |
| Non-affiliates | Companies not related by common ownership or control. They can be financial and nonfinancial companies. These include broker/dealers, mutual fund companies, insurance companies and other financial institutions. |
| Joint marketing | A formal agreement between nonaffiliated financial companies that together market financial products or services to you. Waterway Wealth Management, L.L.C. does not do joint marketing. |

Daniel Michalk, Managing Member