



# Wallick Investments ADV Brochure

Wallick Investments, LLC

1122 Lady Street

Suite 810

Columbia, SC 29201

WallickInvestments.com

This brochure provides information about the qualifications and business practices of Wallick Investments, LLC. If you have any questions about the contents of this brochure, please contact us at (803) 699-9400 or [Danwallick@wallickinvestments.com](mailto:Danwallick@wallickinvestments.com).

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.

Being “registered” does not imply a certain level of skill or training.

Additional information about Wallick Investments, LLC is also available by calling the Securities Division of the South Carolina Attorney General’s Office.

Date of current brochure: March 14, 2022

## 2. Material changes from our last brochure/ADV Form Part 2, dated March 12, 2021

Goldman Sachs purchased our primary custodian FOLIOfn.

## 3. Table of Contents

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#### 4. Advisory Business

- A. Wallick Investments is a Limited Liability Company established in Camden, South Carolina in June of 2005. In January of 2007, we relocated to Northeast Columbia and in January of 2018, we relocated to our current location at 1122 Lady Street, Suite 810, Columbia, SC 29201. We have four principal members/owners: Daniel T. Wallick, Susan H. Wallick, Patricia Stoner and J. Wade Stinnette, Jr. Mr. Wallick is our managing partner, compliance officer and chief investment officer.
- B. Wallick Investments, LLC specializes in discretionary portfolio management services. We also provide educational or research services, non-discretionary and non-continuous portfolio review and second opinion services.
- C. Advisory services are tailored to an investor’s time horizon and risk tolerances. Wallick Investments, LLC may purchase securities outside the Wallick Investments models for individual client accounts, but clients may not define what is included in the individual models. On request, Wallick Investments may create a customized model.
- D. Wallick Investments, LLC does not participate in any wrap fee program.
- E. As of December 31, 2021, Wallick Investments, LLC managed \$94,730,740 in assets on a discretionary basis.

#### 5. Fees and Compensation

- A. Wallick Investments’ fees are a percentage of a client’s assets under management. The percentage is based on a client’s risk tolerance and assets under management. Wallick Investments can add greater value to portfolios weighted more heavily towards equities. Following is the Wallick Investments fee schedule.

Assets Managed	Aggressive	Moderately Aggressive Growth	Moderate Balanced	Conservative	Very Conservative Defensive	401K Plans
<\$250,000	1.40%	1.40%	1.40%	1.35%	1.30%	Wallick Investment Models 1.0%
\$250,000-499,999	1.25%	1.20%	1.15%	1.10%	1.05%	
\$500,000-999,999	1.00%	.95%	.90%	.85%	.80%	Portfolios of funds or ETFs .60%
>\$1,000,000	.80%	.75%	.70%	.65%	.60%	Individual fund or ETF .35%

Advisory account fees may be negotiable based on an individual client’s circumstances.

The associated advisory fees are charged quarterly in advance and are based upon assets under management. The first billing will occur within the first 30 days of signing the client agreement. If a written request to terminate the client agreement is received, Wallick Investments will issue a pro-rated refund for the remainder of that quarter.

- B. In addition to quarterly Wallick Investments advisory fees, clients will also incur quarterly brokerage and custodian fees. For clients using FOLIOfn/Goldman Sachs brokerage and custodian services, the related fee schedule is as follows:

Fee as a % of assets	On assets (per client) above:	Up to and including assets (per client) of:
.20%	0	\$250,000
.17%	\$250,000	\$500,000
.15%	\$500,000	\$1,000,000
.12%	\$1,000,000	\$5,000,000
.10%	\$5,000,000	\$10,000,000
.08%	\$10,000,000	

All clients using FOLIOfn/Goldman Sachs Investments for brokerage services will have fees deducted directly from their accounts. FOLIOfn/Goldman Sachs billing notices go out approximately 10 days in advance. Clients not using FOLIOfn/Goldman Sachs as their custodian will have their fees calculated by Wallick Investments and directly deducted from their accounts. At the client's request, Wallick Investments will invoice the client. Fees are deducted and invoices are sent on a quarterly basis.

- C. Clients using Charles Schwab as their custodian may incur trading fees. Please see custodial agreement.
- D. When Wallick Investments purchases mutual funds or exchange traded funds for a client's portfolio, the client will incur additional investment management fees. These fees are deducted directly from the reported value of the funds. Please see section 12 for additional brokerage related information.
- E. Wallick Investments does not accept any reimbursement for the sale of any investment products.

## 6. Performance-Based Fees

Wallick Investments does not accept performance-based fees.

## 7. Types of Clients

Wallick Investments offers our services to individuals, trusts, pensions, endowments, foundations and other non-affiliated advisors. The minimum account size, due to associated minimum fees or trading costs is \$25,000 for clients using FOLIOfn/Goldman Sachs, and \$100,000 for advisory clients using Charles Schwab. Minimum account size requirements may be waived on a case-by-case basis.

## 8. Methods of Analysis, Investment Strategies and Risk of Loss

A. Wallick Investments relies heavily on quantitative analysis for equity security selection. We consider two types of factors for equity selection: opportunistic and defensive. For both, Wallick Investments, LLC uses a proprietary factor-based security-selection strategy that leverages research data from two well-known independent providers: Morningstar® and Zacks®.

The Wallick Investments' equity selection process identifies companies with the following factors and characteristics:

### Opportunistic Factors (Value and Momentum)

- Reasonable valuation ratios
- Strong price and earnings momentum

### Defensive Factors (Quality and Low Volatility)

- Above-average growth
- Above-average profitability
- Above-average financial health
- Above average dividend yield
- Low Beta and/or Standard Deviation

WI's Fidelis portfolio is a core equity portfolio and has close to a neutral weighting of both opportunistic and defensive factors.

WI's Excelsis portfolio is a core equity portfolio and has close to a neutral weighting of both opportunistic and defensive factors

WI's Tactical Asset Allocation portfolio over-weights a favored asset class. The favored asset class is determined by economic data.

WI's Tactical Factor Rotation portfolio over-weights favored equity factors. Favored factors are based on economic data.

Wallick Investments, LLC has one fixed income/bond strategy. Depending on the interest rate environment, we adjust the allocations to a diversified set of fixed income mutual or exchange traded funds.

B. Client's actual allocation to WI portfolios is dependent on their risk tolerance, time frames, goals and objectives.

Investing in equity, fixed income and hedge related securities involves risk of loss that clients should be prepared to bear. The amount of risk (from an academic perspective) is directly correlated with the level of expected return.

All our strategies comply with the US Conference of Catholic Bishops Investment Guidelines and pass IWP Capital's FFV (Faith and Family Value) screens. All equity holdings will also have positive Inspire Insight Social Impact Scores.

C. For each of our strategies, there is a “material risk” of loss of principal. Following is the brief discussion of the types of risks associated with all investment strategies.

- Equity risk: the risk that stock prices and/or the implied volatility will change.
- Interest rate risk: the risk that interest rates and/or the implied volatility will change.

For each of our strategies, there is also a “material risk” of loss of principal specific to each model. Following is a brief discussion of the types of risks associated with our specific models.

- Market cap risk: the risk that stock prices and/or the implied volatility will change due specifically to the size of the companies held (Large, Mid, Small).
- Style risk: the risk that interest rates and/or the implied volatility will change due to a specific style of investing (growth, value, momentum, quality, socially or morally responsible, etc.)
- Currency risk: the risk that foreign exchange rates and/or the implied volatility will change.
- Commodity risk: the risk that commodity prices (e.g. corn, copper, crude oil) and/or implied volatility will change.

In addition to the risk associated with all investment strategies and our specific models, the Wallick Investment strategies have risks associated with active management. Active strategies tend to increase portfolio turnover and if a client does not use a broker that charges a flat fee based on assets under management, such as FOLIOfn/Goldman Sachs, clients may incur additional trading costs. Higher turnover also has the potential to increase taxes associated with capital gains. There is no guarantee that the Wallick Investment selection criteria will add value to clients’ portfolios.

D. Wallick Investments strongly recommends asset allocation and security diversification. Our core equity portfolios (Fidelis and Excelsis) maintain sector diversification of plus or minus 8% of the benchmark and all client portfolios are allocated according to the individual clients’ risk tolerance and time horizon. Individual client’s allocations will be defined in their Investment Policy Statements.

## **9. Disciplinary Information**

Wallick Investments, LLC has no legal or disciplinary events to disclose.

## **10. Other Financial Industry Activities and Affiliations**

Wallick Investments, LLC has no other financial industry activities or affiliations to disclose.

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

A. Wallick Investments, LLC agrees to uphold the CFA Society’s Code of Ethics as well as its Asset Manager Code of Professional Conduct.

B. Members and managers may buy or sell securities that are also recommended to Wallick Investment clients. The potential conflict of interest associated with these transactions will be included in every client agreement. To fully disclose and/or minimize any risk of possible conflicts of interest, Wallick Investments:

1. Limits manager and member individual equity holdings to a maximum of 5% of their portfolio. This does not include mutual funds or exchange traded funds.
2. Requires all managers and members to disclose all their holdings to our corporate compliance officer at least annually.
3. Will not transact member/manager trades prior to discretionary client transactions.
4. Upon request, will provide clients with a listing of all member/manager holdings and activity for the previous three months.

## **12. Brokerage Practices**

For all standard client relationships, except where a client has directed Wallick Investments, LLC to use a specific broker, Wallick Investments has the discretion over the custodian/broker to be utilized. For non-discretionary accounts, Wallick Investments, LLC will recommend a broker. Wallick Investments, LLC selects and recommends brokers based on best available price (commissions) and most favorable execution.

Occasionally, clients will request or require Wallick Investments, LLC to select a certain broker-dealer to execute transactions on their behalf. By directing brokerage, clients forego potential benefits from savings on commissions and execution costs that Wallick Investments may be able to obtain for other clients through negotiated discounts.

Wallick Investments does not direct brokerage to any broker-dealers as compensation for client referrals and we do not have any commission recapture agreements with broker-dealers under which a portion of the commission dollars are used to pay our operating costs or expenses. We also do not accept "soft dollars" for research provided by any brokers or their affiliates.

Wallick Investments will recommend clients establish a custodian account with select firms. These relationships will allow Wallick Investments to trade directly with that custodian. If a client elects to have another broker/dealer or custodian, we will require them to acknowledge in writing that Wallick Investments will not have authority to negotiate commissions and the best execution may not be achieved. In addition, these clients may pay commission rates higher than our other clients.

## **13. Review of Accounts**

Clients will receive monthly account statements from their custodian and quarterly performance reviews and commentary from Wallick Investments LLC. Clients may also accept a quarterly invitation to set up a meeting to discuss the performance in person, via phone or teleconference.

All reviews will include analysis of overall portfolio performance. There will be one reviewer for each account. The reviewers will be titled "portfolio manager." As of January 1, 2018, Daniel T. Wallick, J. Wade Stinnette Jr. and Jacob D. Wallick are portfolio managers.

## **14. Client Referrals and Other Compensation**

A. Wallick Investments, LLC does not receive any economic benefit from anyone who is not a client. However, Wallick Investments does enter into written sub-advisory agreements with other third-party advisors to provide investment management services to their clients for a portion of the clients' overall fee. Currently, Wallick Investments has no such agreements.

B. Wallick Investments, LLC may enter into written agreements with solicitors (referring parties) to refer clients to Wallick Investments, LLC. If a referred client enters into an agreement with Wallick Investments, LLC, a referral fee (based upon a percentage of the client advisory fee generated) is paid to the referring party. The referral arrangement between any referring party and Wallick Investments, LLC will not result in any charges to the client in addition to the normal level of advisory fees charged.

Pursuant to Rule 206(4)-3, in addition to a Wallick Investments, LLC Disclosure Document, a "Solicitor's Separate Written Disclosure," listing compensation to be paid to solicitors, is provided to the client prior to or at the signing of a Wallick Investments, LLC Advisory Agreement.

Applicant's referral agreement is in compliance with the federal regulations as set out in 17 C.F.R. Section 275-206(4)-3, and each client is required to sign a copy of the "Solicitor's Separate Written Disclosure" document at the time of entering into an advisory contract in any jurisdiction. Wallick Investments, LLC will evaluate appropriate risk tolerances and investment time frames for all new clients. Anyone who solicits business for Wallick Investments, LLC will register as a registered investment advisory representative either of Wallick Investments, LLC or another registered investment advisory firm.

As of December 31, 2021, Wallick Investments, LLC has no solicitor agreements in force.

## **15. Custody**

Wallick Investments, LLC does not have custody of clients' funds or securities.

## **16. Investment Discretion**

A client's investment agreement with Wallick Investments, LLC will state whether or not the agreement is for a discretionary or non-discretionary account. For discretionary accounts, Wallick Investments, LLC has the authority to execute transactions on behalf of the client without obtaining specific client consent. This includes the securities to be bought or sold and amount to buy or sell. The only limitations on the investment authority will be those limitations imposed in writing by the client.

In non-discretionary accounts, the securities to be bought or sold and the amount to buy or sell, must be approved in advance by the client.

The advisor will also develop with the client (both discretionary and non-discretionary) an investment policy statement which will outline some of the portfolio management parameters such as asset allocation and stock selection criteria as well as any client-imposed restrictions.

## **17. Voting Client Securities**

Wallick Investments, LLC does not vote proxies for our clients. All clients have access to proxy information through their broker dealer. If a client has a question about voting a proxy, they may call us to discuss.

## **18. Financial Information**

Wallick Investments, LLC does not require or solicit prepayment of \$1,200 or more in fees per client, six months or more in advance. Wallick Investments is not aware of any conditions that are reasonably likely to impair our ability to meet contractual commitments to our clients.

## **19. Requirements for State-Registered Advisors**

Wallick Investments requires a college degree and at least two years of investment experience in addition to state required licenses for all individuals providing investment advice. Daniel Wallick is responsible for all portfolio management and investment advisory services. Daniel Wallick was born in 1967. He received his Bachelor of Science degree in Business Administration with a major in Finance and Business Economics from the University of South Carolina (USC). He graduated Phi Beta Kappa from USC in 1991. In January 2000, after working 7 years at Blue Cross and Blue Shield of South Carolina, the last three years as an Accounting Manager/Supervisor, Dan became a Financial Consultant for Merrill Lynch. In April of 2003, Dan became an Investment Consultant for South Carolina Bank and Trust. In June 2005, Dan established Wallick Investments, LLC. Dan is active at church, is a member of the South Carolina Christian Chamber of Commerce in Columbia and serves on the investment committee for the Roman Catholic Diocese of Charleston. He enjoys spending time with his wife Susan and family. In addition to investment research, his hobbies include: soccer, running, reading, fishing, tennis and golf. He is a member of the CFA Society of South Carolina.

## **Additional Information – Brochure Supplement – Daniel T. Wallick**

### **Item 1**

This brochure supplement provides information about Daniel T. Wallick and supplements Wallick Investments, LLC's brochure. Additional information about Daniel T. Wallick is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Item 2**

Daniel Wallick was born in 1967. He received his Bachelor of Science degree in Business Administration with a major in Finance and Business Economics from the University of South Carolina (USC). He graduated Phi Beta Kappa from USC in 1991. In January 2000, after working 7 years at Blue Cross and Blue Shield of South Carolina, the last three years as an Accounting Manager/Supervisor, Dan became a Financial Consultant for Merrill Lynch. In April of 2003, Dan became an Investment Consultant for South Carolina Bank and Trust. In June 2005, Dan established Wallick Investments, LLC. Dan is active at church, is a member of the South Carolina Christian Chamber of Commerce in Columbia and serves on the investment committee for the Roman Catholic Diocese of Charleston. He enjoys spending time with his wife Susan and family. In addition to investment research, his hobbies include: soccer, running, reading, fishing, tennis and golf. He is a member of the CFA Society of South Carolina.

### **Item 3**

Mr. Wallick has no previous legal or disciplinary events.

### **Item 4**

Mr. Wallick is not involved in any other business activities.

### **Item 5**

Mr. Wallick does not receive additional compensation for providing advisory services.

### **Item 6**

As managing partner, Daniel Wallick does not have a direct supervisor.

## **Additional Information – Brochure Supplement – J. Wade Stinnette, Jr.**

### **Item 1**

This brochure supplement provides information about J. Wade Stinnette, Jr. and supplements Wallick Investments, LLC's brochure. Additional information about J. Wade Stinnette is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Item 2**

Wade Stinnette is a 1980 graduate with distinction from the Virginia Military Institute with a Bachelor of Science degree in Chemistry and served six years as a Commissioned Officer in the United States Marine Corps. He has been working with investment clients since 1986 and has extensive experience building investment portfolios, implementing investment plans, monitoring asset allocations, rebalancing portfolios, and providing ongoing communications regarding investment results, outlook, and strategy. Prior to joining Wallick Investments, Wade served in various capacities within boutique investment firms, such as Tanglewood Asset Management and The London Company, and at bank asset management departments including Certus Wealth, First Citizens and Wachovia. He is a past Secretary and Treasurer of the CFA Society of South Carolina and has served on the boards of directors of several non-profit organizations. Wade enjoys spending time with his family, gardening, hunting, fishing, and volunteering at his church and in his community.

### **Item 3**

Mr. Stinnette has no previous legal or disciplinary events.

### **Item 4**

Mr. Stinnette is not involved in any other business activities.

### **Item 5**

Mr. Stinnette does not receive additional compensation for providing advisory services.

### **Item 6**

Mr. Stinnette is supervised by Daniel Wallick, managing partner. Mr. Dan Wallick can be reached at 803-699-9400. Mr. Wallick reviews all accounts on a quarterly basis to ensure compliance with Investment Policy Statement asset allocation guidelines and to ensure associated trades are within portfolio parameters.

## **Additional Information – Brochure Supplement – Jacob D. Wallick**

### **Item 1**

This brochure supplement provides information about Jacob D. Wallick and supplements Wallick Investments, LLC's brochure. Additional information about Jacob D. Wallick is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Item 2**

Jake Wallick is a 2016 honors graduate from The University of South Carolina's Darla Moore School of Business with a degree in Finance and Management and directed study in Biology. While at USC, he was Japan Club treasurer and an active participant in the student led Carolina Fund. His career experience includes working as a financial analyst intern with Wallick Investments and as a transaction accountant supporting global markets with Deutsche Bank Corporate Finance Department in Jacksonville, FL. In July of 2017, Jake joined Wallick Investments formally. He is an Eagle Scout and passionate about nutrition and exercise. In addition to his investment studies, he enjoys swimming, running, sailing, soccer, keeping up with friends, and spending time with family. Jake has passed the CFA Institute Level 2 exam.

### **Item 3**

Mr. Wallick has no previous legal or disciplinary events.

### **Item 4**

Mr. Wallick is not involved in any other business activities.

### **Item 5**

Mr. Wallick does not receive additional compensation for providing advisory services.

### **Item 6**

Mr. Wallick is supervised by Daniel Wallick, managing partner. Mr. Dan Wallick can be reached at 803-699-9400. Mr. Dan Wallick reviews all accounts on a quarterly basis to ensure compliance with Investment Policy Statement asset allocation guidelines and to ensure associated trades are within portfolio parameters.