

# Accretive Wealth Management, LLC Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Accretive Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (925) 365-1533 or by email at: [faraz.sattar@accretivewealth.com](mailto:faraz.sattar@accretivewealth.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.*

*Additional information about Accretive Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Accretive Wealth Management, LLC's CRD number is: 164341*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Accretive Wealth Management, LLC on March 13, 2024 are described below. Material changes relate to Accretive Wealth Management, LLC's policies, practices or conflicts of interests.

Accretive Wealth Management, LLC offers financial planning services. (Items 4,5 & 13)

Accretive Wealth Management, LLC updated its fees for financial planning services. (Item 5)

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Accretive Wealth Management, LLC is a Limited Liability Company organized in the state of California. The firm was formed in April 24, 2012, and the principal owner is Faraz Sattar.

### B. Types of Advisory Services

Accretive Wealth Management, LLC (hereinafter "AWM") offers investment management services to clients. Before a portfolio is constructed for a client, AWM works to discuss with the client's their investment objectives & goals, timeframe, risk tolerance level, income needs, return expectations, liquidity needs and much more. After listening to the clients, AWM will then recommend an investment portfolio.

#### *Investment Advisory Services*

AWM offers ongoing portfolio management services based on each client's need. The client discussions aids in the selection of a portfolio that matches each client's specific situation. Investment Advisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Business succession
- Education Planning
- Gifting
- Personal investment policy
- Asset selection
- Regular portfolio monitoring
- Retirement Planning
- Risk Management

AWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. AWM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### *Financial Planning*

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; education planning; and debt/credit planning.

### ***Pension Consulting Services***

AWM uses third party pension administrators for all plans. We use Hicks Pension Services and Retirement Security Advisor Council.

AWM offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker-dealers

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

### ***Selection of Other Advisers***

AWM may direct clients to third party money managers. Clients will pay a separate fee to the third party money managers. The combined fees of AWM and the third party money managers will not exceed any limit imposed by any regulatory agency. Before selecting other advisers for clients, AWM will always ensure those other advisers are properly licensed or registered as an investment adviser.

### ***Services Limited to Specific Types of Investments***

AWM primarily limits its investment advice to private placements. However, AWM will also provide advice regarding mutual funds, equities, bonds, fixed income, debt securities, ETFs, hedge funds, REITs, insurance products including annuities, and government securities. AWM may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

AWM offers the same suite of services to all of its clients. However, specific client investments and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

**D. Wrap Fee Programs**

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

**E. Amounts Under Management**

AWM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 3,001,115.00	\$ 229,275,118.00	03/07/2024

**Item 5: Fees and Compensation**

**A. Fee Schedule**

*Investment Advisory Services Fees*

Total Assets Under Management	Annual Fee
All Assets	1.00%

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days’ written notice.

Advisory fees are withdrawn directly from the client’s accounts with client written authorization. Lower fees for comparable services may be available from other sources.

*Selection of Other Advisers Fees*

AWM will direct clients to third party money managers. Clients will pay a separate fee to the third party money managers. The fees will be disclosed in each contract between AWM and the client and each third party adviser and the client. The combined fees will not exceed any limit imposed by any regulatory agency. Fees will vary depending on the third party adviser. Client should review the ADV Part 2A of the third party adviser for additional information.

## ***Financial Planning Fees***

### **Fixed Fees**

The rate for creating client financial plans is up to \$10,000. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement.

### ***Pension Consulting Services Fees***

The rate for pension consulting services is up to 1.00% of the plan assets for which AWM is providing such consulting services. These fees are negotiable.

## **B. Payment of Fees**

### ***Payment of Investment Advisory Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears

### ***Payment of Other Advisers' Fees***

Other Advisers' fees are withdrawn directly from the client's accounts with client written authorization. Fees withdrawn will vary depending on the third-party adviser. Clients should review the ADV Part 2A of the third-party adviser for additional information.

### ***Payment of Financial Planning Fees***

Fixed Financial Planning fees are Withdrawn directly from client account with client written authorization. Fees are paid in arrears.

### ***Payment of Pension Consulting Services Fees***

Pension consulting fees are withdrawn directly from the client's accounts with client's written authorization or may be invoiced and billed directly to the client and clients may select the method in which they are billed. Fees are paid quarterly in arrears.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, Platform fees, etc.). Those fees are separate and distinct from the fees and expenses charged by AWM. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

AWM collects its fees in arrears. It does not collect fees in advance.

## **E. Outside Compensation For the Sale of Securities to Clients**

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

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

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

## **Item 7: Types of Clients**

AWM generally provides investment advice and management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Small Businesses
- ❖ Corporate/Institutional Clients

### ***Minimum Account Size***

There is an account minimum, \$500,000, which may be waived by the investment adviser, based on the needs of the client and the complexity of the situation.

## **Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss**

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

AWM's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

**Charting analysis** involves the use of patterns in performance charts. AWM uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.



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

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

### ***Investment Strategies***

AWM uses third party advisers, long term trading and short term trading.

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

## **B. Material Risks Involved**

### ***Methods of Analysis***

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

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

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

### ***Investment Strategies***

Selection of third party advisers: Although AWM will seek to select only money managers who will invest clients' assets with the highest level of integrity, AWM's selection process cannot ensure that money managers will perform as desired and AWM will have no control over the day-to-day operations of any of its selected money managers. AWM would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks,

investment “style drift” or even regulator breach or fraud. In monitoring and analyzing the third-party advisers, AWM uses benchmarking analysis, assessing whether the adviser’s performance has met, exceeded, or fallen short of comparable benchmarks (e.g., Russell 2000, S&P 500, etc.), together with comparison against any stated benchmarks the adviser has set for itself.

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

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

### **C. Risks of Specific Securities Utilized**

AWM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. AWM invests in private equity, private real estate, private debt, hedge funds and QOZs.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds:** The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Fixed Income** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

**Debt securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

**Stocks & Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Hedge Funds** are not suitable for all investors and involve a high degree of risk due to several factors that may contribute to above average gains or significant losses. Such factors include leveraging or other speculative investment practices, commodity trading, complex tax structures, a lack of transparency in the underlying investments, and generally the absence of a secondary market.

**Private Equity Funds:** In addition to the risks associated with hedge funds, there are risks specifically associated with investing in private equity. Capital calls can be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Real Estate funds** (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Private placements** carry a substantial risk as they are largely unregulated offerings not subject to securities laws.

**Precious Metal ETFs** (Gold, Silver, and Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

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

**Short term trading** risks include liquidity, economic stability and inflation.

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

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

## **B. Administrative Proceedings**

There are no administrative proceedings to report.

## **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

# **Item 10: Other Financial Industry Activities and Affiliations**

## **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

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

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither AWM nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Faraz Sattar is Partner of Accretive Real Estate, LLC, an investment real estate company. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Accretive Wealth Management, LLC always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any representative of Accretive Wealth Management, LLC in such individual's outside capacities.

## **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

AWM will direct clients to third party money managers. Clients will pay a separate fee to the third party money managers. The fees will be disclosed in each contract between AWM and the client and each third party adviser and the client. The combined fees will not exceed any limit imposed by any regulatory agency. AWM will always act in the best interests of the client, including when determining which third party manager to recommend to clients. AWM will ensure that all recommended advisers or managers are licensed or notice filed in the states in which AWM is recommending them to clients.

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

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

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

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of AWM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of AWM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. AWM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of AWM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of AWM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. AWM will always transact client's transactions before its own when similar securities are being bought or sold.

## Item 12: Brokerage Practices

### A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian will be chosen based on their relatively low transaction fees and access to mutual funds and ETFs. AWM will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

AWM recommends the custodians Equity Advisr Solutions and Millennium Trust Company.

#### 1. *Research and Other Soft-Dollar Benefits*

AWM receives no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions (“soft dollar benefits”).

#### 2. *Brokerage for Client Referrals*

AWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### 3. *Clients Directing Which Broker/Dealer/Custodian to Use*

AWM will require clients to use a specific broker-dealer to execute transactions. We don't require unless it's a tax-deferred investment. We may start back in the future,

### B. Aggregating (Block) Trading for Multiple Client Accounts

AWM does not aggregate or bunch the securities to be purchased or sold for multiple clients, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

## Item 13: Reviews of Accounts

### A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least annually by Faraz Sattar. Faraz Sattar is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at AWM are reviewed more frequently by the individual advisor assigned to the account.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Faraz Sattar, Managing Partner. There is initial review for financial plans, and periodically we will review the financial plan with the client.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive a quarterly written report that details the client's account including assets held and asset value from the custodian. The client will receive a portfolio performance report from the portfolio manager on a quarterly basis.

# **Item 14: Client Referrals and Other Compensation**

## **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

The firm may host or attend mutual fund company or other company educational programs, events, or conferences where expenses are paid for (in part or in whole) by mutual funds or other third parties whose products and services that AWM utilizes in providing advisory services. This represents a conflict of interest in that AWM has an incentive to use and promote the products and service of these third parties. To address this conflict, AWM will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

## **B. Compensation to Non – Advisory Personnel for Client Referrals**

AWM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

# **Item 15: Custody**

AWM, with client written authority, has limited custody of client's assets through direct fee deduction of AWM's Fees only. If the client chooses to be billed directly by the Custodian, AWM would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

AWM provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client outlines the discretionary authority for trading. Where investment discretion has been granted, AWM generally manages the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, or the price per share. In some instances, AWM's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to AWM).

## **Item 17: Voting Client Securities (Proxy Voting)**

AWM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

AWM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither AWM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

AWM has not been the subject of a bankruptcy petition in the last ten years.