

**Part 2A of Form ADV: *Firm Brochure***

**GALLATIN WEALTH MANAGEMENT, LLC**

575 S. Willow Street  
P.O. Box 1226  
Jackson, WY 83001

Telephone: (307) 200-4343  
Facsimile: (307) 730-6559  
E-mail: [lroux@gallatinwealthmgmt.com](mailto:lroux@gallatinwealthmgmt.com)

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**This brochure provides information about the qualifications and business practices of Gallatin Wealth Management, LLC (hereinafter “GWM”, “the firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (307) 200-4343 or at [lroux@gallatinwealthmgmt.com](mailto:lroux@gallatinwealthmgmt.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. Reference made to GWM as being a registered investment adviser does not imply any particular level of skill or training by our firm or employees or that the SEC has endorsed our respective qualifications to provide investment advisory services.**

**Additional information about GWM is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for GWM is 165344.**

## **ITEM 2 MATERIAL CHANGES**

Pursuant to exemptions which are no longer available, GWM was previously not required to register as an investment adviser with the Securities and Exchange Commission (SEC). This Firm Brochure (our “Disclosure Brochure” or “Brochure”) is our initial disclosure document prepared as a registered investment adviser in accordance with applicable SEC requirements. As you will see, this Brochure is a narrative providing detailed information regarding our firm, its practices, fees, actual and potential conflicts of interest and key mitigating circumstances, policies and controls.

After our initial filing of this Brochure, this Item 2 will be used to provide our clients and Fund investors with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with SEC rules, we will ensure that our clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide interim disclosures about material changes as necessary.

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#### **ITEM 4. ADVISORY BUSINESS**

GWM is an SEC-registered investment adviser with its principal place of business in Jackson, WY. The firm has been in business since 2005. Laurent Roux is the sole owner of the firm.

##### ***Portfolio Management Services:***

GWM provides Portfolio Management Services to a client based on the client's individual financial circumstances and needs. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, GWM develops a client's personal investment policy and creates and manages a portfolio based on that policy. GWM will manage advisory accounts on a discretionary or non-discretionary basis depending on the client's preference, as agreed. Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, preservation of capital, growth, income, or growth and income).

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding, but not necessarily limited to, common or preferred stock, convertible stocks or bonds, domestic and international securities of any type, mutual funds, index and exchange-traded and similar funds, real estate investment trusts (REITs), private funds, options, warrants, rights, corporate, municipal, or government bonds, and notes and bills.

We will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Portfolio weighting between funds and other securities, as well as market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients retain ownership of all portfolio securities.

Pooled investment vehicles, such as mutual funds, ETFs and REITs, among others, will generally be selected on the basis of any or all of the following criteria, among others: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure.

##### ***Multi-Family Office Services:***

GWM offers Multi-Family Office Services to a limited number of high net worth individuals and families to assist in achieving the goal of a lasting legacy for future generations. Multi-Family Office Services are structured to offer an integrated, interdisciplinary approach to aggregating and focusing family resources and values to facilitate a common interest in asset protection, cost control, financial education, and philanthropy, among others. GWM's Multi-Family Office Services provide family-

specific, custom solutions and relationship management. As needed, services provided through GWM's Family Office Services may include, but are not limited to:

1. *Family Wealth Consultation* – GWM offers clients comprehensive and on-going consultation services relating broadly to family governance, financial and investment education, risk management, philanthropy coordination, and succession planning. Through Family Wealth Consultation, GWM seeks to assist clients to realize and fully exploit the value of the family's human, intellectual, structural, philanthropic, financial, and family capital. Services focus on strategic planning, trouble-shooting, facilitation, consulting and advising on a project and/or retainer, or board level basis:
  - *Family legacy and stewardship* – values, governance, family enterprise
  - *Family dynamics and organization* – relationship management and organizational structures such as family councils and private family trust companies
  - *Family office* – establishment and organization, trouble-shooting, family option analysis, and best practices
  - *Multi-family office* - establishment and organization, trouble-shooting, family option analysis and best practices
  - *Investment Consultation* – advisory role, aimed at enabling families to make the 'right' decisions on both providers and products, draft investment policy statements and suggest asset allocation, manage risk, monitor relationships, and explain offerings and results – international experience significant.
  - *Administration* – advisory role, aimed at enabling families to coordinate and find solutions to a variety of issues including custody, reporting, etc.
  - *Interdisciplinary networking/outsourcing* – advise on and suggest specialists.
2. *Investment Review, Referral & Monitoring Services* –GWM may act as the family's "outsourced investment committee," overseeing the investment management services of third party investment advisers separately engaged by the client. GWM will provide overlay risk management services to the client; reviewing and explaining each third-party adviser's investment strategy and processes and describing how those strategies correspond to overall risks, including investment, market, currency, geopolitical and other risks, undertaken by the client and providing suggestions to optimize these risks to the client's financial circumstances and profile.

Based on a client's financial circumstances, and as needed, GWM may refer the client to one or more independent registered investment advisers, who may or may not pay referral fees to GWM. Factors generally considered in making this determination include total assets, risk tolerance, the goals of each client and the investment philosophy of the independent adviser(s). Clients should refer to the independent adviser's(s') Disclosure Brochure(s) for a full description of the

services offered.

GWM will meet with the client on a regular basis to review the account. If GWM believes that a particular independent adviser is performing inadequately, or if GWM believes that a different manager is more suitable for a client's particular needs, then GWM may suggest that the client contract with a different adviser. Under this scenario, GWM will assist the client in selecting a new adviser, and then monitor that adviser's performance. However, any move to a new manager is solely at the discretion of the client. (Refer to Item 14 of this Disclosure Brochure for more information).

If requested, GWM may provide consolidated account reporting services and serve as the client's account liaison with applicable custodians to provide typical administrative services with respect to the client's portfolio. Typical services may include communicating with custodians and facilitating client requested account contributions/distributions (consistent with SEC Rule 206(4)-2), titling, and beneficiary designation requests.

Through its Multi-Family Office Services, including its dual components of Family Wealth Consultation and Investment Review, Referral & Monitoring Services, GWM assists families to define legacy goals and design a long-range plan to maximize the probability of achieving those goals.

## **ITEM 5. FEES AND COMPENSATION**

### ***Portfolio Management Services:***

The annual fee for Portfolio Management Services will be charged as a percentage of assets under management, according to the following schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee (%)</u></b>
First \$5 million	0.90%
Next \$5 million	0.80%
Next \$10 million	0.65%
Next \$30 million	0.44%
Over \$50 million	Negotiable

Our fee may be negotiable under certain circumstances, including, the complexity of the client's account, the amount of assets to be placed under management, portfolio management style, reports and other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

A minimum account size of \$5 million is generally required for this service. This minimum account size is negotiable in our sole discretion. Fees are billed in arrears on a quarterly basis at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the client's account at the

end of the previous quarter. As a matter of policy and practice, GWM will not accept the authority to directly debit its fees from any client account.

***Multi-Family Office Services:***

GWM charges fees for its Multi-Family Office Services as set forth below depending on the services rendered.

1. *Family Wealth Consultation* – For the Family Wealth Consultation component of our Multi-Family Office Services, GWM will charge an annual fixed fee, typically ranging from \$10,000 to \$100,000 charged quarterly, in arrears. Project specific fees may also be charged.

Typically, fees are expressed on a retainer basis. GWM's total fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

2. *Investment Review, Referral & Monitoring Services* – We are compensated for Investment Review, Referral & Monitoring Services in one of two ways.

- A. We may charge an annual fee based on a percentage of total assets under consultation according to the following schedule:

<u><i>Assets Under Consultation</i></u>	<u><i>Annual Fee (%)</i></u>
First \$5 million	0.32%
Next \$5 million	0.30%
Next \$10 million	0.28%
Next \$30 million	0.26%
Over \$50 million	Negotiable

A minimum account size of \$5 million is generally required for this service. This minimum account size is negotiable in our sole discretion. Fees are invoiced in arrears on a quarterly basis at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the previous quarter.

- B. If GWM should refer the client to a third party money manager that pays a referral fee to GWM, we will be compensated based on a percentage of the client's assets managed by the third party money manager (capped at 35% of the fee charged by the independent investment adviser, depending on the size of the account), which is included in the independent investment adviser's annual management fee. Under these circumstances, GWM will not separately charge a fee for percentage of the client's assets managed by the adviser(s) paying a referral fee to GWM.

The total management fee charged by the third party money manager is disclosed in the manager's Disclosure Brochure. The percentage of the overall fee charged by the third party money manager paid to GWM is provided in a separate disclosure document also provided to clients. The portion of the advisory fee paid to GWM does not increase the total advisory fee paid to the selected third party investment adviser.

## **GENERAL INFORMATION:**

***Negotiability of Advisory Fees:*** Although GWM has established the aforementioned fee schedules, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee to be charged. These include the complexity of the client's circumstances and needs, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between GWM and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and personal acquaintances of the associated persons of our firm.

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. As disclosed above, fees are paid in arrears of services provided. Upon termination of any account, any earned, unpaid fees will be due and payable pro rata.

***Fund Fees:*** All fees paid to GWM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange-traded funds (ETFs) to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which GWM or an independent investment manager, as applicable, effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this brochure for additional information.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for lower or higher fees.



## **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

GWM does not charge performance-based fees to any client.

## **ITEM 7. TYPES OF CLIENTS**

GWM provides advisory services to individuals, including high net worth individuals, trusts, corporations and other business entities.

As previously disclosed at Item 5 of this Brochure, our firm has established minimum account size requirements for establishing and maintaining an account with us. For a more detailed understanding of those requirements, please review the fee disclosures provided for each applicable service.

## **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Fundamental analysis.*** When engaged in fundamental analysis, we attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

***Technical analysis.*** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

***Cyclical analysis:*** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to anticipate the price movement of the security.

***Charting:*** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

***Quantitative analysis:*** We may use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

***Qualitative analysis:*** We may also subjectively evaluate non-quantifiable factors when analyzing securities such as quality of a company's management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk is using qualitative analysis is that our subjective judgment may prove incorrect.

***Asset Allocation:*** Rather than focusing exclusively (or even necessarily primarily) on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

***Mutual fund and/or ETF Analysis.*** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review

these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### ***Investment Strategies***

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

***Long-term purchases.*** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

***Short-term purchases.*** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

***Option writing:*** In general, options will *not* be used in client portfolios managed by GWM. However, as appropriate, we may also use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

Options include calls and puts. A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires. A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

As appropriate, we may use options to speculate on the possibility of a sharp price swing. We may also use options to “hedge” a purchase of the underlying security; in other words, we may use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

“Covered calls” are one particular strategy we may use. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the underlying security from your account at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss. We may also use a “spreading strategy,” in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors. A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

***Risk of Loss.*** Securities investments are not guaranteed and you may lose money on your investments. We ask clients to work with GWM to help us understand your tolerance for risk.

## **ITEM 9. DISCIPLINARY INFORMATION**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Neither our firm nor our management personnel have reportable disciplinary events to disclose.

## **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither GWM nor any of our management persons engage in other financial industry activities, have any other financial industry affiliations, arrangement or relationship that is material to advisory clients or which creates a conflict of interest with advisory clients, other than as set forth below.

As disclosed at Items 4 and 14 of this Disclosure Brochure, GWM may recommend the services of third party investment advisers to its clients as appropriate. GWM has entered into referral arrangements with one or more advisers and/or custodians that may be recommended to clients and under these agreements, in exchange for our recommendation, GWM will receive a referral fee from the selected investment adviser and/or custodian. The fee received by GWM is typically a percentage of the fee charged by that investment adviser to the referred client or the custodial fee charged by the

selected custodian, as applicable. The portion of the advisory fee/custodial fee paid, as applicable, to GWM does not increase the total advisory custodian fee paid to the selected investment adviser by the client, however, it may impact the adviser's willingness to negotiate its fees.

As a matter of policy, GWM does not limit its third party investment adviser recommendations solely to advisers that compensate us for client referrals. However, clients should be aware that the potential to receive referral fees from some third party advisers creates an inherent conflict of interest in that it may influence whether or not we recommend one third party adviser over another and it may impair the objectivity of GWM and its employees when determining which third party advisers may be most suitable to the client's investment needs. GWM endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser and takes the following steps to address this conflict:

- GWM provides full and fair disclosure regarding the potential for GWM or its employees to earn compensation from the referral of clients to other registered investment advisers;
- GWM discloses to the client in a separate disclosure document the compensation it receives in exchange for the client's referral to the selected investment adviser.

Please also refer to Item 14 of this Disclosure Brochure.

In addition, Laurent Roux, Managing Member of GWM is also a member of a limited liability company that serves as General Partner to the Asia Emerging Manager Fund, a private equity fund that invests in Asian alternative asset managers ("the Fund"). Although neither GWM nor Mr. Roux act as investment manager to the Fund, Mr. Roux does serve on the advisory board of the General Partner and, in this capacity, is involved with the Fund's risk management considerations. No client of GWM is referred to or otherwise solicited to invest in the Fund.

#### **ITEM 11. CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

GWM or individuals associated with GWM may from time to time buy or sell securities for their personal accounts that are identical to or different from those recommended to clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. Our policies and procedures are designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with making decisions in the best interest of advisory clients while, at the same time, allowing employees to invest for their own accounts.

It is the expressed policy of GWM that no person employed by GWM may purchase or sell any security prior to a transaction(s) being recommended to an advisory account, and

therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

As these situations present conflicts or potential conflicts of interest, GWM has established the following restrictions in order to ensure its fiduciary responsibilities:

- No officer or employee of GWM shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of GWM shall prefer his or her own interest to that of the advisory client.
- GWM requires that all individuals act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

GWM has adopted a Code of Ethics that provides for oversight and enforcement of these principles, however, certain of these provisions will generally only be effective at such time as the firm has more than a single officer or employee with access to recommendations or client information. Among other things, when GWM employs additional persons with access to recommendations or client information, the Code of Ethics will require the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code of Ethics includes policies and procedures for the maintenance of securities transactions reports on at least a quarterly basis as well as initial and annual securities holdings reports. These records will be maintained for inspection by applicable regulatory authorities. At such time as GWM employs more than a single officer or employee, our Code requires the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's employees with access to certain information regarding client holdings or transactions. Our Code also includes the firm's prohibition against the use of material non-public information in personal or firm trading activities or otherwise.

GWM and individuals associated with our firm are prohibited from engaging in principal or agency cross transactions. (A principal transaction occurs when our firm or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. An agency cross transaction occurs where our firm acts as an investment adviser in relation to a transaction in which any person controlled by or under common control with our firm, acts as broker for both the advisory client and for another person on the other side of the transaction).

## **ITEM 12. BROKERAGE PRACTICES**

### ***Portfolio Management Services:***

GWM does not accept the discretionary authority to determine the broker dealer to be used or the commission rates to be paid on a trade-by-trade basis for any client account. As such, we require that clients direct the firm regarding which broker dealer to use for trades to be placed in the client's account. Clients may direct us to use the broker dealer of his/her choice. However, for clients in need of a recommendation for brokerage or custodial services, and depending on client circumstances and needs, GWM will recommend the use of one or more of custodian/ broker dealers, as appropriate, provided that such recommendation is consistent with GWM's fiduciary duty to the client. Each recommended custodian/broker is an SEC registered, FINRA-member broker-dealer unaffiliated with GWM. Clients must evaluate any recommended custodian/broker before opening an account. The factors considered by GWM when making this recommendation are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, and the broker's quality of execution services and costs of such services, among other factors.

Although clients may direct the use of a broker dealer of his/her choice, we reserve the right to decline acceptance of any client account when acceptance of the client's brokerage direction would hinder our ability to service the account. In directing the use of a particular broker dealer, it should be understood that we will not have authority to negotiate commissions on a trade-by-trade basis or to necessarily obtain volume discounts, and best execution may not be achieved. As a result, the client may incur transaction costs that are higher than those we might otherwise be able to obtain if we were to negotiate among broker dealers on a trade-by-trade basis. Although GWM will periodically review the execution and custodial services attained for its clients through directed brokers as compared to those that could be attained through competitor firms to ensure that the directed brokers continue to be able to provide quality services at a reasonable cost, GWM will abide by the client's brokerage instructions and will not be independently seeking best execution price capability through other broker dealers on a trade-by-trade basis. Not all advisers require clients to direct the use of a particular broker.

Although GWM does not limit its recommendations to any particular custodian/broker, clients should note that the firm does receive certain benefits or services from certain custodians utilized. Services received may include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like GWM in conducting business and in serving the best interests of their clients but that may benefit GWM.

Broker/custodians utilized by GWM may also make available, at no additional charge, certain proprietary research services. These services may be used by GWM to manage accounts for which GWM has investment discretion, even those not custodied at the custodian providing them. As a result of receiving such services for no additional cost, GWM may have an incentive to recommend, use or expand the use of the custodians

providing such services. Clients are not obligated to direct the use of any particular broker dealer/custodian recommended by GWM.

GWM generally does not block client trades. Block trading permits some advisers to trade aggregate blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Because GWM client trades generally are not aggregated, there may be a difference in the price paid per share of a given security by a client as compared to other clients depending, in part, on the type of security traded as well as the day or sequence in which trades are placed.

Personal transactions of GWM's affiliated persons are never aggregated with client trades.

GWM has not entered into soft dollar arrangements with any broker or dealer.

### ***Multi-Family Office Services***

1. *Family Wealth Consultation* – Due to the nature of the Family Wealth Consultation component of GWM's Multi-Family Office Services and client needs, this service does not include the entry or execution of any securities trades and therefore, no blocking of trades, negotiating commissions with broker dealers or seeking to obtain volume discounts, or best price or execution.
2. *Investment Review, Referral & Monitoring Services* – As disclosed at Item 4 of this Disclosure Brochure, GWM may recommend third party money managers to clients, as appropriate. GWM recommends the services of other advisers, who may or may not recommend broker dealers to clients, and/or have their own policies, practices and procedures regarding brokerage. GWM does not recommend broker dealers to any client referred to a third party money manager or otherwise engaging the firm to provide the Investment Review, Referral & Monitoring component of Multi-Family Office Services.

Since GWM does not directly recommend or select the services of any particular broker dealer through this service, GWM does not consider the quality of brokerage services, the value of products, research, nor does it determine the reasonableness of any broker's commissions. Clients must evaluate the brokerage services of any particular broker, independently of GWM.

Clients should refer to the Disclosure Brochure(s) of recommended independent adviser(s) for information on the brokerage recommendations, practices and policies for those entities.

## **ITEM 13. REVIEW OF ACCOUNTS**



### ***Portfolio Management Services:***

**REVIEWS:** While the underlying securities within Portfolio Management Services accounts are continuously monitored, these accounts are reviewed at least monthly by Laurent Roux, Managing Member of GWM. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

**REPORTS:** In general, GWM will not provide regular reports in addition to the statements and confirmations of transactions that Portfolio Management Services clients receive from their broker dealer.

### ***Multi-Family Office Services:***

#### **REVIEWS:**

Family Wealth Consultation - These clients' investment accounts will be reviewed as contracted for at the inception of the advisory service, typically at least quarterly. All reviews are conducted by Laurent Roux, Managing Member of GWM.

Investment Review, Referral & Monitoring Services – Clients referred to third party registered investment advisers should refer to the adviser's Disclosure Brochure for information regarding the nature and frequency of account reviews provided by the third party investment adviser.

#### **REPORTS:**

Family Wealth Consultation - In general, GWM will provide regular reports to Family Wealth Consultation clients regarding any issues relating to the areas engaged for consultation.

Investment Review, Referral & Monitoring Services – Clients referred to third party registered investment advisers should refer to the adviser's Disclosure Brochure for information regarding the nature and frequency of reports provided by the third party investment adviser. GWM may also provide regular reports regarding the services of underlying managers as contracted for.

## **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

GWM does not currently engage solicitors or otherwise compensate related or unrelated persons for referring potential clients to our firm. As disclosed at Items 4 and 10 of this Brochure, however, GWM does act as solicitor for certain third party investment advisers and, as appropriate, may refer clients to such advisers in exchange for referral fees.

Other than as already disclosed at Item 12 of this Brochure, neither GWM, nor any officer of the firm, receives compensation from third parties in connection with providing investment advice to its clients. Please refer to Item 4, 10 and 12 for detailed information regarding these arrangements, resulting conflicts and mitigating controls.

#### **ITEM 15. CUSTODY**

We do not have actual or constructive custody of any client's account or assets. As disclosed at Item 13, GWM may also provide regular reports to clients referred to third party managers regarding the services of those managers. If such reports should include performance information, clients are urged to compare such reports to those received directly from the account custodians.

#### **ITEM 16. INVESTMENT DISCRETION**

As disclosed at Item 4 of this Brochure, we offer Portfolio Management Services on a discretionary or non-discretionary basis. Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions. When managing an account on a discretionary basis, we place trades in the client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell.

Advisory clients who elect not to grant such discretionary authority to GWM are advised that trades in their accounts will typically be executed subsequent to trades entered for discretionary accounts due to the time involved in obtaining the requisite client approval. Consequently, there may be a difference in the price paid per share of a given security and the commission rates paid by these clients as compared to other clients depending, in part, on the type of security traded.

#### **ITEM 17. VOTING CLIENT SECURITIES**

GWM does not vote client proxies. Therefore, although GWM may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore, GWM or the client shall as required in each case instruct each custodian of the assets to forward to the client

copies of all proxies and shareholder communications relating to the client's investment assets

**ITEM 18. FINANCIAL INFORMATION**

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

GWM has not been the subject of a bankruptcy petition at any time during the past ten years.