

**Item 1: Cover Sheet**

**FORM ADV PART 2A  
INFORMATIONAL BROCHURE**

**GCW CAPITAL, LLC**

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**This brochure provides information about the qualifications and business practices of GCW Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 716-256-1682 or via email at [sglogowski@gcwcapiatal.com](mailto:sglogowski@gcwcapiatal.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. Our registration does not imply a certain level of skill or training.**

**Additional information about GCW Capital, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2:           Statement of Material Changes**

GCW Capital, LLC is required to disclose any material changes which have been made to the brochure since the Firm's last annual updating amendment. The only material change to report is that Peter Campo is no longer a principal of the Firm. Shawn Glogowski and Thomas Waring are the Firm's only principal owners.

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## INFORMATIONAL BROCHURE

### GCW CAPITAL, LLC

#### **Item 4:       Advisory Business**

GCW Capital, LLC (“GCW”) has been in business since August, 2014. Shawn Glogowski and Thomas Waring are the firm’s principal owners.

GCW provides financial planning, portfolio management, and investment management services. Clients advised may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations. We offer a straightforward approach to building financial strategies focused around you, your schedule, your circumstances, and your objectives. We take the time to understand your needs, explain different options to you and earn your trust before offering possible solutions. At GCW, we are planners first, then managers with the means to help clients. Clients are asked to “rise above the noise of the transaction”, meaning that success is determined by a client meeting their goals, not by chasing a benchmark or looking for the next “it” stock. We believe that a solid investment plan should be based on your financial plan which allows you to dictate your goals for all of your investments. From there you can create asset allocation and diversification strategies for each investment and time horizon.

#### Financial Planning

In most cases, the client will supply to GCW information including income, investments, savings, insurance, age and many other items that are helpful to the firm in assessing your financial goals. The information is typically provided during personal interviews and supplemented with written information. Once the information is received, we will discuss your financial needs and goals with you, and compare your current financial situation with the goals you state. Once these are compared, we will create a financial and/or investment plan to help you meet your goals.

The plan is intended to be a suggested blueprint of how to meet your goals. Not every plan will be the same for every client. Each one is specific to the client who requested it. Because the plan is based on information supplied by you, it is very important that you accurately and completely communicate to us the information we need. Also, your circumstances and needs may change as your engagement with us progresses. It is very important that you continually update us with any changes so that if the updates require changes to your plan, we can make those changes. Otherwise, your plan may no longer be accurate.

Once you have your financial plan, the decision is yours how to implement it. If you decide to implement your financial plan through GCW, you will become an asset management client.

#### Asset Management

GCW requires each client to place at least \$500,000 with the firm. This minimum may be waived in the discretion of GCW.

Asset management services may be provided on a “discretionary” or on a “non- discretionary” basis. When GCW is engaged to provide asset management services on a discretionary basis, we will

monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You will receive written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive statements at least quarterly from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and GCW.

When a client engages us to provide investment management services on a non-discretionary basis, we monitor the accounts in the same way as for discretionary services. The difference is that changes to your account will not be made until we have confirmed with you (either verbally or in writing) that our proposed change is acceptable to you.

#### Assets under Management

As of the date December 31, 2014, GCW has approximately \$54,077,625 in assets under management in 285 accounts, of which all accounts are managed on a discretionary basis.

### **Item 5: Fees and Compensation**

#### **A. Fees Charged**

All investment management clients will be required to execute an Investment Management Agreement that will describe the type of management services to be provided and the fees, among other items. Clients are advised that they may pay fees that are higher or lower than fees they may pay another advisor for the same services, and may in fact pay lower fees for comparable services from other sources. Clients are under no obligation at any time to engage or to continue to engage, GCW for investment services.

#### Financial Planning

*Hourly:* For clients needing advice with a limited scope, financial planning services can be done on an hourly basis. Hourly rates range from \$150 – \$350 for all investment professionals at GCW. The professional working on the assignment, as well as, the hourly rates is dependent upon a number of factors, most importantly the complexity of the assignment and the availability of professionals. An estimate of total hours to complete the assignment will be determined at the start of the engagement. Generally, fifty percent (50%) of this estimate will be payable upon signing the Financial Planning Agreement. The hourly rates stated are guidelines. Fees may be higher or lower than this range, based on the nature of the engagement. Fees are negotiable, and will depend on the anticipated complexity of your plan.

*Fixed Fee:* For clients requiring a complete financial plan, services will be provided on a fixed fee basis. Fixed fees will typically range from \$2,500 to \$50,000, depending upon the nature and complexity of the assignment. For example, a client with complex estate planning issues, multiple sources of investment income, and special needs heirs will have a more complex plan (and therefore a higher fixed fee) than a client with no estate planning issues, a single heir and a single source of income. The fixed fee range stated is a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the assignment.

#### Asset Management

Generally, fees vary from 0.50% to 2.00% per annum of the market value of a client's assets managed by GCW. The fee range stated is a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors.

#### B. Fee Payment

Financial Planning: Generally, fifty percent (50%) of the anticipated financial planning fee will be payable upon signing the Financial Planning Agreement, with the remainder due upon completion of the financial plan. For hourly engagements, the final amount due will be based upon actual hours expended. For fixed fee engagements, the final amount due will be fifty percent (50%) of the fixed fee.

#### Asset Management:

##### *Direct*

For clients whose assets are managed directly by the firm, investment advisory fees will be debited directly from each client's account. The advisory fee is paid quarterly, in advance, and the value used for the fee calculation is the net value as of the last market day of the previous quarter. This means that if your annual fee is 1.00%, then each quarter we will multiply the value of your account by 1.00% then divide by 4 to calculate our fee. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to GCW. While almost all of our clients choose to have their fee debited from their account, we will invoice clients upon request.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. The client will receive a statement from their account custodian showing all transactions in their account, including the fee.

##### *Third Party Managers*

For clients whose assets are managed through third party managers (please see Item 8 for more information regarding the use of third party managers), the terms of fee payment may vary

dependent upon the manager or managers selected. For example, while the firm generally debits fees quarterly, in advance, some managers calculate fees quarterly in arrears, or potentially even monthly. For details on the exact methodology of calculating fees by each of the managers in a client's portfolio, clients should refer to the Form ADV for such managers.

C. Other Fees

There are a number of other fees that can be associated with holding and investing in securities. You will be responsible for fees including transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. GCW can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

D. *Pro-rata* Fees

If you become a client during a month, you will pay a management fee for the number of days left in that month. If you terminate our relationship during a month, you will be entitled to a refund of any management fees for the remainder of the month. Once your notice of termination is received, we will assess pro-rated fees for the number of days between the end of the prior billing period and the date of termination to be paid in whatever way you direct (check, wire ).

E. Compensation for the Sale of Securities.

This item is not applicable.

**Item 6: Performance-Based Fees**

GCW will not charge performance based fees.

**Item 7: Types of Clients**

Clients advised may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations. GCW requires each client to place at least \$500,000 with the firm for the discretionary program and \$100,000 for the non-discretionary program. This minimum may be waived in the discretion of GCW.

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

It is important for you to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

At the onset of the relationship, GCW relies on a disciplined three step process which is a strategic approach to helping our clients. Understanding our clients' goals, dreams, wishes, and core values is key to helping them reach their investment objectives. Once we have clarity on those items, we can provide education and advice on all available options and how each decision will affect the outcome of their financial plans. We first establish and define the client-planner relationship, gather personal confidential data, and begin our three step process which entails:

- 1) We conduct a holistic audit of your current estate, investment and business situation (if applicable) and analyze every component of your finances. Based on this information, we develop a comprehensive financial model of your current situation, including cash flow, income tax and estate distribution illustrations. Clear goals are clarified with our clients.
- 2) From this analysis we identify any obstacles or potential problem areas that may create gaps between your current situation and your goals. We then offer alternative strategies and identify solutions that best fit your situation. These personalized recommendations form the basis of your financial plan.
- 3) The final step of our process is *implementation*. The client is free to implement the plan recommendations with whomever he/she chooses. When executing your plan, we ensure that each component is coordinated and integrated to help provide the maximum financial benefit. We are committed to keeping your plan current by providing periodic reviews.

If you decide to implement your financial plan with GCW, each client's portfolio will be invested according to that client's investment objectives. We determine these objectives by interviewing the client and/or asking the client to put these objectives in writing. Once we ascertain your objectives for each account, we will develop a set of asset allocation guidelines. An asset allocation strategy is a percentage-based allocation to different investment types. For example, a client may have an asset allocation strategy that calls for 40-60% of the portfolio to be invested in equity securities, with 20% of that allocated to international equities and the remaining balance in fixed income. Another client may have an asset allocation of 50-60% in fixed income securities and the remainder equities. The percentages in each type that we recommend are based on your financial goals, the timeline to get you to those goals, your current financial situation, the typical behavior of that security type, individual securities we follow, and current market conditions. Because we develop an investment strategy based on your personal situation and financial goals, your asset allocation guidelines may be similar to or different from another client's. Once we agree on allocation guidelines, risk tolerance, time horizon, and how to achieve these results, we will develop a written investment policy statement to guide all parties involved in the execution of these goals, including but not limited to, GCW, the client, the custodian, and the investment managers.

Upon creation of the asset allocation guidelines, we will periodically recommend securities transactions in your portfolio to meet the guidelines of the asset allocation strategy. It is important to



remember that because market conditions can vary greatly, your asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary.

If we are managing the account directly, the specific securities we recommend for your account will depend on market conditions and our research at the time. Generally, we recommend a mix of mutual funds, index funds, exchange traded funds, stocks, bonds and options. Specific funds are chosen based on where its investment objective fits into the asset allocation recommended by GCW, its risk parameters, past performance, peer rankings, fees, expenses, and any other aspects of the fund GCW deems relevant to that particular fund. We base our conclusions on predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses. We will also utilize technical analyses, which means that we will review the past behaviors of the security and the markets in which it trades for signals as to what might happen in the future.

### Third Party Managers

We may recommend that certain portions of a client's portfolio be managed by independent third-party managers or recommend direct investment with independent third-party managers, typically when those managers demonstrate knowledge and expertise in a particular investment strategy.

The experience, expertise, investment philosophies and past performance of independent third-party investment managers are examined 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 monitor the manager's underlying holdings, strategies, concentration and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

Based on a client's individual circumstances and needs, we will determine which selected money manager's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance and the investment philosophy of the selected money manager. We encourage clients to review each third-party manager's disclosure document regarding the particular characteristics of any program and managers selected by us.

We will regularly and continuously monitor the performance of the selected money managers. If we determine that a particular selected money manager is not providing sufficient management services to the client, or are not managing the client's portfolio in a manner consistent with the client's investment objectives, we will remove the client's assets from that selected money manager and place the client's assets with another money manager at our discretion and without prior consent from the client.

GCW will obtain appropriate due diligence on all independent third-party managers, making reasonable inquiries into their performance calculations, policies and procedures, code of ethics policies and other operational and compliance matters to account for performance and risk

management. We examine the experience, expertise, investment philosophies and past performance of third-party investment managers 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 monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks. GCW also confirms that each recommended adviser is either registered or exempt from registration as an investment adviser.

When clients assets are allocated to a third party manager, the manager will always collect client's advisory fee, and remit a portion of that fee back to GCW. The fees remitted to GCW are a portion of the manager's fee, and clients will not be charged an additional advisory fee. This fee is not in compensation for a client referral. Rather, it is GCW's compensation for the ongoing diligence of that manager as it is part of client's portfolio.

### Risk of Loss

There are always risks to investing. Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear. It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that GCW may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. GCW endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business

risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.

- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Margin Risk.** “Margin” is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin therefore carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. GCW may utilize margin on a limited basis for clients with higher risk tolerances.
- **Short Sales.** “Short sales” are a way to implement a trade in a security GCW feels is overvalued. In a “long” trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor’s loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. GCW utilizes short sales only when the client’s risk tolerances permit.
- **Risks specific to private placements, sub-advisors and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ.
- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company’s future. For example, a company’s management may lack experience, or the company’s capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.
- **Concentration Risk.** While GCW selects individual securities, including mutual funds, for

client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.

- **Transition risk.** As assets are transitioned from a client's prior advisers to GCW there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by GCW. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of GCW may adversely affect the client's account values, as GCW's recommendations may not be able to be fully implemented.

- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.

- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

- **REITs:** GCW may recommend that portions of client portfolios be allocated to real estate investment trusts, otherwise known as "REITs". A REIT is an entity, typically a trust or corporation, that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful, but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.

- **MLPs:** GCW may recommend that portions of client portfolios be allocated to master limited partnerships, otherwise known as "MLPs". An MLP is a publicly traded entity that is designed to provide tax benefits for the investor. In order to preserve these benefits, the MLP must derive most, if not all, of its income from real estate, natural resources and commodities. While MLPs may add

diversification and tax favored treatment to a client's portfolio, they also carry significant risks beyond more traditional investments such as stocks, bonds and mutual funds. One such risk is management risk-the success of the MLP is dependent upon the manager's experience and judgment in selecting investments for the MLP. Another risk is the governance structure, which means the rules under which the entity is run. The investors are the limited partners of the MLP, with an affiliate of the manager typically the general partner. This means the manager has all of the control in running the entity, as opposed to an equity investment where shareholders vote on such matters as board composition. There is also a significant amount of risk with the underlying real estate, resources or commodities investments. Clients should ask GCW any questions regarding the role of MLPs in their portfolio.

**Item 9:       Disciplinary Information**

There are no disciplinary items to report.

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

A. Broker-dealer

Neither the principal of GCW, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities.

B. Futures Commission Merchant/Commodity Trading Advisor

Neither the principal of GCW, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Relationship with Related Persons

This item is not applicable.

D. Recommendations of other Advisers

GCW occasionally recommends other advisers, and GCW may be compensated by the independent manager for referring clients. For more information regarding GCW's use of third party managers please see response to Item 8 for a full discussion. A conflict of interest exists for Advisers who recommend the services of a third party manager who has agreed to share a portion of its management fee with the Adviser as opposed to other managers who have not agreed to pay compensation to the Adviser. Compensation paid to the Adviser from various third party managers may vary; therefore there is a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. Fees for such programs may be higher or lower than if client directly obtained services of the third party manager or if client obtained advisory services separately.

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

- A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.
- B. Not applicable. GCW does not recommend to clients that they invest in any security in which GCW or any principal thereof has any financial interest.
- C. On occasion, an employee of GCW may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be pre-cleared through the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.
- D. On occasion, an employee of GCW may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be pre-cleared through the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

**Item 12: Brokerage Practices**

- A. Recommendation of Broker-Dealer

GCW recommends that investment accounts be held in custody by Schwab Advisor Services ("Schwab"). Schwab offers enhanced services to independent investment advisors. These services include custody of securities, trade execution platforms, and access to research not available to the general public. Schwab is wholly independent from GCW. It is expected that most, if not all, transactions in a given client account will be cleared through the custodian of that account in its capacity as a broker-dealer.

GCW recommends Schwab to its clients based on a variety of factors. These include, but are not limited to, commission costs. Schwab has what can be considered discounted commission rates. However, in choosing a broker-dealer or custodian to recommend, we are most concerned with the value the client receives for the cost paid, not just the cost. GCW does not receive or share in any of

the commissions that Schwab charges. Schwab adds value beyond commission cost. Other factors that may be considered in determining overall value include speed and accuracy of execution, financial strength, knowledge and experience of staff, research and service. Schwab also has arrangements with many mutual funds that enable us to purchase these mutual funds for client accounts at reduced transaction charges (as opposed to other broker-dealers). Schwab has the highest market share of investment adviser business which makes them the most experienced in matters likely to arise for our clients. GCW re-evaluates the use of Schwab at least annually to determine if they are still the best value for our clients.

Schwab provides us with some non-cash benefits (not available to retail customers) in return for placing client assets with them or executing trades through them. Such non-cash benefits are referred to as “soft dollars”. Currently, these benefits come in the form of investment research and sponsored attendance at various investment seminars. We may also receive such items as investment software, books and research reports. These products, services, or educational seminars are items that will play a role in determining how to invest client accounts. If there is any item that has a multi-use aspect, mixed between investment and non-investment purposes, GCW will determine a reasonable allocation of investment to non-investment use and soft dollars will be allocated only to the investment portion of the product (and we will pay the remaining cost). GCW receives a benefit from these services, as otherwise we would be compiling the same research ourselves. This may cause us, or another adviser, to want to place more client accounts with a broker-dealer/custodian such as Schwab, solely because of these added benefits. However, the value to all of our clients of these benefits is included in our evaluation of custodians. Products and services received via soft dollars will generally be used for the benefit of all clients. However, it is possible that a given client’s trades will generate soft dollars that acquire products and/or services that are not ultimately utilized for that same client’s account. Soft dollars provide additional value, and are accordingly considered in determining which broker-dealer or custodian to utilize as part of our best execution analysis.

We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to GCW as part of our evaluation of these broker-dealers.

#### B. Aggregating Trades

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, executed one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, if a *pro rata* division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.)

### **Item 13: Review of Accounts**

All accounts will be reviewed by a senior professional on at least a quarterly basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

The annual report in writing provided by GCW is intended to review asset allocation. All clients will receive statements and confirmations of trades directly from Schwab. Additionally, all clients will receive quarterly itemized bills from GCW. Please refer to Item 15 regarding Custody.

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

#### **A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.**

*Please refer to Item 12, where we discuss recommendation of Broker-Dealers.*

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

Clients may be introduced to GCW via other third parties. In the event that GCW compensates any party for the referral of a client to GCW, any such compensation will be paid by GCW, and not the client. If the client is introduced to GCW by an unaffiliated third party, that third party will disclose to the client the referral arrangement with GCW, including the compensation for the referral, and provide the client a copy of GCW's ADV Part 2A and 2B. The referral source will also provide a written disclosure to the client regarding the relationship between GCW and the referral source, including the fact that referral fees will be paid.

### **Item 15: Custody**

GCW deducts fees from client accounts, but would not have custody of client funds otherwise. Clients will receive statements directly from Schwab, and copies of all trade confirmations directly from Schwab.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. The client will receive a statement from their account custodian showing all transactions in their account, including the fee.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on your quarterly report prepared by GCW against the information in the statements provided directly from Schwab. Please alert us of any discrepancies.



**Item 16: Investment Discretion**

When GCW is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and GCW.

When a client engages GCW to provide investment management services on a non-discretionary basis, the accounts are monitored by GCW. The difference is that changes to your account will not be made until GCW has confirmed with you (either verbally or in writing) that the proposed change is acceptable to you.

**Item 17: Voting Client Securities**

Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. GCW will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. GCW will not give clients advice on how to vote proxies.

**Item 18: Financial Information**

GCW does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.