



Form ADV Part 2A – March 2016

**Galecki Financial Management, Inc.**

7743 W. Jefferson Blvd.

Fort Wayne, IN 46804

Phone: (260) 436-8525

Fax: (260) 436-8825

[www.galecki.com](http://www.galecki.com)

## **Form ADV Part 2A**

**March 4, 2016**

This brochure provides information about the qualifications and business practices of Galecki Financial Management, Inc.

If you have any questions about the contents of this brochure, please contact us at 260-436-8525 or [brady@galecki.com](mailto:brady@galecki.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 Galecki Financial Management, Inc. also is available on the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search the site by using a unique identifying number, known as a CRD number. Our firm's CRD number is 107218.

**Galecki Financial Management, Inc. is a Fee-Only Financial Planning Firm. We do not accept commissions or sell any products.**



## Material Changes

There have been no material changes to our Firm Brochure since 2013. If we do have material changes, we will insure that clients receive a summary of the material changes in this section of the Brochure. The format changed in November 2015.

## Table of Contents

### Contents

Form ADV Part 2A.....	1
Material Changes .....	2
Table of Contents .....	2
Advisory Business.....	2
Assets Under Management .....	6
Fees and Compensation .....	6
Performance Based Fees .....	7
Types of Clients .....	7
Method of Analysis.....	7
Disciplinary Information .....	8
Other Financial Industry Activities/Affiliations.	9
Code of Ethics/Client Transactions/Personal Trading.....	9
Review of Accounts .....	12
Client Referrals and Other Compensation ...	12
Custody .....	12
Investment Discretion .....	13
Voting Client Proxies .....	13
Financial Information .....	13

## Advisory Business

### *Ownership of GFM*

Galecki Financial Management Inc. (GFM) is a Registered Investment Advisory firm with the SEC. The principal location is in Fort Wayne, Indiana. The firm began operations in 1990.

The primary owners of the firm are Gregory Galecki (67.5%), Albert Kohout (20%), Brady McArdle (7.5%), and Melanie Colwell (5%).

### *Types of Services offered by GFM*

#### *Initial Financial Overview (IFO)*

The Initial Financial Overview (IFO) is packaged as a two hour review of the Client's current financial position. It is designed to be an overview of their current situations with projections based on certain assumptions.

The IFO may cover items such as retirement cash flow analysis, education funding and planning, tax planning, insurance analysis, estate planning and investment allocation and planning. The direction of the IFO typically depends on the needs of the Client.

The IFO will come with reports outlining the projections and a letter discussing the assumptions, results and recommendations. The fee for the IFO is \$775. If a client utilizes our Asset Management services within 6 months of the IFO, the IFO fee is typically reimbursed to the Client on their first Asset Management invoice.

### *Asset Management*

GFM provides Discretionary Asset Management Services to clients looking for professional investment management. During the IFO, GFM determines the Client's investment objectives, time horizon, risk tolerance and liquidity needs. These items are agreed upon in the Asset Management Agreement. A client's portfolio is then managed based on the allocation selected in the Agreement.

GFM manages client accounts on a Discretionary Basis. This means that GFM has the authority to buy and sell investments without the prior approval of the Client for individual transactions. This approval is given during the account opening process.

Client accounts are managed by the GFM Investment Committee. Portfolio strategy changes are then communicated to the Client during their meetings with their assigned Certified Financial Planner<sup>1</sup> Professional. Trade confirmations and statements are delivered to each client by their custodian (Schwab or TD Ameritrade for example).

Client accounts are rebalanced periodically to keep the appropriate allocation. However, often, we will attempt to keep rebalancing and portfolio changes to a minimum to help minimize transaction costs for Clients.

Investments used in our discretionary portfolios typically include mutual funds, and exchange traded funds (ETFs). However, we might also use common stocks, foreign ADRs, Individual Bonds, CDs, Option contracts, and Structured Notes.

We will not place new money into a variable life insurance policy or a variable annuity. However, if a Client comes to GFM with such a policy in place, we can manage the underlying investment options.

GFM's Asset Management fees are billed on a quarterly basis. The fees are calculated as of the first day of every billing quarter. The minimum fee for the service is \$1,250 a quarter or \$5,000 a year. Here is the current Fee Schedule Table:

<b>Fee</b>	<b>Assets Under Management</b>
1.00%	On first \$2 million
\$20,000 + 0.75%	On amount above \$2 million
\$35,000 + 0.40%	On amount above \$4 million
\$59,000 + 0.25%	On amount above \$10 Million

The minimum fee may be waived by GFM in certain cases. Existing Asset Management clients may be on a different fee schedule with a lower minimum quarterly fee or a lower fee rate schedule. These clients have been grandfathered in under their old Agreements. Paying a minimum fee of \$5,000 per year could be a much higher percentage than the schedule listed above.

The Asset Management fee is withdrawn from the Client's accounts at their custodian. Authorization for the fee deduction is given during the account opening procedure. Fees are deducted in the middle of the quarter. In special circumstances, we might bill clients directly or their corporation. In these cases, fees can be billed in arrears.

Charitable and non-profit accounts are managed at a flat 0.40% per year. The minimum fee is \$800.

Mutual Funds and ETFs have “hidden fees”; typically known as annual operating expense ratios. The fund companies withdraw their fees before reporting the total return. This is how they pay their bills and earn their revenue. GFM does not receive any portion of those fees.

Some funds and ETFs will have transaction fees to purchase and sell them at the custodian. GFM also does not receive any portion of those fees. GFM does not receive any commissions from any source.

GFM does not take direct custody of Client assets. GFM requests that clients use a custodian such as Charles Schwab or TD Ameritrade to custody their assets. These custodians have certain fees to serve as custodian. These fees represent an additional layer of cost for clients.

All transaction fees from the custodians are reported on confirmation statements. The rate of return that GFM reports to clients is after all GFM Managements fees, custodial fees, and funds fees. Unless clients are invoiced directly, then their rate of return might not include the GFM fee. Otherwise, clients see the true return, Net of Fees.

GFM is sensitive to fees for clients. We have negotiated rates with Schwab and TD Ameritrade which are significantly lower than retail fees. In addition, GFM has access to Institutional Share classes with some fund companies which contain lower annual fees than typical retail share classes.

Upon termination of our Asset Management service, any pre-paid or unearned fee will be refunded to the Client. To calculate the reimbursement amount, we will pro-rate the fee according to the number of days

remaining in the billing period. Clients may terminate their Agreement at any time.

Rolling money from a qualified retirement plan into a rollover IRA could potentially increase annual expenses for the individual. This creates a potential conflict of interest for GFM. We believe that our services warrant the higher fees, but clients should understand the conflict and situation.

#### *Financial Planning Services*

Clients utilizing the GFM Asset Management Service will continue to receive Financial Planning services pursuant to their individual needs. Reviews and updates will be done for retirement cash flow analysis, estate planning, tax planning, and risk management. The reviews will occur at the client’s request, or periodically based on the complexity of the situation.

Typically, clients with larger investment assets have more complex financial planning needs and are therefore more routinely updated. Clients with simpler planning needs are updated less frequently. Updates and reviews are determined by the client’s assigned CFP® Professional.

#### *Financial Planning Services (Stand Alone)*

GFM will provide more Broad Based Financial Plans for Individuals (Typically High Net-Worth Individuals). This can be described as a holistic evaluation of a Client’s current and future financial state, determined by using currently known variables to predict future cash flows and net worth projections.

GFM’s financial plans are cash flow based – not modular based!

Modular planning focuses on answering questions about individual areas of financial planning without taking into consideration the Client's holistic picture. For example, modular planning might tell a Client how much life insurance they need using general rules of thumb, such as 3 times current salary. But this would not take into consideration items such as education planning, or cash flow needs.

The cash flow planning that GFM uses analyzes income sources, then subtracts out living expenses and other future goals. Taxes are taken out each year and projections can then be made accordingly. Once this analysis is complete, we can tell a Client what their projected net worth and investment balance is at any time in the future.

Through this cash flow planning process, we can identify excess cash flow years and deficit cash flow years. We can then make recommendations designed to improve the cash flow projections.

Once the cash flow baseline analysis has been complete, we can then begin to build the plan and focus on other areas. We will begin to focus on tax planning, estate planning, retirement planning and risk management.

This type of Broad Based Planning is designed to be built over a two year period. However, it often becomes perpetual as our clients' situations and circumstances typically change over time.

Some of the areas that we may focus on are: family structure, income sources, expenses, assets, liabilities, portfolio diversification, 401k and pension choices, education planning, stock options, employee benefits,

life insurance, disability insurance, health insurance, Medicare choices, tax planning, estate planning and other various goals.

GFM may recommend the services of other professionals for implementation purposes (attorneys or accountants). The Client is under no obligation to engage the services of these professionals. The Client is free to accept or reject any recommendations made by GFM.

The Stand Alone planning service fee depends on the complexity of the actual plan. A quote will be provided based on the estimated number of hours to complete the plan. An annual retainer will be used and will generally range from \$5,000 to \$10,000. All fees are agreed upon in a signed Financial Planning Agreement. Fees are to be paid quarterly via an invoice mailed to the Client however; GFM will charge the first six months in advance before planning work will begin.

It is expected that the GFM staff will meet with a Financial Planning Client four times each year in meetings that might last two to three hours. The Client may contact any of the GFM staff at any time between meetings to ask questions, update information, or otherwise seek guidance. There is no extra cost for calls, contacts, e-mails, or additional meetings during the year; the annual retainer puts GFM staff on call as the Client's needs arise.

The fee for the Financial Plan may be offset by Asset Management fees for those utilizing that service. In many cases, the Asset Management fee being earned by GFM is enough to waive the entire Financial Planning fee.

Financial Planning Services may be terminated at any time by the Client. However, Stand Alone Financial Planning Fees (Those not using Asset Management Services) are not refundable.

#### *Hourly Consulting Fees*

It is unusual for GFM to work with Clients on an hourly basis. After a Client has been through the IFO process, they typically utilize our Asset Management Service which comes with ongoing Financial Planning Services. In some cases, Clients may not engage our Asset Management Services, but would like future updates and reviews of their financial situation. We will charge our hourly fee for these services.

We only allow Clients to use our hourly service on three occasions after the IFO. Hourly Consulting fees are non-refundable.

The hourly fee for Greg Galecki is \$350. The hourly fee for all other CFP® Professionals on staff is \$250.

#### *Retirement Plan Services*

GFM's Retirement Plan Services are customized to the particular needs of the Retirement Plan Sponsor. GFM is hired by the Trustees of the Plan, which is usually the employer or Plan Sponsor.

GFM can offer the following services to Plan Sponsors:

- Investment Policy Statement Development
- Portfolio Recommendations and Monitoring
- Fund Performance and Evaluation
- Recommending Available Funds

- Meet with Employees
- Review Plan's custodian and provider
- Act as additional fiduciary to the Plan

GFM can meet with Plan Trustees to determine an appropriate investment strategy and build an Investment Policy Statement. GFM can also assist in selecting specific investments for the Plan and will make recommendations for any necessary changes.

GFM is deemed to be a fiduciary to the Plan pursuant to the Employee Retirement Income and Securities Act (ERISA). GFM will charge an annual flat fee for our services. The fee is dependent upon the services rendered and is individually negotiated and contracted with the Plan Sponsors or Trustees. All fees are agreed to and contracted before services begin.

Retirement Plan Service fees are typically charged in advance on a quarterly basis. Any part of the fee that has already been paid is non-refundable.

### **Assets Under Management**

As of November 17, 2015, GFM was actively managing \$363,290,177 for 323 clients.

### **Fees and Compensation**

All GFM Fees were identified in the Advisory Business section. Here is a summary of those fees.

Service	Fee
---------	-----

IFO	\$775
Asset Management	Fee Schedule based on AUM
Financial Planning (Stand Alone)	Annual Retainer
Hourly Planning	\$250-\$350 per hour
Retirement Plan Services	Annual Retainer or Negotiated Cost

GFM only receives direct compensation from our Clients. However, we do receive certain indirect economic benefits from other sources. This is outlined in the Brokerage Practices section.

## Performance Based Fees

GFM does not charge performance based fees.

## Types of Clients

The types of clients that we work with were listed in the Advisory Business section. However, here is a summary of these clients:

### *IFO Clients*

IFO Clients are typically moderate or high net worth individuals.

### *Asset Management Clients*

Asset Management Clients are individuals, Pension and Profit Sharing Plans, Charitable Organizations, Corporations, Trustees, Trusts and Foundations.

### *Financial Planning Clients (Stand Alone)*

These are typically high net worth individuals.

### *Hourly Fees*

Hourly Fee Clients are individuals, Pension and Profit Sharing Plans, Charitable Organizations, Corporations, Trustees, Trusts and Foundations.

### *Retirement Plan Services*

The primary Client for these services will be Pensions, Profit-Sharing and 401(k) Plans, where GFM does not directly manage the underlying investments.

## Method of Analysis

GFM analyzes investments and portfolios through their Investment Committee. The Investment Committee is made up of the following members.

- Albert Kohout, CFP®, MBA
- Brady McArdle, CFP®
- Melanie Colwell, CFP®
- Andy Young, CFP®, CPA

The Investment Committee meets formally on a monthly basis. The Committee also communicates often with each other about various market and economic data.

The Investment Committee is responsible for reviewing:

- Client Portfolios
- Performance of the Investments
- Economic and Business News
- Asset Allocation Changes
- Client Feedback

The Committee follows and reviews different economists and publications. Decisions are made based upon current market and economic indicators.

Mutual Funds, ETFs and other investments are analyzed based upon proprietary methods. The intent is to find and retain fund managers who have consistently outperformed their benchmark indices based on risk, return and other intangibles.

GFM begins with a diversified asset allocation strategy. This strategy has taken many years to develop and implement. Appropriate allocations are implemented to different asset classes to provide sufficient diversification within the portfolios. Asset classes that could be utilized by GFM are as follows:

- Short-Term Bonds
- Intermediate-term bonds
- Long-term bonds
- Municipal bonds
- Treasury inflation protected bonds
- Convertible bonds
- High-yield bonds
- Global bonds
- International bonds
- Emerging market bonds
- Market neutral funds
- Global or international real estate trusts
- Real estate investment trusts
- Preferred stock
- Bear funds
- Small cap value
- Small cap growth
- Mid cap value
- Mid cap growth
- Large cap value

- Large cap growth
- International small cap value fund
- International mid cap value fund
- International large cap value fund
- International emerging fund
- Country-specific ETF

Any of the above asset classes could be used within the GFM portfolios as initially determined by the Client's overall risk and return objective, and then further specified by the Investment Committee's asset allocation in each Client's portfolio.

All of the aforementioned investments come with various risks. Past performance is not guaranteed to continue. Although GFM attempts to develop a diversified portfolio intended to minimize the overall risk, it is important for clients to understand that the risk of loss of principal over a short-term time horizon is existent. This risk is typically discussed during the Agreement signing process and during subsequent meetings.

Purchases are made in accounts with the intent of holding them for many years, but at the very least 12 months or more. As a practical manner, we try to focus on long term growth and performance. There may be times when investments are held for less than a year.

GFM does study and follow technical analysis. It is possible that GFM could make portfolio moves based on technical analysis if the Committee deems it would be beneficial for clients.

## Disciplinary Information

GFM has not been involved in any Disciplinary events or actions.

## **Other Financial Industry Activities/Affiliations**

GFM and our employees are not affiliated with any other financial institution or activity. All GFM employees are required to get approval for any outside employment.

## **Code of Ethics/Client Transactions/Personal Trading**

### *Code of Ethics*

GFM has adopted a Code of Ethics which sets high standards of business conduct, and compliance. This code is agreed to and attested annually. A copy of the GFM Code of Ethics is available upon request.

GFM employees must comply with applicable federal and state security laws. In accordance with section 204A of the Investment Advisors Act of 1940, GFM maintains and enforces written policies and procedures that are designed to prevent the misuse of material non-public information.

### *Client Transactions*

Neither GFM nor its employees may buy or sell for client accounts any individual security in which GFM or its employees have a material financial interest. This does not include open-ended mutual funds as participation in these investments would not materially impact client holdings.

### *Personal Trading*

GFM has a personal security transaction policy in place to monitor the personal securities transactions and holdings of all employees. All trades in individual securities must be pre-approved by the Chief Compliance Officer. This is done to prevent any potential front running violations. Front running is when an employee of a firm would buy an individual security, then purchase large amounts of the same security in client accounts. This might force the price higher, in which case, the employee can then sell at a profit.

The pre-cleared transaction policy does not include open-ended mutual funds that are typically purchased in 401k plans. Purchases in these funds do not need to be pre-approved as they will not impact market movement.

GFM encourages the Investment Committee members to use portfolios similar to the portfolios in which our Clients are invested. In addition, GFM employees may have an interest or position in a certain stock or investment which may also be recommended to a Client.

GFM also requires employees to submit an annual holdings report identifying all investment holdings. This is another opportunity for GFM to monitor employee transactions and identify any potential conflicts of interest.

### *Brokerage Practices*

GFM utilizes a separate custodian (Schwab or TD Ameritrade) to custody Client assets.

The custodian may charge transaction fees to Clients for purchasing funds, stocks, ETFs or other securities. GFM does not receive any part of the custodian's commissions or transaction fees.

In choosing a custodian for Client assets, GFM looks for cost competitiveness, good service, financial security, good technology, accuracy and reliability, good trade execution, and solid back-up procedures. Schwab and TD Ameritrade meet these criteria.

Prior to engaging GFM to provide Asset Management services, the Client will be required to enter into a formal Asset Management Agreement with GFM setting forth the terms and conditions under which GFM shall manage the Client's assets, and a separate custodial agreement with each designated custodian. GFM will assist the Client with opening accounts at the custodian and assist with any transfer of assets/investments to the custodian.

It is not mandatory for a Client to have an account at Schwab or TD Ameritrade. GFM does have many clients with accounts at Fidelity, Lincoln and various other financial institutions. If these accounts are managed by GFM per Client request, then GFM may maintain client web login information. With this information, GFM can download balances and transactions and make trades on behalf of the client. In these cases, GFM may be deemed to have "custody" of these assets per recent SEC regulations.

GFM must hire an accounting firm to do an annual surprise examination of accounts in which GFM maintains "custody". GFM hires GBQ Partners to conduct these examinations. GBQ will verify balances with these custodians and the clients

directly. GFM must pay the fee for these annual examinations.

### *Research and Additional Benefits*

GFM believes that it is in the best interest of GFM Clients to maintain good relationships with two custodians. We are able to have two financially secure custodians instead of just one. We also put pressure on each custodian to stay competitive and efficient to continue to earn new business. This helps keep costs low for Clients.

GFM participates in the TD AMERITRADE Institutional program. TD AMERITRADE Institutional is a division of TD AMERITRADE, Inc. (a TD AMERITRADE member FINRA/SIPC/NFA). TD AMERITRADE is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. GFM receives some benefits from TD AMERITRADE through its participation in the program.

As disclosed above, GFM participates in TD AMERITRADE's institutional customer program and Adviser may recommend TD AMERITRADE to Clients for custody and brokerage services. There is no direct link between GFM's participation in the program and the investment advice it gives to its Clients, although GFM receives economic benefits through its participation in the program that are typically not available to TD AMERITRADE retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research

related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to GFM by third party vendors. TD AMERITRADE may also have paid for business consulting and professional services received by GFM's related persons. Some of the products and services made available by TD AMERITRADE through the program may benefit GFM but may not benefit its Client accounts. These products or services may assist GFM in managing and administering Client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help GFM manage and further develop its business enterprise. The benefits received by GFM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. As part of its fiduciary duties to clients, the firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by GFM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence GFM's choice of TD AMERITRADE for custody and brokerage services.

Galecki Financial Management, Inc. considers a number of factors in selecting brokers and custodians at which to locate (or recommend location of) its client accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. In selecting TD AMERITRADE Institutional (TD Ameritrade) as the broker and custodian for certain of its current and future client accounts, GFM takes into consideration its arrangement with TD Ameritrade as to obtaining price discounts for TD Ameritrade's automatic portfolio rebalancing service for advisors known as iRebal.

The standard iRebal annual license fee applicable to GFM is \$20,000. That fee is subject to specified reductions (and even complete waiver) if specified amounts of client taxable assets are either already on the TD Ameritrade platform or are committed to be placed on it. Specified taxable client assets either maintained on or committed to the TD Ameritrade platform will bring fee reductions for as many as three years or more.

The non-taxable assets excluded from the maintenance and commitment levels are those that constitute plan assets of plans subject to Title 1 of the Employee Retirement Income Security Act of 1974, amended, or of plans as defined in Section 4975 of the Internal Revenue Code (which include IRAs).

If GFM does not maintain the relevant level of taxable assets on the TD Ameritrade platform, GFM may be required to make a penalty fee payment to TD Ameritrade calculated on the basis of the shortfall.

Although GFM believes that the products and services offered by TD Ameritrade are competitive in the market place for similar services offered by other broker-dealers or custodians, the arrangement with TD Ameritrade as to the iRebal service may affect GFM's independent judgment in selecting or maintaining TD Ameritrade as the broker or custodian for client accounts.

GFM also participates in training sessions held by Schwab and Ameritrade at various locations. These sessions typically include updates on new services and technologies at these firms, as well as economic updates, Mutual Fund management updates, and industry continuing education. It is typical that GFM will receive a reduced rate for hotel rooms, or dining at a conference of this nature. However, the hotel room discounts are not subsidized by Schwab and Ameritrade as much as they are simply block discounts as you would also get if attending a wedding party.

GFM maintains a trade/error account at Schwab and TD Ameritrade. TD Ameritrade requires that any trade errors resulting in gains must be donated to a charity. GFM has currently listed two charities, (Shruti of Fort Wayne and the Isaac Knapp Dental Foundation) to split any gains 50/50 from trade errors.

## Review of Accounts

GFM reviews portfolios with Clients who are utilizing our Asset Management service on an ongoing basis by the Investment Committee and the assigned CFP® Professional. Clients are advised that it is their responsibility to notify GFM of any material changes in their financial situation

or objectives. All Clients are encouraged to review their financial situation, objectives, and account performance with GFM at least annually.

Clients are provided with monthly statements from their custodian. GFM also provides quarterly performance statements. Most statements are provided in secure Client Vaults to reduce our carbon print.

## Client Referrals and Other Compensation

It is GFM policy to not engage solicitors or pay related or non-related persons for referring potential clients to our firm.

As discussed in the Brokerage Practices section, GFM may receive indirect economic benefit from Schwab or TD Ameritrade. However, it is our policy to not accept any form of compensation including cash or prizes from a non-client in conjunction with the advisory services that we provide to our Clients.

## Custody

It is GFM policy to not take physical custody of Client assets. This is why we use Schwab and TD Ameritrade to custody client assets.

GFM gets written authority from Clients during the account opening process to debit Client fees directly from their investment accounts. This alone does not mean that GFM has custody of those Client assets.

However, the SEC recently modified the custody rule to include some situations in which GFM is deemed to have "custody" of

Client assets. This can occur if the Client has given GFM their web login credentials for an outside account. Because GFM could potentially change the address of record with this information, GFM is deemed to have custody of that account.

As mentioned previously, GFM must hire an accounting firm to conduct an annual surprise examination to review the accounts in which GFM has custody. GFM has hired GBQ Partners to conduct these annual examinations. GFM must pay all fees associated with these examinations.

All Clients receive statements and trade confirmations from their custodians. Clients are encouraged to review these statements and trade confirmations to ensure accuracy. Custodians do not calculate the GFM fee, so it is important that Clients carefully review their statements. Clients should contact GFM directly if an error is identified.

## Investment Discretion

GFM manages Asset Management accounts on a discretionary basis. Discretionary means that GFM's Investment Committee determines what, when and how much of each investment to buy or sell without the approval of the Client on each individual transaction.

Clients give GFM discretionary authority when they sign our Asset Management Agreement. The Client also gives GFM discretion on the custodian application or Limited Power of Appointment form. Clients may amend or change these discretionary instructions at any time by contacting the custodian directly.

## Voting Client Proxies

GFM does not vote proxies on behalf of Clients. Clients maintain exclusive responsibility for:

- Directing the manner in which proxies elicited by issuers of investments beneficially owned by the Client shall be voted and
- Making all elections relative to mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Client's investment assets. Clients are responsible for instructing each custodian of their accounts to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets.

Clients will receive their proxies directly from their custodian. Clients may contact GFM to inquire about the proxy. We do not offer consulting assistance regarding proxy votes.

## Financial Information

GFM does not have a financial condition to report to Clients. GFM does not require payment of fees more than 6 months in advance of services rendered. Therefore, we are not required to include a Financial Statement with this Brochure.

GFM has not been the subject of a bankruptcy petition.



Form ADV Part 2A – March 2016