

# GPS Financial, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of GPS Financial, LLC. If you have any questions about the contents of this brochure, please contact us at (585) 598-9111 or by email at: [brian@planwithgps.com](mailto:brian@planwithgps.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 GPS Financial, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). GPS Financial, LLC's CRD number is: 290227.*

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

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## **Item 2: Material Changes**

GPS Financial, LLC has the following material changes to report.

- Item 4 has been updated regarding Advisory Business.
- Item 5 has been updated regarding advisory fees and compensation.
- Item 8 has been updated regarding selection of other advisors.
- Item 10 has been updated regarding outside business activities.
- Item 12 has been updated regarding block trading.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

GPS Financial, LLC (hereinafter “GPS”) is a Limited Liability Company organized in the State of New York. The firm was formed in September 2017, and the principal owner is Brian Imrich.

### **B. Types of Advisory Services**

#### *Portfolio Management Services*

GPS offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. GPS creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

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

GPS seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of GPS’s economic, investment or other financial interests. To meet its fiduciary obligations, GPS attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, GPS’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is GPS’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

In some instances, most commonly with New York State public school district employees, GPS may direct clients to a third-party platform provider. However, GPS does not utilize third party money managers for client accounts.

The client may select that 3<sup>rd</sup> party platform provider and separately select GPS to manage all or a portion of the client's assets. GPS has existing relationships with FTJ FundChoice & Aspire Financial Services.

### ***Financial Planning***

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

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

GPS generally limits its investment advice to mutual funds, real estate funds, insurance products including annuities, equities and ETFs, although GPS primarily recommends mutual funds and ETFs. GPS may use other securities as well to help diversify a portfolio when applicable.

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

GPS will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by GPS on behalf of the client. GPS may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent GPS from properly servicing the client account, or if the restrictions would require GPS to deviate from its standard suite of services, GPS reserves the right to end the relationship.

## **D. Wrap Fee Programs**

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

## **E. Assets Under Management**

GPS has the following assets under management:

| Discretionary Amounts: | Non-discretionary Amounts: | Date Calculated: |
|------------------------|----------------------------|------------------|
| \$28,000,000.00        | \$0                        | December 2017    |

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Portfolio Management Fees*

| Total Household Assets Under Management | GPS* Annual Fees |
|---|------------------|
| \$0 - \$300,000                         | 1.50%            |
| \$300,000 - \$1,000,000                 | 1.25%            |
| \$1,000,000 - AND UP                    | 1.00%            |

*\* GPS may use third-party platforms for client accounts, specifically FTJ FundChoice and Aspire Financial Services at this time, and will receive its standard fee on top of the fee paid to the third party platform.*

The minimum portfolio management fee is \$250/year.

The advisory fee is paid monthly and in advance and calculated using the value of the assets in the account on the last day of the prior billing period (i.e. prior month end). GPS's fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of GPS's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

#### *Financial Planning Fees*

Financial planning services are delivered through a structured and systematic process referred to as The Wealth Navigation Process. The initial fee is based on the scope of work, time involved, complexity of the situation, previous relationships and is generally negotiable with a minimum fixed fee of \$1,800 and a maximum of \$15,000. This initial fee covers agreed upon work provide and delivered through the Phases 1 through 4.

#### **The Wealth Navigation Process**

##### **Phase 1: Introduction Meeting**

The process starts with a meeting to capture your personal and financial goals and to identify obstacles and opportunities. We clarify and document how you



measure success and how we will work together to build a Wealth Navigation Plan that appropriately suits your core personal and financial goals.

### **Phase 2: Strategic Road Map**

Once your goals have been established and financial documents collected, we will present an overview of our financial assessment. The Strategic Road Map outlines the financial focus areas we will address and how we will manage specific deliverables and timelines.

### **Phase 3: Goal Navigator**

We work together regarding your unique personal and financial goals. We discuss your vision of the future, your current situation, and how we work towards achieving that vision through strategic focus areas which include: Cash Flow, Savings & Debt Management, Investment, Retirement, Estate and Risk.

### **Phase 4: Action Itinerary**

Having delivered a completed Wealth Navigation Plan at the end of Phase 3 we move into the implementation phase. Collaborating with your tax and legal advisors as needed, we deploy wealth solutions in a timely and efficient manner. Phase Four is where the rubber meets the road.

### **Phase 5: Ongoing Wealth Inspection**

Once your plan has been created, you can continue to engage GPS and our team for the monitoring and updating of your plan through Phase 5: Ongoing Wealth Inspection.

We meet regularly to review, reflect and discuss your plans. To best serve your family The Wealth Navigation Process provides dynamic, relevant financial strategies that evolve with your changing needs and goals. These ongoing services include:

- Annual schedule of events
- Vaulting of important documents
- Regular review of financial vehicles
- Tax law review and strategy alignment

Phase 5 Ongoing Wealth Inspection services are generally negotiable with a minimum fixed fee of \$900 per year. In the event that a client does not need continual Phase 5 work, a Situational or Project type fee may be more appropriate.

### **Hourly & Situational Project Fees**

Should your situation not warrant the full breadth of The Wealth Navigation Process, GPS it is possible to engage GPS in a limited scope project. The minimum

fixed Situational Project fee is \$600. Lastly, in certain circumstances, a negotiated hourly fee for limited scope services can be charged between \$200 and \$400 per hour.

Clients may terminate the agreement without penalty, for full refund of GPS's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in advance.

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

Financial planning fees are paid via check and ACH.

Fixed financial planning fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

Hourly financial planning fees are paid 100% in arrears, upon completion of the agreed upon work.

In some circumstance, an annual planning fee is allowed to be paid over the course of 12 months. Example: \$900 fee will be collected via direct ACH debit of \$75/month from an agreed upon bank account.

## **C. Client Responsibility For Third Party Platform Fees**

Clients are responsible for the payment of all third party platform fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) according to the third party platform's fee schedule. This schedule will be presented and provided and those fees are separate and distinct from the fees and expenses charged by GPS. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

GPS collects fees in advance. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in

the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

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

Brian Joseph Imrich is an insurance agent and in these roles, accepts compensation for the sale of investment products to GPS clients.

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

Clients always have the option to purchase GPS recommended products through other brokers or agents that are not affiliated with GPS.

Commissions are not GPS's primary source of compensation for advisory services.

Advisory fees that are charged to clients are not reduced to offset the commissions or markups, if any, on investment products recommended to clients.

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

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

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

GPS generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

There is no account minimum for any of GPS's services.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

GPS's methods of analysis include Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis and Technical analysis.

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

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

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

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

#### *Investment Strategies*

GPS uses long term trading.

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

### B. Material Risks Involved

#### *Methods of Analysis*

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

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in

stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

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

### ***Investment Strategies***

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

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

## C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

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

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

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

## **Item 9: Disciplinary Information**

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

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

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

There are no self-regulatory organization proceedings to report.

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

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

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

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

Neither GPS nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Brian Joseph Imrich is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. GPS always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of GPS in connection with such individual's activities outside of GPS.

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

GPS may direct clients to third-party platform providers. GPS has existing relationships with FTJ FundChoice & Aspire Financial Services. However, GPS does not utilize third party money managers for client accounts. Clients will pay GPS its standard fee in addition to third-party platform provider's standard fee. GPS does not receive any compensation from the third-party platform as a result of this recommendation. This relationship will be memorialized in each contract between GPS and each third-party platform being utilized. The fees will not exceed any limit imposed by any regulatory agency. GPS will always act in the best interests of the client, including when determining which third-party platform providers to recommend to clients. GPS will ensure that all recommended platforms are licensed or notice filed in the states in which GPS is recommending them to clients.

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

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

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

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

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

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

From time to time, representatives of GPS may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of GPS to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. GPS will always document any transactions that could be construed as conflicts of interest and will never engage in



trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

From time to time, representatives of GPS may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of GPS to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, GPS will never engage in trading that operates to the client's disadvantage if representatives of GPS buy or sell securities at or around the same time as clients.

### **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on GPS's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and GPS may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in GPS's research efforts. GPS will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

GPS will require clients to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC.

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

While GPS has no formal soft dollars program in which soft dollars are used to pay for third party services, GPS may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). GPS may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and GPS does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. GPS benefits by not having to produce or pay for the research, products or services, and GPS will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that

GPS's acceptance of soft dollar benefits may result in higher commissions charged to the client.

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

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

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

GPS will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

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

GPS maintains the ability to block trade across accounts (aggregate or bunch the securities) to be purchased or sold for multiple clients. Since TD Ameritrade does not discount client trade fees from block trading, the decision to block trade (or not) has no impact on the fees paid by clients.

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

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

All client accounts for GPS's advisory services provided on an ongoing basis are reviewed at least annually by Brian J Imrich, Owner, with regard to clients' respective investment policies and risk tolerance levels. All accounts at GPS are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Brian J Imrich, Owner. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Only clients engaged in Phase 5 – Ongoing Wealth Inspection will be provided updates and ongoing planning services.

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

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

With respect to financial plans, GPS's services will generally conclude upon delivery of the financial plan at the end of Phase 3 or upon termination of an existing Phase 5 – Ongoing Wealth Inspection relationship.

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

Each client of GPS's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. GPS will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion. Clients engaged in Phase 5 – Ongoing Wealth Inspection may request written annual summary at any time.

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

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

GPS participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. GPS receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, GPS participates in TD Ameritrade's institutional advisor program and GPS may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between GPS's participation in the Program and the investment advice it gives to its clients, although GPS 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 GPS 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 GPS's 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 GPS by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by GPS's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit GPS but may not benefit its client accounts. These products or services may assist GPS in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help GPS manage and further develop its business enterprise. The benefits received by GPS 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,

GPS endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by GPS or its related persons in and of itself creates a conflict of interest and may indirectly influence the GPS's choice of TD Ameritrade for custody and brokerage services.

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

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

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, GPS will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

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

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

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

### **Item 18: Financial Information**

#### **A. Balance Sheet**

GPS neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet.

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

Neither GPS nor its management has any financial condition that is likely to reasonably impair GPS's ability to meet contractual commitments to clients.

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

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