

Item 1: Cover Page

**Firm Brochure**

(Part 2A of Form ADV)

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**February 5, 2024**

This brochure provides information about the qualifications and business practices of Gray Private Wealth, LLC (the “Firm” or “GPW”). If you have any questions about the contents of this brochure, please contact us at: (781) 232-2020 or by email at SKenney@grayprivatewealth.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”), or by any state securities authority.

Additional information about the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for the Firm is 128547.

The Firm's registration as an investment adviser does not imply any particular level of skill or training.

## Item 2: Material Changes

### **Material Changes since the Last Annual Update**

Since Gray Private Wealth's last annual filing in March, 2023, the Firm is reporting the following material changes:

#### Item 4- Advisory Business

- On December 31, 2023, the Firm's Chief Executive Officer and an owner, Daniel C. Romano retired and no longer retains ownership interest in the Firm.
- On December 31, 2023, an owner of the Firm, Concetto Joseph Ciccarello, retired and no longer retains ownership interest in the Firm.
- On December 31, 2023, Justin J. Klunder was appointed as Chief Executive Officer and Chief Investment Officer.
- On October 2, 2023, Stephen Kenney was appointed Chief Compliance Officer.
- The Firm is recommending alternative investments for certain eligible Clients.

#### Item 5 – Fees and Compensation

- The Firm no longer provides insurance services effective December 31, 2023.

#### Item 9- Custody

- As of December 31, 2023, the Firm no longer maintains custody of certain client accounts and therefore will not be conducting a surprise exam in 2024.

Updates to reflect these changes have been made throughout the brochure.

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## Item 4: Advisory Business

### Firm Description

Gray Private Wealth, LLC (“GPW” or the “Firm”) was founded in 1999.

The Firm provides discretionary as well as non-discretionary investment management services to individuals, pension and profit-sharing plans, trusts, partnerships, estates, corporations, foundations and charitable organizations. Advice is provided through consultation with each client of the Firm (each, a “Client”) and may include determination of financial objectives, tax planning, investment management, cash flow, education funding and college planning, retirement planning, and estate planning. In general, the Firm seeks to provide their Clients with maximum after-tax, risk adjusted returns over long term time horizons consistent with each Client’s investment objectives.

### Principal Owners

The Firm is organized as a Massachusetts limited liability company. The Firm is owned by the following seven individuals: James A. DeLeo, Michael L. Cecere, Richard A. Hirschen, Kelly A. Berardi, Derrick J. Rebello, Justin J. Klunder and Paul J. Gerry Jr. Justin J. Klunder is the Chief Executive Officer (“CEO”) and Chief Investment Officer (“CIO”) of the Firm where he is responsible for the Firm’s day-to-day operations. Stephen Kenney is the Firm’s Chief Compliance Officer (“CCO”).

### Types of Advisory Services

The Firm provides investment advisory services, also referred to as asset management services. The Firm provides its Clients with regular and continuous investment advice which is particularly tailored to that Client’s investment needs.

As part of the asset management services, GPW may use one or more sub-advisors to manage a portion of a client’s account(s) on a discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage a client account. GPW will regularly monitor the performance of the accounts managed by sub-advisor(s) and may hire and fire any sub-advisor without prior approval from the client. GPW pays a portion of the client advisory fee to the sub-advisor used. This amount will be deducted from the fee that the client pays GPW and will not result in any additional cost or expense to the client.

On occasion, GPW will source, diligence, and recommend Clients to invest directly in third-party alternative investment (“**Alternative Investments**”). Clients must meet the criteria to invest in such funds, and have the ample liquidity to remain invested for a longer-term duration. Clients will pay GPW an asset management fee in addition to any fees charged by the Alternative Investment manager.

The Firm also furnishes advice to Clients on matters not involving securities, such as financial planning matters, taxation issues, and retirement planning services that often include 401(k)

investment and planning. GPW, when requested, also enters into consulting or ad-hoc engagements.

GPW has adopted policies and procedures to comply with the ERISA fiduciary standards when advising retirement asset rollovers, as set forth in the Department of Labor Fiduciary Rule ("DOL Rule"). Clients will be presented with disclosure documents as prescribed by the DOL Rule..

As of December 31, 2023, the Firm has approximately \$395,903,370 in assets under management for approximately 260 households. The Firm manages \$ 395,903,370 of its assets under management on a discretionary basis and \$0 assets under management on a non-discretionary basis. Assets under management consist solely of assets for which the Firm provides investment advice on a regular and continuous basis to Clients.

### **Tailored Relationships**

GPW provides investment advisory services, which it defines as providing continuous advice to a Client or making investments for a Client based on the individual needs, objectives and unique circumstances of the Client. Through personal discussions in which goals and objectives based on a Client's particular circumstances are established, GPW develops a Client's personal investment policy and creates and manages a portfolio based on that policy. GPW provides this service to individuals, pension and profit-sharing plans, trusts, partnerships, estates, corporations, foundations and charitable organizations. GPW will manage most advisory accounts on a discretionary basis. Account supervision is guided by the stated objectives of the Client (i.e., maximum capital appreciation, asset protection, growth, income, or growth and income).

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

### **General**

The Firm bases its fees on a percentage of assets under management, hourly charges, and occasionally fixed fees.

Some agreements may be priced based on the complexity of work, especially when asset management is not the most significant part of a relationship with a Client.

Financial plans are priced according to the degree of complexity associated with the Client's situation.

The Firm, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

### **Advisory Fees**

The annual fee for investment advisory services will be charged as a percentage of assets under management based on a negotiated rate of up to 1.25%, depending on the size of the assets under management. Fees are calculated by taking the value of the assets in a Client's

account as of the end of each quarter and applying the fee percentage. Fees are paid in advance and Clients will be refunded fees on a pro rata basis in the event of the termination of Client's relationship with GPW within any quarterly period based on the number of days within the quarter that the Client is engaged with GPW.

### **Financial Planning and Consulting Fees**

Clients have a choice on how they would like to be charged for their financial plans and consulting fees. GPW will either charge on an hourly or fixed fee basis. Fees will range from \$250 to \$600 per hour or a minimum of \$5,000 on a fixed fee basis. All fees will be billed as time is incurred and no fees will be prepaid. If the Client would like to review the financial plan on a semi-annual or annual basis, they will also be billed as the time is incurred either on an hourly or fixed fee basis depending on the size of the plan. GPW may, in its sole discretion, waive its financial planning fee.

### **Retirement Plan Advisory Fees**

Retirement plan advisory fees are typically paid quarterly in arrears, pursuant to the terms of the retirement plan advisory agreement. Fees are based on the market value of assets in the Plan at the end of the prior quarter or month.

### **Fee Billing**

Investment advisory fees will be calculated by Black Diamond and automatically deducted from the Client's account(s). The Client shall instruct the Custodian to automatically deduct the investment advisory fee from the Client's account(s) for each billing period to pay the investment advisory fee(s) to the Advisor. Black Diamond calculates the amount of the fees to be deducted from the Client's account(s) as of the respective fiscal quarter. The amount due is calculated by applying the quarterly rate (pro rata by days) to the total assets under management with GPW at the end of the previous quarter. Clients will be provided with a statement of their current assets, at least quarterly, from Charles Schwab & Co., Inc. ("Schwab"), the custodian, which reflect the deductions of the investment advisory fees. Clients provide written authorization permitting GPW to be paid directly from their accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the custodian. Alternative Investments will be billed based on the net asset value provided by the underlying manager.

Fees for financial plans and consulting engagements are invoiced as services are rendered and are due upon receipt.

### **Other Fees and Expenses**

The fees charged by GPW are in addition to fees charged by any mutual fund in which a Client's funds may be invested. The mutual funds that make up the Client's portfolio will assess charges and fees at the mutual fund level, including fees for investment management services. Clients may also be charged early redemption fees should fund holdings in the account be liquidated within a certain period of time, typically within 30 to 180 days dependent upon a fund company's policies. These fees and expenses are described in each mutual

fund's prospectus. These fees will generally include a management fee, other fund expenses, and possibly a distribution fee.

Accordingly, the Client should review both the fees charged by the funds and the fees charged by the Firm to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the advisory services being provided.

Alternative Investments will also be subject to underlying fund fees and expenses including management and other servicing, and fund-related fees as allowable under the respective fund's governing documents. Custodians may charge transaction fees on purchases or sales of certain mutual funds, exchange-traded funds, stocks and bonds. These transaction charges are usually small and incidental to the purchase or sale of a security, typically ranging from \$0 to \$30 per transaction. Transaction costs are not commissions; they are clearing costs charged by the designated clearing firm on the account and are subject to change at any time. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

GPW does not share in any portion of the transaction costs imposed by the custodian.

### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by Clients to the Firm.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

## **Item 6: Performance-Based Fees**

### **Sharing of Capital Gains**

The fees payable to the Firm are not based on a share of the capital gains or capital appreciation of managed securities.

The Firm does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for an investment adviser to recommend an investment that may carry a higher degree of risk to its client.

Clients who invest in Alternative Investments will be subject to the underlying manager's performance-based fee structure.

## Item 7: Types of Clients

### Description

The Firm provides investment management services to individuals, partnerships, trusts, foundations, retirement plans, corporations and other legal entities.

Client relationships vary in scope and length of service.

### Account Minimums

The minimum household balance for clients is \$1,000,000 subject to reduction or waiver at the sole discretion of GPW.

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

### Methods of Analysis of Mutual Funds

The Firm has well established due diligence procedures which it uses in the selection of mutual funds, exchange traded funds (ETFs), and other securities as investments on behalf of Clients. This analysis is ongoing and undergoes a comprehensive review at least once a year. From time-to-time securities may be added to the approved list (or removed) during the year after undergoing a thorough analysis.

For an investment to be considered for potential recommended use in Client portfolios it must first be put through an investment due-diligence screen which considers both quantitative and qualitative factors. Some of the qualitative factors considered include strategy, bottom-up fundamental analysis, strength of portfolio management team, and fund family reputation, among other factors. A potential investment will also be put through a quantitative screen that considers fund size, expense ratios, tax-efficiency, asset allocation, sector and regional weightings, history of executing on their strategy, and consistency of focus, among other things. Discussion with portfolio managers is also an integral part of our due diligence.

### Investment Strategies

The primary investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time. Each Client executes an Investment Management Agreement ("IMA") and an Investment Policy Statement ("IPS") that documents their objectives and desired investment strategy.

The Firm will develop a strategic asset allocation for each Client based upon the Client's investment objectives as developed through discussions with the Client and analysis of the client's unique financial circumstances. GPW will allocate the Client's assets among various investments, including mutual funds, exchange traded funds, separately managed accounts, individual securities, and other securities. The mutual funds, ETFs, and other securities recommended for use in client portfolios will be selected from the approved list of investments that have been subjected to the Firm's due-diligence screens described above in Methods of Analysis. These could include any or all of the following criteria: the fund's history; the strategy, allocation, and level of concentration of the fund portfolio; the track record of the fund's manager; the fund's



investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio asset allocation and weighting between recommended securities will be determined by each Client's individual needs and circumstances.

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

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, the Firm does not control the underlying investments in a third-party manager's portfolio. Therefore, there is a risk that a manager may deviate from their stated investment mandate and/or strategy, resulting in a less suitable investment for GPW's Clients. Moreover, as the Firm does not control the manager's daily business and compliance operations, it is possible for the Firm to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

The Firm examines the strategy, experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a full market cycle and in different economic conditions. The Firm monitors the manager's underlying holdings, strategy, concentrations and leverage as part of our overall periodic risk assessment.

The Firm purchases securities with the intent of holding them in the Client's account for a year or longer. The Firm may purchase the security to fulfill a long-term strategic allocation to a particular asset class or may purchase the security to take advantage of a perceived market dislocation. A potential risk in a long-term buy and hold strategy is that, by holding the security over a full market cycle, the Firm may not take advantages of short-term gains that could be profitable to a Client. Moreover, if the Firm's perceived market dislocations are incorrect, a security may decline sharply in value before it makes the decision to sell.

As discussed above, the Firm may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). The Firm does this in an attempt to take advantage of conditions that the Firm believes will soon result in a price swing in the securities it purchases. A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, the Firm is left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains. GPW does not utilize short sales or options.

For all sub-advisors and Alternative Investment managers, GPW performs initial and ongoing investment and operational due diligence. These managers are evaluated on an initial and ongoing basis.

## Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline, the price of bonds will fluctuate to reflect prevailing interest rates. In the event of rising interest rates, prices of bonds could decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to market forces (systematic) or company specific (non-systematic) events, tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, therefore purchasing power will erode at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the local currency of the investment. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on successful exploration & production, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than a utility electric company, which generates its income from a steady stream of customers who buy electricity with consistent demand no matter what the economic environment is like.
- **Business Continuity Risk:** GPW's business operations may be vulnerable to disruption in the case of catastrophic events such as fires, natural disaster, terrorist attacks or other circumstances resulting in property damage, network interruption and/or prolong power outages. Although GPW has implemented, or expects to implement, measures to manage risks relating to these types of events, there can be no assurances that all contingencies can be planned for. These risks of loss can be substantial and could have a material adverse effect on GPW and its ability to manage clients.
- **Custody Risk:** The Firm is required to maintain Client funds and securities over which the Firm is deemed to have custody with a qualified custodian. Clients may incur a loss on securities and cash held in custody in the event of a custodian's or sub-custodian's insolvency, negligence, fraud, poor administration or inadequate

recordkeeping. Generally, deposits maintained at a bank do not become part of a failed bank's estate however, the Firm's operations could be impacted by the bank's insolvency in that there may be a delay in access to liquidity, trade settlement, delivery of securities, etc. Establishing multiple custodial relationships could mitigate custodial risk in the event of a bank failure.

- **Cybersecurity Risk:** GPW's information and technology systems could be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltrations by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although GPW will implement various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, GPW will have to make a significant investment to fix or replace them. The failure of these systems and/or disaster recovery plans for any reason could cause significant interruptions in GPW's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Clients. Such a failure could harm GPW's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of GPW's information, technology or security systems could have an adverse impact on its ability to manage Client accounts.
- **Operational Risk:** Operational risk is the potential for loss caused by a deficiency in information, communication, transaction processing and settlement and accounting systems. GPW will maintain controls that include systems and procedures to record and reconcile transactions and positions, and to obtain necessary documentation for trading activities.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if market participants are interested in a standardized security. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Alternative Investments:** A Client may be invested in pooled investment vehicles sponsored by underlying managers. GPW will not have an active role in the management of the assets of Alternative Investments, including the valuation by the underlying funds of their investments. A Client's ability to withdraw from or transfer interests in such Alternative Investments is severely limited and could include risk of significant loss. Furthermore, the performance and success of each Alternative Investment will depend on the management and compensation of the underlying manager. Clients should have no expectation of being able to withdraw from such funds or to transfer their positions. However, in the event that a Client reaches out to GPW following a life changing event which impacts his/her individual liquidity, GPW may attempt to assist such Client by seeking to facilitate a transfer of the securities. If any such attempt results in a transfer offer, which cannot be guaranteed, Clients should take into account that any such transaction will likely be at a materially reduced price relative to the actual value of the investment.

- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must service its debt burden regardless of its financial success. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**THIS LIST OF RISK FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN CONNECTION WITH THE FIRM'S INVESTMENT OR THE MANAGEMENT OF CLIENTS ACCOUNTS. IN ADDITION, PROSPECTIVE CLIENTS SHOULD BE AWARE THAT, AS THE MARKET DEVELOPS AND CHANGES OVER TIME, INVESTMENTS OF BEHALF OF CLIENTS ACCOUNTS MAY BE SUBJECT TO ADDITIONAL AND DIFFERENT RISKS.**

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss risks with their Relationship Manager.

## Item 9: Disciplinary Information

### Legal and Disciplinary

The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment Clients.

## Item 10: Other Financial Industry Activities and Affiliations

### Financial Industry Activities

As of the date of this Brochure, GPW is an SEC-registered investment adviser.

Justin Klunder, CEO and CIO of GPW, Stephen Kenney, CCO, James Branch, Austin Russell and Amy Alpert are principally responsible for providing advisory services on behalf of GPW.

Certain owners of GPW, (James A. DeLeo, Michael L. Cecere, Richard A. Hirschen, Kelly A. Berardi, Derrick J. Rebello, and Paul J. Gerry Jr) also own financial interests in Gray, Gray & Gray LLP ("GG&G"), a certified public accounting firm.

Gray, Gray & Gray LLP ("GG&G") recommends GPW to accounting clients in need of advisory services and GPW has a solicitation agreement with GGG as more fully described in Item 14-Client Referrals. GPW recommends GG&G to advisory clients in need of accounting and tax services. Accounting and tax services provided by GG&G are separate and distinct from advisory services of GPW and are separately compensated. No GPW Client is obligated to use GG&G for any accounting services, and, conversely, no accounting client is obligated to use the advisory services provided by GPW. Information concerning the Client will not be shared except in accordance with all applicable laws and regulations or as authorized by the Client.

## **Affiliations**

Since the Firm endeavors at all times to put the interest of its Clients first as part of its fiduciary duty as a registered investment adviser and takes the following steps to address these conflicts:

1. The Firm discloses to Clients the existence of all material conflicts of interest, including the potential for the Firm and its employees to earn compensation from advisory clients in addition to its advisory fees;
2. The Firm discloses to Clients that they are not obligated to purchase any additional services from the Firm or its employees;
3. The Firm collects, maintains and documents accurate, complete and relevant client background information, including the Client's financial goals, objectives and risk tolerance;
4. Firm management conducts regular reviews of each Client account to verify that all recommendations made to a Client are suitable to the Client's needs and circumstances;
5. The Firm requires that its employees seek prior approval of any outside employment activity so that it may ensure that any conflicts of interests in such activities are properly addressed;
6. The Firm periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
7. The Firm educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to Clients.

## **Recommendation of Other Advisers**

GPW may recommend that a Client use a third-party money manager ("TPMM") based on the Client's financial needs and suitability. GPW will not receive separate compensation, directly or indirectly, from the TPMM for recommending the use of their services. Moreover, GPW does not have any business relationships with third-party money managers or advisers.

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

### **Code of Ethics**

The employees of the Firm have committed to a Code of Ethics that is available for review by Clients and prospective Clients upon request. The Firm will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

## **Participation or Interest in Client Transactions**

GPW or individuals associated with GPW may buy or sell securities identical to those recommended to customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a Client.

As these situations represent a conflict of interest, GPW has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) A member or employee of GPW shall not buy or sell securities for his/her personal portfolio(s) where his/her decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No supervised person of GPW shall prefer his or her own interest to that of the advisory client.
- 2) GPW maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate member of GPW.
- 3) GPW emphasizes the unrestricted right of the Client to decline to implement any advice rendered.
- 4) GPW requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 5) Any individual not in observance with the above may be subject to termination.

## **Personal Trading**

Employees must obtain the CCO's preclearance for all transactions in employee trading accounts of reportable securities. Employees who have IMA's with GPW, and whose accounts are traded alongside of Client accounts, do not require pre-clearance as those accounts are considered Clients of GPW. Employees are prohibited from executing trades in such accounts without the pre-clearance of the CCO. The CCO also reviews all employee trades each quarter. Stephen Kenney's trades are reviewed by Justin Klunder. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that Clients of the Firm receive preferential treatment. Since most employee trades are mutual fund trades or exchange-traded fund trades or stock trades, in general the trades do not affect the securities markets. The Firm also maintains a Restricted List of securities that Employees and the Firm are prohibited from trading.

## Item 12: Brokerage Practices

### Selecting Brokerage Firms and Custodians

A Client's assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. The Firm recommends that its Clients use Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. The Firm is independently owned and operated and not affiliated with Schwab. Schwab will hold the Client's assets in a brokerage account and buy and sell securities when the Firm instructs them to do so. While the Firm recommends that Clients use Schwab as custodian/broker, the Client will decide whether to do so and open the Client's account with Schwab by entering into an account agreement directly with them. The Firm does not open the account for Clients. Even though Client accounts are maintained at Schwab, the Firm can still use other brokers to execute trades for the Client's account, as described in the next paragraph.

### Selection of Brokers/Custodians

The Firm seeks to recommend a custodian/broker who will hold the Client's assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. The Firm considers a wide range of factors, including these:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody).
- Capability to execute, clear, and settle trades (buy and sell securities for a Client's account).
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.).
- Breadth of investments made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.).
- Availability of investment research and tools that assist the Firm in making investment decisions.
- Quality of services.
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them.
- Reputation, financial strength, and stability of the provider.
- Their prior service to the Firm and the Firm's other clients.
- Availability of other services that benefit the Firm, as discussed below (see "Services Available to the Firm from Schwab").
- The Client's Custody and Brokerage Costs.

For the Firm's Client accounts that it maintains, Schwab generally does not charge a Client separately for custody services but is compensated by charging Clients commissions or other fees on trades that it executes or that settle into a Client's Schwab account.

In addition to asset-based fees Schwab charges the Client a flat dollar amount as a "prime broker" or "trade away" fee for each trade that the Firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the Client's Schwab account. These fees are in addition to the commissions or

other compensation the Client pays the executing broker-dealer. Because of this, in order to minimize the Client's trading costs, the Firm has Schwab execute most trades for the Client's account.

### **Services Available to GPW from Schwab**

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like GPW. They provide the Firm's clients and GPW with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help the Firm manage or administer the Firm's clients' accounts, while others help the Firm manage and grow the Firm's business. Here is a more detailed description of Schwab's support services:

*Services That Benefit The Client.* Schwab's institutional brokerage services include access to a broad range of investments, execution of securities transactions, and custody of client assets. The investments available through Schwab include some to which the Firm might not otherwise have access or that would require a significantly higher minimum initial investment by the Firm's clients. Schwab's services described in this paragraph generally benefit the Client and the Client's account.

*Services That May Not Directly Benefit The Client.* Schwab also makes available to the Firm other services that benefit the Firm but may not directly benefit the Client or the Client's account. These services assist the Firm in managing and administering the Firm's clients' accounts. They include investment research, both Schwab's own and that of third parties. The Firm may use this research to service all or some substantial number of the Firm's client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to Client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of the Firm's fees from the Firm's Client accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

*Services That Generally Benefit Only The Firm.* Schwab also offers other services intended to help the Firm manage and further develop the Firm's business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.



Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to the Firm. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide the Firm with other benefits such as occasional business entertainment of the Firm's personnel.

### **Best Execution**

The Firm reviews the execution by the custodian on a periodic basis. Trading fees charged by the custodians are also reviewed on a quarterly basis. The Firm does not receive any portion of the trading fees.

It is expected that all trades will be referred to Schwab for execution. Schwab, the Client's custodian, transmits customer orders for execution to various exchanges or market centers based on a number of factors. These include size of order, trading characteristics of the security, favorable execution prices (including the opportunity for price improvement), access to reliable market data, availability of efficient automated transaction processing and reduced execution costs through price concessions from the market centers. Certain of the market centers may execute orders at prices superior to the publicly quoted market in accordance with their rules or practices.

GPW or its delegate monitors the execution of trades monthly to make sure they are competitive in the marketplace.

### **Order Aggregation**

Most of the Firm's trades consist of shares of mutual funds or exchange-traded funds where trade aggregation does not garner any Client benefit.

Transactions for each Client generally will be affected independently, unless the Firm decides to purchase or sell the same securities for several Clients at approximately the same time. The Firm may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Firm's Clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among the Firm's Clients pro rata to the purchase and sale orders placed for each Client on any given day. The Firm will not receive any additional compensation as a result of the aggregation of orders.

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

### **Periodic Reviews**

GPW reviews advisory accounts on a continuous basis and more thoroughly on a quarterly basis. GPW manages the portfolios in consistency with the Client's IPS and IMA. GPW will monitor the performance of the account and the portfolios / mutual funds / ETFs / private equity / LPs comprising the account. GPW will consider rebalancing the account when an asset class is out of tolerance by more than 5% for a period of time. Asset managers may also prompt rebalancing trades when making changes to their portfolio. More frequent reviews and meetings may be

triggered by changes in variables such as market, political or economic circumstances, or changes in Client's individual circumstances. Reviews will be conducted by Justin J. Klunder, the CEO and CIO, Stephen Kenney, James Branch, Amy Alpert, Austin Russell and/or, investment adviser representatives of GPW.

GPW will review financial plans upon Client request. More frequent reviews may be necessary depending on economic changes to Clients. In addition, GPW conducts an annual review of all Client portfolios and provides reporting to Clients. Reviews will be conducted by Stephen Kenney CCO of GPW, James Branch, Amy Alpert, Austin Russell, and/or Justin J. Klunder, CEO and CIO of GPW, investment adviser representatives of GPW.

### **Review Triggers**

Other conditions that may trigger a review are, but not limited to, changes in the tax laws, new investment information, and changes in a Client's own situation.

### **Regular Reports**

GPW will produce various financial reports for financial planning Clients depending on the Client needs. These reports, produced from information provided by the Client, will be sent to and reviewed with the Clients as requested by the Client.

Each Client will be provided with a custodial statement from Schwab on a monthly basis depending on activity in the account, which will include a detail of account activity during the month (including account holdings, contributions and withdrawals, and the value of the account at the beginning and end of the period). Clients will receive confirmations of the activity in the account. In addition, GPW will provide quarterly performance reports to assist in the monitoring of the account. Clients are urged to compare account statements received from Schwab with those received from GPW.

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

### **Incoming Referrals**

GPW has in place a solicitation arrangement pursuant to which it compensates GG&G for referrals that result in a potential Client becoming a Client of GPW. Any fees payable to GG&G are borne by GPW through an offset against fees paid by the Client. The terms of the compensation agreement between GPW and GG&G is 15% of the fee paid by the Client to GPW for 3 years beginning on the date on which GPW is appointed to manage the assets in the Client account. This amount will be deducted from the fee that the Client pays GPW and will not result in any additional cost or expense to the Client.

The Firm receives an economic benefit from Schwab in the form of the support and services it makes available to the Firm and other independent investment advisors that have their clients maintain accounts at Schwab. These services, how they benefit the Firm, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab's services to the Firm is not based on the Firm's giving particular investment advice, such as buying particular securities for the Firm's clients.

## Item 15: Custody

### **Custody of Client Accounts**

Pursuant to Rule 206(4)-2, GPW is deemed to have custody of certain client account's funds and securities because (i) we may debit fees directly from the accounts of such clients and/or (ii) certain clients have executed a letter of instruction or similar asset transfer authorization arrangement with a qualified custodian whereby we are authorized to withdraw client funds or securities maintained with a qualified custodian upon our instruction to the qualified custodian (each, an "SLOA"). The terms of each such SLOA are consistent with the terms described in the February 21, 2017, letter of the Chief Counsel's Office of the Securities and Exchange Commission clarifying custody with respect to a standing letter of instruction or other similar asset transfer authorization arrangement established by a client with a qualified custodian.

### **Account Statements**

GPW is deemed to have constructive custody of Client assets because advisory fees are directly deducted from Client's account by Schwab on behalf of the Firm. Schwab maintains actual custody of the Client's assets. The Client will receive account statements directly from Schwab on a monthly basis. They will be sent to the email or postal mailing address the Client provided to Schwab. The Client should carefully review those statements promptly when the Client receive them. The Firm also urges the Client to compare Schwab's account statements with the periodic portfolio reports the Client will receive from the Firm.

Pursuant to Section 206(4)-2 of the Custody Rule, GPW reviews all client custody arrangements and identifies client accounts subject to a surprise examination. Should GPW determine the Firm has custody that requires a surprise examination, GPW will engage an independent accounting firm to perform a surprise examination on such client accounts GPW is deemed to have custody of on an annual basis. The independent accounting firm is required to file an ADV-E with the Securities and Exchange Commission within 120 days of the surprise exam, documenting the results of such examination.

## Item 16: Investment Discretion

### **Discretionary Authority for Trading**

While the majority of GPW's Clients accounts are managed on a discretionary basis, GPW also has non-discretionary Clients. Clients grant GPW investment discretion through GPW's Investment Management Agreement. The Firm generally has investment discretion over Client accounts; however, Clients can place restrictions on GPW's investment discretion. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority.

## Item 17: Voting Client Securities

### **Proxy Votes**

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

### **Class Actions**

The Firm does not advise or act for Clients in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the Account or the issuers of these securities.

## Item 18: Financial Information

The Firm does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

The Firm has never filed for bankruptcy, nor does it have any financial impairment that will preclude the Firm from meeting contractual commitments to Clients.