



GLOBAL  
WEALTH  
STRATEGIES &  
ASSOCIATES

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**January 25, 2024**

**Part 2A Brochure**

This brochure provides information about the qualifications and business practices of Global Wealth Strategies & Associates, LLC ("GWS&A"). If you have any questions about the contents of this brochure, please contact us at 720-420-4870. 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. Global Wealth Strategies & Associates, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. Additional information about Global Wealth Strategies & Associates, LLC 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 an IARD number. The IARD number for Global Wealth Strategies & Associates, LLC is 316072.

## ITEM 2 – MATERIAL CHANGES

### SUMMARY OF MATERIAL CHANGES

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We have made the following material changes since our Annual Amendment filing dated March 6, 2023:

- Item 4 has been amended to reflect language describing the Trustee Administration Services offered by the Firm.
- Item 5 was amended to reflect language on the Trustee Administration Services fees and language regarding the securities related regulatory fees assessed at the custodian level.

Currently, a free copy of our Brochure may be requested by contacting Adam Way, AEP®, AIF®, CFP®, ChFC®, CLTC, CLU®, Chief Compliance Officer of GWS&A at 720-420-4870. We encourage you to read this document in its entirety.

## ITEM 3 – TABLE OF CONTENTS

ITEM 1 – COVER PAGE	0
ITEM 2 – MATERIAL CHANGES	1
ITEM 3 – TABLE OF CONTENTS	2
ITEM 4 – ADVISORY BUSINESS	4
Investment Management and Supervision Services	4
Financial Planning	5
Retirement Plan Advisory Services	7
Disclosure Regarding Rollover Recommendations	8
Wrap Fee Program	9
Assets	9
ITEM 5 - FEES AND COMPENSATION	9
Investment Management Fees and Compensation	9
Financial Planning Fees	11
Retirement Plan Services	12
Additional Fees and Expenses	13
Regulatory Fees	13
Non-Transaction Fee (NTF) Mutual Funds	13
ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT	14
ITEM 7 - TYPES OF CLIENTS	14
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	14
Mutual Fund Share Class	16
Risk of Loss	17
ITEM 9 - DISCIPLINARY INFORMATION	21
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	22
Insurance	22
Accounting Services	22
Other Affiliations	22
ITEM 11 - CODE OF ETHICS	24
ITEM 12 - BROKERAGE PRACTICES	25
The Custodian and Brokers We Use	25
How We Select Brokers/Custodians	25

Client Brokerage and Custody Costs	26
Products and Services Available to Us from Schwab	26
Services That Benefit Our Clients	27
Services That May Not Directly Benefit Our Clients	27
Services That Generally Benefit Only Us	27
Our Interest in Schwab’s Services	28
Brokerage for Client Referrals	28
Aggregation and Allocation of Transactions	28
Trade Errors	29
ITEM 13 - REVIEW OF ACCOUNTS	30
Account Reviews and Reviewers – Investment Supervisory Services	30
Statements and Reports	30
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION	30
ITEM 15 – CUSTODY	31
Standing Letters of Authorization – Third Parties	32
Deduction of Advisory Fees	33
ITEM 16 – INVESTMENT DISCRETION	33
ITEM 17 – VOTING YOUR SECURITIES	34
ITEM 18 – FINANCIAL INFORMATION	34

## ITEM 4 – ADVISORY BUSINESS

This Disclosure document is being offered to you by Global Wealth Strategies & Associates, LLC (“GWS&A” or “Firm”) about the investment advisory services we provide. It discloses information about the services that we provide and the way those services are made available to you, the client.

Global Wealth Strategies & Associates, LLC was registered as an Investment Advisor with the SEC in November 2021. The owners of GWS&A are as follows: Way Holdings, LLC (Adam Way), Clark Avenue Holdings, LLC (Eric M. Jacobs), Sara M. Erpestad FPQP, and Bradley R. Scoular, AIF, CLU®, CLTC. Adam Way, AEP®, AIF®, CFP®, ChFC®, CLTC, CLU®, is the Chief Compliance Officer of the Firm.

We are committed to helping clients build, manage, and preserve their wealth. Our Firm provides services that help clients to achieve their stated financial goals. We will offer initial complimentary meetings upon our discretion; however, investment advisory services are initiated only after you and GWS&A execute an Investment Management Agreement.

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### INVESTMENT MANAGEMENT AND SUPERVISION SERVICES

We manage advisory accounts on a discretionary basis. For discretionary accounts, once we have determined a profile and investment plan with a client, we will execute the day-to-day transactions without seeking prior client consent but within the expected investment guidelines. Account supervision is guided by the client’s written profile and investment plan. We will accept accounts with certain trading restrictions if circumstances warrant. We primarily allocate client assets among various equities, Exchange Traded Funds (“ETFs”), no-load or load-waived mutual funds and cash in accordance with their stated investment objectives. All of which are considered asset allocation categories for the client’s investment strategy.

During personal discussions with clients, we determine the client’s objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on client needs, we develop a client’s personal profile and investment plan. We then create and manage the client’s investments based on that policy and plan. It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals. Once we have determined the types of investments to be included in a client’s portfolio and have allocated the assets, we provide ongoing investment review and management services.

With our discretionary relationship, we will make changes to the portfolio, as we deem appropriate, to meet client financial objectives. We trade these portfolios based on the combination of our market views and client objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. Clients have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

Clients may engage us to advise on certain investment products that are not maintained at our Firm's recommended custodian, and assets held in employer sponsored retirement plans. Where appropriate, we provide advice about any type of held away account that is part of a client portfolio.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

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#### **FINANCIAL PLANNING**

Through the financial planning process, our team strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team will offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer, and family legacy objectives. Our team partners with our client's other advisors (CPAs, Enrolled Agents, Estate Attorneys, Insurance Brokers, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets, and periodic updates.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals.
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management, and estate planning.
- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession, and other personal goals.
- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk, and liquidity

- factors for each goal. This includes IRA and qualified plans, taxable, and trust accounts that require special attention.
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation, and transfer, including liquidity as well as various insurance and possible company benefits; and
  - Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.

A written evaluation of each client's initial situation or Financial Plan is provided to the client.

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#### **CONSULTING SERVICES**

We also provide clients investment advice on a more-limited basis on one or more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice or any other business advisory / consulting services for equity or debt investments in privately held businesses. In these cases, clients will be required to select their own investment managers, custodian, and/or insurance companies for the implementation of consulting recommendations. If client needs include brokerage and/or other financial services, we will recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies, or other financial professionals ("Firms"). Consulting clients must independently evaluate these Firms before opening an account or transacting business and have the right to effect business through any firm they choose. Clients have the right to choose whether or not to follow the consulting advice provided.

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#### **TRUSTEE ADMINISTRATIVE SERVICES**

GWS&A and/or the Firm's IARs occasionally act as trustee upon request by a client. If agreed to, GWS&A will be named as either a Financial Director, Estate Plan Distribution Trustee or Successor Trustee. Although every case is unique and different, there are commonly the following main responsibilities when providing these services:

1. General administration of insurance policies: Duties include but are not limited to coordinating the payment on insurance policies, monitoring for any lapses or issues, assistance with paperwork associated with establishing the policy, annual in-force illustrations
2. Annual ongoing ILIT administration
3. Annual notification(s) of Crummy letters

4. Assist with selection of 3rd Party CPA firm and coordination in completing ILIT tax returns
5. Assist with the Distribution(s) of life insurance proceeds
6. Oversea Estate plan distribution(s) and payments under HEMS

These services are offered under separate engagement and Clients will need to enter into separate agreements for these services. It should be noted GWS&A does not take on physical custody of any assets. Due to the Firm's indirect access and oversight of client insurance accounts held with our affiliated insurance entity, Global Wealth Strategies Insurance, LLC, the Firm does comply with the surprise annual audit to be conducted by an independent CPA firm which is registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). The Firm has complied with the Custody Rule requirements concerning such surprise audits and will continue to do so in the future.

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**RETIREMENT PLAN ADVISORY SERVICES**

Retirement Plan Advisory Services consists of helping employer plan sponsors to establish, monitor and review their company's retirement plan. As the needs of the plan sponsor dictate, areas of advising could include investment selection and monitoring, plan structure, and participant education.

Pursuant to Section 402(c)(3) of ERISA, the client may appoint us as the Plan's "investment manager" with respect to the Plan's portfolio of investment options. We acknowledge that we are registered as an investment adviser under the SEC. Our firm acts as a "fiduciary" within the meaning of Section 3(21) of ERISA with respect to the Plan. We offer advisory services to employer sponsored retirement plans such as 401(k), 457, 403(b), and ROBS Plans (Rollovers as Business Start-Ups). On the plan level, we manage the investment line-up making changes as necessary as well as providing risk-based investment models for the participants. On the individual participant level, we manage risk-based models using the current investment lineup based on risk tolerance of the individual investor. For employer-sponsored retirement plans with participant-directed investments, our firm provides its advisory services as an investment advisor as defined under Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

When serving as an ERISA 3(21) investment adviser, the Plan Sponsor and our Firm share fiduciary responsibility. The Plan Sponsor retains ultimate decision-making authority for the investments and may accept or reject the recommendations in accordance with the terms of a separate ERISA 3(21) Plan Sponsor Investment Management Agreement



between our Firm and the Plan Sponsor. Under the 3(21) agreement, our Firm can provide the following services to the Plan Sponsor:

- **Review or Development of an Investment Policy Statement**
- **Perform Due Diligence on Money Managers**
- **Provide Initial Investment and Management Selection** - Our Firm typically uses mutual funds/managed accounts/collective trusts/cash equivalents to structure portfolios designed to meet client objectives and risk profiles.
- **Provide ongoing Performance Evaluation and Monitoring of Money Managers**
- **Make Investment Recommendations when necessary**
- **Retirement Plan Services Analysis** - Our Firm will conduct an analysis of a client's retirement plan to evaluate the services currently provided to the client by third parties. The areas of analysis may include asset management services, record keeping, administration, customer service, participant education, etc. These services may also include a cost/benefit analysis, recommendation of alternative vendors, facilitation of the RFP process for solicitation of a new vendor, and/or assistance in fee negotiations with proposed vendors.
- **Provide Employee Education Services** - Our Firm will provide enrollment and educational services the content of the program will be generic in nature.

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#### **DISCLOSURE REGARDING ROLLOVER RECOMMENDATIONS**

A client or prospect leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Our Firm may recommend an investor roll over plan assets to an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our Firm. Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an

IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. All rollover recommendations are also reviewed by our Firm's Chief Compliance Officer in a best effort to determine that the recommendation to a client was reasonable or that the client has determined to make the rollover after being provided ample information about their options. No client is under any obligation to roll over plan assets to an IRA advised by our Firm or to engage our Firm to monitor and/or advise on the account while maintained with the client's employer. Our Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding this disclosure.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

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**WRAP FEE PROGRAM**

We do not offer a Wrap Fee Program.

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**ASSETS**

As of December 31, 2023, our Firm manages \$290,545,583 of discretionary regulatory assets under management. Our firm manages \$0 of non-discretionary assets.

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**ITEM 5 - FEES AND COMPENSATION**

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**INVESTMENT MANAGEMENT FEES AND COMPENSATION**

GWS&A charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account-maintenance activities. Our recommended custodian charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

The fees for portfolio management are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rata basis. Advisory

fees are billed quarterly in advance and calculated based on the average daily balance of the account(s). The initial advisory fee is prorated for the number of days that Client's account(s) is under Adviser's management and is billed based on the value of the account(s) when the account(s) has been funded.

Our maximum annual advisory fee for accounts paying a percentage of assets under management is 1.50%. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management. Cash and money market balances will be included in billing. Margin balances are excluded from advisory fee billing. We do not impose a minimum account value to initiate our Firm's advisory and money management services, but the Firm will impose a minimum flat advisory fee of \$1,500 annually. In certain circumstances, our fees and the timing of the fee payments may be negotiated. Our employees and their family related accounts are charged a reduced fee for our services.

Unless otherwise instructed by the client, in certain cases, we will aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. For example, if we manage accounts from the individual, our Firm will include joint accounts for a spouse, minor children and/or Trust accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could cause your account(s) to be assessed a lower advisory fee.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement monthly directly to you indicating all the amounts deducted from the account including our advisory fees. At our discretion, our Firm will allow advisory fees to be paid by check as indicated in the Investment Advisory Agreement. You are encouraged to review your account statements for accuracy.

Either GWS&A or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be prorated to the date of termination, for the quarter in which the cancellation notice was given and refunded to your account. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of a client's death or disability, GWS&A will continue management of

the account until we are notified of the client's death or disability and given alternative instructions by an authorized party.

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**FINANCIAL PLANNING FEES**

Our Firm offers financial planning services for a separate fee. In this circumstance, we will negotiate the planning fees with you. Fees may vary based on the extent and complexity of your individual or family circumstances and the amount of your assets under our management. Our fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether you intend to implement any recommendations through GWS&A.

Financial Planning fees are fixed and range from \$400 to \$25,000. The specific fee for your financial plan will be discussed with you and specified in your planning agreement with GWS&A.

Your billing method is agreed to in advance of performing services and is agreed to and acknowledged in the Financial Planning Agreement executed by you and our Firm. Fifty percent (50%) of the Financial Planning Fee is collected upon signing the Financial Planning agreement and the other fifty percent is due upon delivery of the Plan to you. The specific fee for your financial plan will be discussed with you and specified in the Financial Planning Agreement with GWS&A. Typically, we complete a plan within a month and will present it to you within 90 days of the contract date, if you have provided us all information needed to prepare the financial plan. If you choose to terminate the Financial Planning Agreement, you must provide us with written notice. Upon termination, any earned fees will be billed hourly at a rate of \$400/hour and any unearned fees will be refunded at an hourly rate of \$400/hour.

Fees can be paid via check to GWS&A or can be invoiced and processed through a third-party nonaffiliated service, AdvicePay. Clients will be asked to set up their bank account or credit card at AdvicePay to enable credit card or ACH payments. While AdvicePay allows firms like GWS&A to receive payments directly from the client's credit card or bank account, it does not give GWS&A access to the bank account itself, nor to any of the client's credit card or bank account information. GWS&A is not able to initiate any additional payments via AdvicePay as agreed upon and outlined in the Agreement. Financial Planning fees may be fixed or hourly.

We will not require prepayment of more than \$1200 in fees per client, six (6) or more months in advance of providing any services. In no case are our fees based on, or related to, the performance of your funds or investments.

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**RETIREMENT PLAN SERVICES**

For Retirement Plan Advisory Services compensation, we charge an advisory fee as negotiated with the Plan Sponsor and as disclosed in the Employer Sponsored Retirement Plans Consulting Agreement (“Plan Sponsor Agreement”).

Plan Sponsors are billed a flat dollar fixed fee or a percentage of assets under our Firm’s management. Fixed fees range from \$3,000 to \$25,000 and asset-based pricing ranges from 0.15-0.75%. Fees are billed monthly in arrears. This fee is generally negotiable, but terms and advisory fee is agreed to in advance and acknowledged by the Plan Sponsor through the Plan Sponsor Agreement and/or Plan Provider’s account agreement. Fee billing methods vary depending on the Plan Provider.

Either our Firm or the Plan Sponsor may terminate the Agreement upon 30 days written notice to the other party. The Plan Sponsor is responsible to pay for services rendered until the termination of the Agreement.

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**CONSULTING SERVICES**

GWS&A provides hourly planning services for clients who need advice on a limited scope of work. GWS&A will negotiate consulting fees with you. Fees may vary based on the extent and complexity of the consulting project. The hourly rate for limited scope engagements is \$400. You will be billed monthly as services are rendered.

Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described above. You should be aware that lower fees for comparable services may be available from other sources.

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**FEES FOR TRUSTEE ADMINISTRATIVE SERVICES**

Fees for these services are in addition to investment advisory service fees. The fees for Consultant’s services are set forth in the Consulting Agreement. An initial onboarding fee is due upon execution of the Agreement. The negotiated Annual Fee reflects all time spent by Consultant gathering and compiling Client information, conferring with Client, and/or any other activities directly associated with carrying out Consultant’s obligations. Fees are billed annually on a date as agreed upon in the Consulting Agreement. Fees are negotiable and are based upon the services being performed throughout the year by the Consultant acting its capacity. Clients should note that similar services may or may not be available from other registered (or unregistered) investment advisers for similar or lower fees. Upon termination, there are no refunds of fees that have already been paid to GWS&A. In the event of a change in the amount and/or services of the Annual Fixed Fee for subsequent renewals, the grantor will be provided with written notice thirty (30) days prior to the billed date.

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**ADMINISTRATIVE SERVICES**

Our Firm utilizes a third party and technology platform to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, the third-party vendor will have access to client information, but will not serve as an investment advisor to our clients. GWS&A and this third party are non-affiliated companies. These third-party charges our Firm an annual fee for each account administered by the third party. The annual fee is paid from the portion of the management fee retained by us.

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**ADDITIONAL FEES AND EXPENSES**

In addition to the advisory fees paid to our Firm, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively “Financial Institutions”). These additional charges include custodial fees, charges imposed by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, regulatory fees assessed by the SEC and/or FINRA, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Our brokerage practices are described at length in Item 12, below.

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**REGULATORY FEES**

To facilitate the execution of trades, regulatory Trading Activity Fees (TAF) are added to applicable sales transactions. The Securities and Exchange Commission (SEC) regulatory fee is assessed on client accounts for sell transactions, and a FINRA fee is assessed on client accounts for sell transactions, for certain covered securities. This fee is not charged by our Firm but is assessed and collected by the custodian. The Custodian that our Firm uses, is a FINRA member firm. These fees recover the costs incurred by the SEC and FINRA, for supervising and regulating the securities markets and securities professionals. The fee rates vary depending on the type of transaction and the size of that transaction.

For more information on the SEC and FINRA fees, please visit their websites:

[www.sec.gov/fast-answers/answerssec31htm.html](http://www.sec.gov/fast-answers/answerssec31htm.html)

[www.finra.org/industry/trading-activity-fee](http://www.finra.org/industry/trading-activity-fee)

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**NON-TRANSACTION FEE (NTF) MUTUAL FUNDS**

When selecting investments for our clients’ portfolios we might choose mutual funds on your account custodian’s Non-Transaction Fee (NTF) list. This means that your account

custodian will not charge a transaction fee or commission associated with the purchase or sale of the mutual fund.

The mutual fund companies that choose to participate in your custodian's NTF fund program pay a fee to be included in the NTF program. The fee that a mutual fund company pays to participate in the program is ultimately borne by the owners of the mutual fund including clients of our Firm. When we decide whether to choose a fund from your custodian's NTF list or not, we consider our expected holding period of the fund, the position size and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in your best interest.

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

Our Firm does not engage in performance-based fees. No supervised person is compensated by performance-based fees. Performance-based fees may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk.

#### ITEM 7 - TYPES OF CLIENTS

Our Firm works with the following types of clients: individuals, high net-worth individuals, foundations, employer sponsored retirement plans, charitable organizations, institutions, trusts and estates.

We do not impose a minimum account value to initiate our Firm's advisory and money management services but as indicated above in Item 5 Fees & Compensation, the Firm will impose a minimum flat advisory fee of \$1,500 annually.

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

GWS&A takes a macro-environmental approach to tactical asset allocation with sector rotation and uses a relative growth/value framework in determining sub-asset classes. This top-down method allows GWS&A to assess the investing landscape and provide recommendations as to when and where it may be advantageous to modify exposures within the asset classes, market segments, and sectors.

**GROWTH STRATEGIES:** GWS&A's growth strategies consist of investments spanning a broad range of asset classes that are selected for their long-term risk/return characteristics as well as their correlation to the overall markets and appropriateness for each client's portfolio. The resulting blended allocation is used as the foundation for the client's growth portfolio. Portfolio rebalancing is discretionary and will be based on individual portfolio considerations. There is no guarantee as to the number of times a portfolio is rebalanced each year. Other asset classes and opportunistic investments are

added to the growth portfolio to create a customized allocation that is appropriate for client's investment objectives, time horizon, and risk tolerance. Examples of investments which may be included as part of GWS&A's growth strategies include individual equities and exchange traded funds (ETFs).

**FIXED INCOME STRATEGIES:** Fixed income investments such as bonds, notes, and certificates of deposit are intended to provide diversification, generate income, and to preserve and protect assets. Generally, the stabilizing influence of fixed income comes at the cost of lower returns relative to growth investments. GWS&A's fixed income portfolios generally consist of high quality domestically issued bonds, both taxable and tax-free. Examples of investments which may be included as part of GWS&A's fixed income strategies include individual government, municipal, and corporate bonds, certificates of deposits, exchange traded funds (ETFs), and money markets.

While there may be some similarities in the portfolios created by Global Wealth Strategies & Associates, LLC we understand that every client has their own unique planning needs. We have the ability and flexibility to create portfolios to help our client achieve their goals. We may utilize the following forms of analysis:

- **Fundamental Analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.
- **Quantitative Analysis:** We use mathematical ratios and other performance appraisal methods in an attempt to obtain more accurate measurements of a model manager's investment acumen, idea generation, consistency of purpose and overall ability to outperform their stated benchmark throughout a full market cycle. Additionally, we perform periodic measurements to assess the authenticity of returns. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.
- **Technical Analysis:** We use this method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.



Technical analysts believe that the historical performance of stocks and markets are indications of future performance. Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

- **Asset Allocation:** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

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#### MUTUAL FUND SHARE CLASS

Generally, our Firm does not recommend mutual funds holdings in our client portfolios/investment strategies, however, some clients may hold mutual funds in their accounts for various reasons including tax strategies or legacy assets. If we need to render advice on mutual fund holdings, our Firm will purchase institutional share classes of those mutual funds. The institutional share class generally has the lowest expense ratio. The expense ratio is the annual fee that all mutual funds or ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for a fund's expenses, including 12b-1 fees,

management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Some fund families offer different classes of the same fund, and one share class may have a lower expense ratio than another share class. These expenses come from client assets which could impact the client's account performance. Mutual fund expense ratios are in addition to our fee, and we do not receive any portion of these charges. If an institutional share class is not available for the mutual fund selected, the adviser will purchase the least expensive share class available for the mutual fund. As share classes with lower expense ratios become available, we may use them in the client's portfolio, and/or convert the existing mutual fund position to the lower cost share class. Clients who transfer mutual funds into their accounts with our Firm would bear the expense of any contingent or deferred sales loads incurred upon selling the product. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits, or tax harvesting). All mutual fund expenses and fees are disclosed in the respective mutual fund prospectus.

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**RISK OF LOSS**

A client's investment portfolio is affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic conditions, changes in laws and national and international political circumstances.

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. GWS&A will assist Clients in determining an appropriate strategy based on their tolerance for risk.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account(s). GWS&A shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform GWS&A of any changes in financial condition, goals or other factors that may affect this analysis.

Our methods rely on the assumption that the underlying companies within our security allocations are accurately reviewed by the rating agencies and other publicly available sources of information about these securities, are providing accurate and unbiased data.

While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investors should be aware that accounts are subject to the following risks:

- **MARKET RISK** - Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.
- **FOREIGN SECURITIES AND CURRENCY RISK** - Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.
- **CAPITALIZATION RISK** - Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services. Their stocks have historically been more volatile than the stocks of larger, more established companies.
- **INTEREST RATE RISK** - In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.
- **CREDIT RISK** - Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and thus, impact the fund's performance.
- **LIQUIDITY RISK**: Liquidity risk is the risk that there may be limited buyers for a security when an investor wants to sell. Typically, this results in a discounted sale price in order to attract a buyer.
- **DEFAULT RISK** - A default occurs when an issuer fails to make payment on a principal or interest payment.
- **EVENT RISK** - Event risk is difficult to predict because it may involve natural disasters such as earthquakes or hurricanes, as well as changes in circumstance from regulators or political bodies.
- **POLITICAL RISK** - Political risk is the risk associated with the laws of the country, or to events that may occur there. Particular political events such as a government's change in policy could restrict the flow of capital.
- **DURATION RISK** - Duration is a way to measure a bond's price sensitivity to changes in interest rates. The duration of a bond is determined by its maturity date, coupon rate, and call feature. Duration is a method to compare how different bonds will react to interest rate changes. If a bond has a duration of five (5) years it means that the value of that security will decline by approximately five percent (5%) for every one percent (1%) increase in interest rates.
- **REINVESTMENT RISK**: Reinvestment risk is the risk that future interest and principal payments may be reinvested at lower yields due to declining interest rates.

- **TAX RISK:** For municipal bonds, depending on the client's state of residence, the interest earned on certain bonds may not be tax-exempt at the state level. Also, changes in federal tax policy may impact the tax treatment of interest and capital gains of an investment.
- **REGULATORY RISK:** Market participants are subject to rules and regulations imposed by one or more regulators. Changes to these rules and regulations could have an adverse effect on the value of an investment.
- **CONCENTRATION RISK:** The risk of amplified losses that may occur from having a large portion of your holdings in a particular investment, asset class or market segment relative to your overall portfolio.
- **SECURITIES LENDING RISK** - Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.
- **EXCHANGE-TRADED FUNDS** - ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets, and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."
- **CYBERSECURITY RISK** - In addition to the Material Investment Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at our firm or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.
- **COMMODITIES RISK** - Exposure to commodities in Adviser Clients accounts is in non-physical form, such as ETFs or mutual funds, there are risks associated with the movement in gold prices and the ability of the fund or trust manager to respond or deal with those price movements. There also may be initial charges as well as annual management fees associated with the fund or trust.
- **DIGITAL CURRENCY** - Our Firm's use of digital currency in a model portfolio is limited only to publicly traded securities that passively or actively invest in digital currency assets. The

shares of certain Products are also publicly quoted on OTC Markets and shares that have become unrestricted in accordance with the rules and regulations of the SEC may be bought and sold throughout the day through any brokerage account. Cryptocurrency (notably, bitcoin), often referred to as “virtual currency”, “digital currency,” or “digital assets,” operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. If deemed appropriate, Clients may have exposure to bitcoin, a cryptocurrency. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrencies (i.e., bitcoin) may experience very high volatility. Cryptocurrency is also not legal tender. Federal, state, or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers, or malware. Due to its relatively recent launch, bitcoin has a limited trading history, making it difficult for investors to evaluate investments in this cryptocurrency. It is possible that another entity could manipulate the blockchain in a manner that is detrimental to the bitcoin network. Bitcoin transactions are irreversible such that an improper transfer can only be undone by the receiver of the bitcoin agreeing to return the bitcoin to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network’s long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies. Investments in the Products are speculative investments that involve high degrees of risk, including a partial or total loss of invested funds. The shares of each Product are intended to reflect the price of the digital asset(s) held by such Product (based on digital asset(s) per share), less such Product’s expenses and other liabilities. Because each Product does not currently operate a redemption program, there can be no assurance that the value of such Product’s shares will reflect the value of the assets held by such Product, less such Product’s expenses and other liabilities, and the shares of such Product, if traded on any secondary market, may trade at a substantial premium over, or a substantial discount to, the value of the assets held by such Product, less such Product’s expenses and other liabilities, and such Product may be unable to meet its investment objective.

- **OPTION RISK:** Variable degree of risk. Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e., put or call) which they contemplate trading and the associated risks. Traders of options should calculate the extent to which the value of the options must increase for the position to become profitable, taking into account the premium and all transaction costs.
  - The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results either in a cash settlement or in the

purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see the section on Futures below). If the purchased options expire worthless, the purchaser will suffer a total loss of the investment. In purchasing deep out-of-the-money options, the purchaser should be aware that the chance of such options becoming profitable ordinarily is remote.

- Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller being obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin (see the section on Futures below). If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.
- Certain exchanges in some jurisdictions permit deferred payment of the option premium, exposing the purchaser to liability for margin payments not exceeding the amount of the premium. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.
- **MARGIN RISK:** When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your brokerage firm. If you choose to borrow funds through a margin account, securities purchased are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts held with the member, in order to maintain the required equity in the account. Investing with margin is characterized by unique risks including amplified losses due to increased leverage; margin calls; forced liquidations; and additional fees including margin interest charges. In order to manage margin risk, we recommend leveraging responsibly (borrowing less than the amount available); keeping a diversified portfolio; and monitoring the account and evaluating risk regularly. Before investing on margin, be sure to read the Margin Disclosure Statement provided by your custodian.

## ITEM 9 - DISCIPLINARY INFORMATION

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

management. Our Firm has not been subject to any legal or disciplinary events to disclose.

## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### INSURANCE

Global Wealth Strategies Insurance, LLC is a registered insurance agency with the State of Colorado. Global Wealth Strategies Insurance, LLC is owned 100% by Adam Way. Some of our Investment Advisor Representatives (“IARs”) are licensed insurance agents and sell various non-variable, life insurance products and long-term care. Our IARs receive compensation (commissions, trails, or other compensation from the respective product sponsors) as a result of effecting insurance transactions for clients. A portion of the time IARs spend (generally less than 10%) is in connection with these insurance activities and it represents 100% of the ongoing revenue for Global Wealth Strategies Insurance, LLC. The advisor has an incentive to recommend insurance and this incentive creates a conflict of interest between your interests and our Firm. Clients should note that they have the right to decide whether or not to engage the services of our IARs. Further, clients should note they have the right to decide whether to act on the recommendations and the right to choose any professional to execute the advice for any insurance products through our IAR or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any conflicts of interest.

### ACCOUNTING SERVICES

Some IARs of the Firm are Certified Public Accountants (CPAs) which provide tax services to individuals and corporations through a separate and independent firm from GWS&A. The IARs will receive additional compensation for the tax services performed by the CPA related work. Any fees received through the tax services do not offset advisory fees the client may pay for advisory services under our Firm. However, clients should note that they have the right to decide whether or not to engage in services with the CPA firm. As a result, a conflict arises between your interests and our Firm’s interest. However, at all times our Firm and its IARs will act in your best interest and act as a fiduciary in carrying out services provided to you.

### OTHER AFFILIATIONS

Adam Way is Managing Member of Way Holdings, LLC, which is 100% owner of the Firm GWS&A, LLC (Global Wealth Strategies and Associates). Additionally, Adam Way is a Managing Member for other non-investment related entities. These entities are used for

personal real estate holdings and personal private investments. Adam Way's Supplemental 2B Brochure offers more detail on his outside entities.

Additionally, management personnel of GWS&A may engage in outside business activities. As such, these individuals can receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of investment advisory Clients. Clients are not under any obligation to engage these individuals when considering implementation of these outside recommendations. The implementation of any or all recommendations is solely at the discretion of the Client.

Our Firm does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Neither our firm nor any of its management persons are registered or have an application pending to register as a broker-dealer.

Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. Our Firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees.
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees.
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives, and liquidity needs.
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances.
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed.
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and



- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

#### ITEM 11 - CODE OF ETHICS

Our Firm and persons associated with us are allowed to invest for their own accounts, or to have a financial investment in the same securities or other investments that we recommend or acquire for your account and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, and the prohibition against the use of inside information.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the Firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of GWS&A , safeguard against the violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the Firm's ethical principles.

We have established the following restrictions in order to ensure our Firm's fiduciary responsibilities:

- No supervised employee of GWS&A shall prefer his or her own interest to that of the advisory client. Trades for supervised employees are traded alongside client accounts.
- We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of GWS&A .
- We emphasize the unrestricted right of the client to decline implementation of any advice rendered, except in situations where we are granted discretionary authority of the client's account.
- We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Any supervised employee not in observance of the above may be subject to termination.

None of our associated persons may affect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the Firm's procedures.

You may request a complete copy of our Code by contacting us at the address, telephone, or email on the cover page of this Part 2; ATTN: Adam Way, AEP®, AIF®, CFP®, ChFC®, CLTC, CLU®, Chief Compliance Officer.

## ITEM 12 - BROKERAGE PRACTICES

### THE CUSTODIAN AND BROKERS WE USE

Clients must maintain assets in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. Advisor Services ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when we instruct them to.

While we recommend that clients use Schwab as Custodian, client must decide whether to do so and open accounts with Schwab by entering into account agreements directly with Schwab. The accounts will always be held in the name of the client and never in our Firm's name. Even though clients maintain accounts at Schwab, we can still use other brokers to execute trades for client accounts (see Client Brokerage and Custody Costs, below).

### HOW WE SELECT BROKERS/CUSTODIANS

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to buy and sell securities for client accounts
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services

7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to our Firm and our other clients
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Schwab)

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**CLIENT BROKERAGE AND CUSTODY COSTS**

For client accounts that Schwab maintains, Schwab generally does not charge separately for custody services. However, Schwab receives compensation by charging ticket charges or other fees on trades that it executes or that settle into clients' Schwab accounts. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different custodian but where the securities bought or the funds from the securities sold are deposited (settled) into a client's Schwab account. These fees are in addition to the ticket charges or other compensation the client pays the executing custodian. To minimize these trading costs, we have Schwab execute most trades for client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Brokers/Custodians).

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**PRODUCTS AND SERVICES AVAILABLE TO US FROM SCHWAB**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide our Firm and our clients with access to 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 which help us manage or administer our clients' accounts and help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered soft dollar benefits because there is an incentive to do business with Schwab. This creates a conflict of interest. We recognize the fiduciary responsibility to place clients' interests first and have established policies in this regard to mitigate any conflicts of interest. Following is a more detailed description of Schwab's support services:

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**SERVICES THAT BENEFIT OUR CLIENTS**

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit our clients and their accounts.

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**SERVICES THAT MAY NOT DIRECTLY BENEFIT OUR CLIENTS**

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

1. Provides access to client account data (positions, trades, statements, cost basis, etc).
2. Facilitates trade execution and allocates aggregated trade orders for multiple client accounts.
3. Provides pricing and other market data.
4. Facilitates payment of our fees from our clients' accounts.
5. Assists with back-office functions, recordkeeping, and client reporting.

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**SERVICES THAT GENERALLY BENEFIT ONLY US**

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications or conferences on practice management & business succession
4. 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 us. Schwab may also discount or waive its fees for some of these services or pay all or part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel. Schwab did provide monetary support toward our Compliance Consultant

engagement, Black Diamond subscription and reimbursement of account transfer fees for clients moving accounts to Schwab. Schwab provides these additional services and support to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to Schwab for this. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by our Firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of the Custodian for custody and brokerage services. The Custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.

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**OUR INTEREST IN SCHWAB'S SERVICES**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab. We believe that our selection of Schwab as custodian and broker is in the best interest of our clients.

Some of the products, services and other benefits provided by Schwab benefit our Firm and may not benefit our client accounts. Our recommendation or requirement that clients place assets in Schwab's custody may be based in part on benefits Schwab provides to us, or our agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

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**BROKERAGE FOR CLIENT REFERRALS**

Our Firm does not receive client referrals from any custodian or third party in exchange for using that custodian or third party.

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**AGGREGATION AND ALLOCATION OF TRANSACTIONS**

GWS&A may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day. Our Firm does not aggregate trades of our personnel with those of client accounts.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the

particular circumstances, we will base the allocation on other relevant factors, which may include:

- When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash.
- With respect to sale allocations, allocations may be given to accounts low in cash.
- We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates.
- We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block.
- If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed.
- If a pro-rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, we may exclude the account(s) from the allocation and disgorge any profits. Generally, de minimis allocations do not exceed 5% of the total allocation. Additionally, we may execute the transactions on a pro-rata basis.
- We will document the reasons for any deviation from a pro-rata allocation.

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#### **TRADE ERRORS**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the custodian, the custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

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**DIRECTED BROKERAGE**

We do not routinely require that you direct us to execute transactions through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

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**ITEM 13 - REVIEW OF ACCOUNTS**

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**ACCOUNT REVIEWS AND REVIEWERS – INVESTMENT SUPERVISORY SERVICES**

Our Investment Adviser Representatives will monitor client accounts on a regular basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance, and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax, or financial status. Geopolitical and macroeconomic specific events may also trigger reviews. You are urged to notify us of any changes in your personal circumstances.

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**STATEMENTS AND REPORTS**

Reports from our Firm are generated for clients on an annual basis or as requested. These reports show the rate of return of accounts under management of GWS&A .

The custodian for the individual client's account will also provide clients with an account statement at least quarterly. You are urged to compare the reports provided by GWS&A against the account statements you receive directly from your account custodian.

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**ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

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Our firm does not receive direct compensation for client referrals.

Affiliated or unaffiliated persons ("promoters") may, from time to time, refer, solicit, or introduce clients to our Firm. Our Firm may compensate certain promoters consistent with the requirements of applicable law and regulation, including the Advisers Act as well as applicable state/local laws and regulations. We may pay a promoter a recurring fee, a one-time fee or a portion of the advisory fees or revenues that we earn for managing client or investor assets referred to us by the promoter. The costs of such referral fees are typically paid entirely by our Firm and do not result in any additional charges to the client or investor.

Our Firm may be asked to recommend a financial professional, such as an attorney, accountant or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional

network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business. Individuals and firms in our financial professional network may refer clients to our Firm. Again, our Firm does not pay any direct compensation in return for any referrals made to our Firm. Our Firm does recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing-expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

#### ITEM 15 – CUSTODY

Custody has been defined by regulators as having access or control over client funds and/or securities. Our firm does not have physical custody of funds or securities, as it applies to investment advisors. However, our firm does have indirect access to insurance accounts held with our affiliated insurance entity, Global Wealth Strategies Insurance, LLC.

Per SEC regulations, we are deemed to have custody because, for certain clients, we or an affiliate:

- Have entered into an arrangement with the client, per the client's request, in which we are able to withdraw funds from the client's account (including bill-pay services or other withdrawals made pursuant to standing letters of client authorization); and/or
- Have client-authorized access to an account, with the ability to withdraw or transfer funds from the account; and/or
- Provide trustee-administration services to assist clients in meeting long-term estate planning goals. The SEC requires that firms who have custody for the reasons listed above are subject to an annual surprise audit to be conducted by an independent CPA firm which is registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). We have complied with the requirements concerning such surprise audits and will continue to do so in the future.



We are also deemed to have constructive custody over those client accounts where we are able to deduct our fees directly from the account. As long as we comply with certain regulatory requirements, this constructive custody does not mandate that we undergo a surprise audit for those accounts. Our clients receive account statements directly from the qualified custodian at least quarterly. We also send clients quarterly reports that we produce using our portfolio accounting system. We strongly urge our clients to compare such reports with the statements received from the qualified custodian. Furthermore, when we calculate our investment management fees and instruct the custodian to remit these fees to us directly from clients' accounts, the custodian does not verify our calculation of fees. We perform quarterly testing to ensure that our fees are charged in accordance with the client's Agreement.

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#### **STANDING LETTERS OF AUTHORIZATION – THIRD PARTIES**

While our firm does not maintain physical custody of client assets (which are maintained by a qualified custodian, as discussed above), we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts, as further described below under "Standing Instructions". All our clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our clients to carefully review these statements. Additionally, if our firm decides to send its own account statements to clients, such statements will include a legend that recommends the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our Firm has adopted the following safeguards in conjunction with our custodians:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.

- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

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#### **DEDUCTION OF ADVISORY FEES**

GWS&A is deemed to have custody of client funds and securities whenever GWS&A is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody GWS&A will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

Account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from GWS&A. When you have questions about your account statements, you should contact GWS&A or the qualified custodian preparing the statement.

#### **ITEM 16 – INVESTMENT DISCRETION**

For discretionary accounts, prior to engaging GWS&A to provide investment advisory services, you will enter a written Agreement with us granting the Firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable GWS&A, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell, or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the amount of securities to be bought or sold, and (3) place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client.

In some instances, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

#### **ITEM 17 – VOTING YOUR SECURITIES**

We will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not act with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular proxy solicitation by phone at 720-420-4870.

#### **ITEM 18 – FINANCIAL INFORMATION**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.