

## **Item 1 – Cover Page**

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### **Wrap Fee Program Brochure ADV Part 2A Appendix 1**

Date of Appendix 1: March 26, 2024

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This wrap fee program brochure provides information about the qualifications and business practices of the firm G. DeWayne McAnally. If you have any questions about the contents of this brochure, please contact Mr. McAnally at 888-488-4625 or at [dewayne@gdmcanally.com](mailto:dewayne@gdmcanally.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about the investment adviser firm G. DeWayne McAnally, LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for our name G. DeWayne McAnally, LLC or our firm CRD number **118511**.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

This brochure provides prospective clients with information about G. DeWayne McAnally, LLC that should be considered before or at the time of obtaining our advisory services.

This brochure is required to be updated at least annually, or sooner when material changes to our business take place.

On March 26, 2024, we submitted our annual updating amendment for fiscal year 2023. We have updated the Brochure to disclose discretionary assets under management of approximately \$129,119,154 and non-discretionary assets under management of approximately \$0.

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## **Item 4 – Services, Fees and Compensation**

### **Investment Management Services**

G. DeWayne McAnally, LLC (hereinafter “GDM” or “the firm”) offers a wrap fee program, Navigator Plus Wrap Fee Program (“the Wrap Fee Program”), whereby GDM manages client accounts for a single, bundled fee that includes portfolio management services, custodial services, and transaction/commission costs. Under the Wrap Fee Program, GDM offers discretionary investment advice designed to assist clients in obtaining professional portfolio management for an inclusive “wrap fee.”

As used in this Brochure, the term “Associated Person” refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

GDM provides Investment Management Services by identifying your needs, goals, risk tolerance, and time horizon and by performing a regular analysis and review of portfolios utilizing a quantitative and qualitative approach. Our firm provides advice concerning the attainment, holdings, management, reinvestment and disposition of cash, securities, and other assets of your portfolio in relationship to the suitability of your financial needs and goals.

Analytical tools, research and software will be used to determine your investment goals and objectives. These tools can address any level of risk from conservative to aggressive portfolios, tailored to fit your financial needs.

GDM provides investment management services through accounts maintained at Charles Schwab & Co., Inc., (“Schwab”) or other designated custodians. The designated custodian will maintain custody of all funds and securities. Our firm will not have direct access to client funds and securities.

The portfolio management services for the Wrap Fee Program are offered on a discretionary basis. Our investment advice is tailored to meet our clients' needs and investment objectives. Subject to any written guidelines that you may provide, we will be granted discretionary authority to manage your account. Once the portfolio allocation has been agreed upon, the ongoing supervision and management of the portfolio will be our responsibility. Discretionary authorization is granted to us by you in a written agreement. This allows our firm to decide on specific securities, the quantity of the securities and placing buy or sell orders for your account without obtaining your approval for each transaction. This type of authorization is granted using either the investment advisory agreement the client signs with our firm, a limited power of attorney agreement, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with restrictions and guidelines in writing.

Wrap accounts are managed to diversify clients' investments and the firm will typically construct each client's account using mutual funds, exchange traded funds (ETFs), bonds, equities and other investment tools, to build diversified portfolios.. Additionally, will provide advice on existing investments you may hold at the inception of the advisory relationship or on other types of investments for which you ask advice. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

Asset allocation models diversified among investment styles and/or asset classes are developed and managed by us based on research conducted by GDM. Once the client portfolio is constructed, GDM provides continuous supervision of the portfolio as changes in the market conditions and client circumstances may require. Investments and allocations are determined based upon the clients' predefined objectives, risk tolerance, time horizons, financial horizons, financial information, and other various suitability factors. Further restrictions and guidelines imposed by clients may affect the composition and performance of a client's portfolio. As such, different clients of our firm may have significant differences in their asset allocation. For these reasons, performance of one client's portfolio might not be identical with another client's even if both clients have similar risk parameters. We review the clients' financial circumstances and investment objectives on a regular basis and make adjustments to clients' portfolios or allocation models as may be necessary to achieve the desired results. At all times, our firm requires each Associated Person to uphold their fiduciary duty by providing advice that in our judgement is in the Client's best interest.

## **Management Fees**

GDM offers investment management services for a percentage of assets under management. The fee schedule for this service is:

<b>Assets under management</b>	<b>Annual Fee</b>
Under \$250,000	1.35 %
\$250,000 - \$500,000	1.20 %
\$500,001 - \$750,000	1.05 %
Over \$750,000	0.90 %

Fees are negotiable depending on the needs of the client and complexity of the situation. The exact fee for services will be agreed upon and disclosed in the client agreement prior to services being provided.

Fees for our investment management services are normally billed quarterly in advance based on the value of your account at the end of the previous quarter. Other billing arrangements may be offered. Fees are generally deducted directly from your account. You must provide the custodian with written authorization to have fees deducted from the account and paid to G. DeWayne McAnally, LLC. Upon our discretion, you may pay fees directly to our firm. If you pay fees directly, payment is due upon receipt of the billing statement from our firm. Fees will be prorated based on the number of days that services are provided when the account is established or terminated at any time other than the beginning of a calendar quarter. Any hourly fees that are charged will be billed directly to the client after the hourly services have been rendered.

The custodian will send you statements, at least quarterly, showing all disbursements for the account including the amount of the advisory fee, if such fee is deducted directly from your account.

GDM receives a portion of the Wrap Fee for portfolio management services and Schwab will receive a portion of the fee for trade execution and custodial services. The terms and conditions under which a client participates in the Wrap Fee Program are set forth in the written agreement between the client and GDM. The overall cost incurred from participation in the Wrap Fee Program may be higher or lower than if the services were purchased separately.

In addition, you may incur certain charges imposed by third parties other than our firm in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, and IRA and qualified retirement plan fees. Management fees charged by our firm are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

The minimum account balance required to open a Managed Account is \$25,000; however, GDM may, at its discretion, reduce the minimum managed account balance, and may negotiate fees with employees, or clients. Fees will be charged against the managed assets, including cash balances, money market fund shares and other Managed Account positions.

Although we believe our fees are reasonable in relation to the services provided, you should be aware comparable services may be available from other sources. Fees for our services may be more or less than the cost of purchasing the same services separately through other investment advisers.

### IRA Rollover Considerations:

As a normal extension of financial advice, we provide education or recommendations related to the rollover of an employer-sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

An Associated Person who recommends an investor roll over plan assets into an Individual Retirement Account ("IRA") may earn an asset-based fee as a result, but no compensation if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, fees and expenses will increase to the investor as a result because the above-described fees will apply to assets rolled over to an IRA and outlined ongoing services will be extended to these assets.

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 interests and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

**Billing on Cash Positions:** The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

**Periods of Portfolio Inactivity:** The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

### ***Termination of Agreements***

Your agreement may be cancelled at any time, by either party, for any reason, upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. You have the right to terminate an agreement without penalty within five business days after entering the agreement.

## **Item 5 – Account Requirements and Types of Clients**

We currently provide investment advisory services to individuals (including high net worth individuals, trusts, and estates), pension and profit sharing plans, corporations, and other business entities. However, we may also offer our services to charitable organizations or other types of clients.

The minimum account balance required to open a Managed Account is \$25,000; however, GDM may, at its discretion, reduce the minimum managed account balance. Accounts valued under \$25,000 may be subject to more risk and volatility that can exist with trying to diversify smaller accounts and absorb market fluctuations.

## **Item 6 – Portfolio Manager Selection and Evaluation**

Our Adviser Representatives Mr. McAnally and Grant Milner act as the portfolio managers for our wrap fee program. Our wrap fee program does not allow for the use of portfolio managers that are not associated with us. Therefore, conflicts of interest present in other wrap fee programs that make available both affiliated and unaffiliated portfolio managers are not present in our program. Because our wrap fee program does not provide for a multitude of outside portfolio managers, we do not have procedures designed to select outside portfolio

managers. Many of the disclosures required in the Item 6 Wrap Fee Program Brochure instructions do not apply to us. The disclosures that do apply are answered below.

Where required, Associated Persons responsible for the management of the account are registered as investment adviser representatives. Clients should refer to each Associated Person's Form ADV Part 2B Supplement, provided to you along with the copy of our disclosure brochure, for more information about their disciplinary, business, and educational backgrounds. Please contact us at 888-488-4625 with any questions you may have.

Clients will receive statements directly from their account custodian(s) at least quarterly.

### **Other Advisory Services**

Please refer to Item 4 of the firm's Form ADV Part 2A Disclosure Brochure above for information about other advisory services offered by GDM.

### **Performance-Based Fees and Side-By-Side Management**

Performance-based fees are based on a share of capital gains on or capital appreciation of the client's assets. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account(s).

### **Methods of Analysis and Investment Strategies**

GDM uses the following methods of analysis in formulating investment advice:

Charting: The set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Cyclical: Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

Fundamental: This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Technical: This is a 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.

### **Investment Strategies**

GDM uses the following investment strategies when managing client assets and/or providing investment advice:

- Long term purchases: Investments held at least a year.
- Short term purchases: Investments sold within a year.
- Trading: Investments sold within 30 days.
- Option writing including covered options, uncovered options, or spreading strategies: Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

Market Risk - Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.

Equity (stock) market risk- Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

Concentrated Position Risk: Certain Associated Persons may recommend that clients concentrate account assets in an industry or economic sector. In addition to the potential concentration of accounts in one or more sectors, certain accounts may, or may be advised to, hold concentrated positions in specific securities. Therefore, at times, an account may, or may be advised to, hold a relatively small number of securities positions, each representing a relatively large portion of assets in the account. As a result, the account will be subject to greater volatility than a more sector diversified portfolio. Investments in issuers within an industry or economic sector that experiences adverse economic, business, political conditions or other concerns will impact the value of such a portfolio more than if the portfolio's investments were not so concentrated. A change in the value of a single investment within the portfolio will affect the overall value of the portfolio and will cause greater losses than it would in a portfolio that holds more diversified investments.

Cybersecurity Risks: Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses



as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

Cryptocurrency Risk: Cryptocurrency (e.g., bitcoin and ether), often referred to as “virtual currency”, “digital currency,” or “digital assets,” is designed to act as a medium of exchange. Cryptocurrency is an emerging asset class. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Certain of the firm's clients may have exposure to bitcoin or another cryptocurrency, directly or indirectly through an investment such as an ETF or other investment vehicles. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrencies may experience very high volatility and related investment vehicles may be affected by such volatility. As a result of holding cryptocurrency, certain of the firm's clients may also trade at a significant premium or discount to NAV. 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 market price of many cryptocurrencies, including bitcoin, has been subject to extreme fluctuations. If cryptocurrency markets continue to be subject to sharp fluctuations, investors may experience losses if the value of the client's investments decline. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies are susceptible to theft, loss and destruction. Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. 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 relatively recent launches, most cryptocurrencies have a limited trading history, making it difficult for investors to evaluate investments. Generally, cryptocurrency transactions are irreversible such that an improper transfer can only be undone by the receiver of the cryptocurrency agreeing to return the cryptocurrency 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.

Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrency are uncertain and an investment in cryptocurrency may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies. Certain cryptocurrency investments may be treated as a grantor trust for U.S. federal income tax purposes, and an investment by the firm's clients in such a vehicle will generally be treated as a direct investment in cryptocurrency for tax purposes and “flow-through” to the underlying investors.

Environment, Social, and Governance Investment Criteria Risk - If a portfolio is subject to certain environmental, social and governance (ESG) investment criteria it may avoid purchasing certain securities for ESG reasons when it is otherwise economically advantageous to purchase those securities, or may sell certain securities for ESG reasons when it is otherwise economically advantageous to hold those securities. In general, the application of the portfolio's ESG investment criteria may affect the portfolio's exposure to certain issuers, industries, sectors and geographic areas, which may affect the financial performance of the portfolio, positively or negatively, depending on whether these issuers, industries, sectors or geographic areas are in or out of favor. An adviser can vary materially from other advisers with respect to its methodology for constructing ESG portfolios or screens, including with respect to the factors and data that it collects and evaluates as part of its process. As a result, an adviser's ESG portfolio or screen may materially differ from or contradict the conclusions reached by other ESG advisers concerning the same issuers. Further, ESG criteria are dependent on data and are subject to the risk that such data reported by issuers or received from third-party sources may be subjective, or it may be objective in principle but not verified or reliable.

**Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

**Fixed Income Risk.** When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

**Preferred Securities Risk:** Preferred Securities have similar characteristics to bonds in that preferred securities are designed to make fixed payments based on a percentage of their par value and are senior to common stock. Like bonds, the market value of preferred securities is sensitive to changes in interest rates as well as changes in issuer credit quality. Preferred securities, however, are junior to bonds with regard to the distribution of corporate earnings and liquidation in the event of bankruptcy. Preferred securities that are in the form of preferred stock also differ from bonds in that dividends on preferred stock must be declared by the issuer's board of directors, whereas interest payments on bonds generally do not require action by the issuer's board of directors, and bondholders generally have protections that preferred stockholders do not have, such as indentures that are designed to guarantee payments – subject to the credit quality of the issuer – with terms and conditions for the benefit of bondholders. In contrast preferred stocks generally pay dividends, not interest payments, which can be deferred or stopped in the event of credit stress without triggering bankruptcy or default. Another difference is that preferred dividends are paid from the issue's after-tax profits, while bond interest is paid before taxes.

**Options Risk.** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

**ETF and Mutual Fund Risk** - When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.

**Risks Associated with Investing in Inverse and Leveraged Funds:** Leveraged mutual funds and ETFs generally seek to deliver multiples of the daily performance of the index or benchmark that they track. Inverse mutual funds and ETFs generally seek to deliver the opposite of the daily performance of the index or benchmark that they track. Inverse funds often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward-moving markets. Some Inverse funds are both inverse and leveraged, meaning that they seek a return that is a multiple of the inverse performance of the underlying index. To accomplish their objectives, leveraged and inverse funds use a range of investment strategies, including swaps, futures contracts, and other derivative instruments. Leveraged, inverse, and leveraged inverse funds are more volatile and riskier than traditional funds due to their exposure to leverage and derivatives, particularly total return swaps and futures. At times, we will recommend leveraged and/or inversed funds, which may amplify gains and losses.

Most leveraged funds are typically designed to achieve their desired exposure on a daily (in a few cases, monthly) basis, and reset their leverage daily. A "single day" is measured from the time the leveraged fund calculates its net asset value ("NAV") to the time of the leveraged fund's next NAV calculation. The return of the leveraged fund for periods longer than a single day will be the result of each day's returns compounded over the period. Due to the effect of this mathematical compounding, their performance over longer periods of time can differ significantly from the performance (or inverse performance) of their underlying index or benchmark during the same period of time. For periods longer than a single day, the leveraged fund will lose money when the level of the Index is flat, and the leveraged fund may lose money even if the level of the Index rises. Longer holding periods, higher index volatility, and greater leverage all exacerbate the impact of

compounding on an investor's returns. During periods of higher Index volatility, the volatility of the Index may affect the leveraged fund's return as much as or more than the return of the Index itself. Therefore, holding leveraged, inverse, and leveraged inverse funds for longer periods of time increases their risk due to the effects of compounding and the inherent difficulty in market timing. Leveraged funds are riskier than similarly benchmarked funds that do not use leverage. Non-traditional funds are highly volatile and not suitable for all investors. They provide the potential for significant losses.

**Risks Associated with Investing in Buffer ETFs:** Buffer ETFs are also known as defined-outcome ETFs since the ETF is designed to offer downside protection for a specified period of time. These ETFs are modeled after options-based structured notes, but are generally cheaper, and offer more liquidity. Buffer ETFs are designed to safeguard against market downturns by employing complex options strategies. Buffer ETFs typically charge higher management fees that are considerably more than the index funds whose performance they attempt to track. Additionally, because buffer funds own options, they do not receive dividends from their equity holdings. Both factors result in the underperformance of the Buffer ETF compared to the index they attempt to track. Clients should carefully read the prospectus for a buffer ETF to fully understand the cost structures, risks, and features of these complex products.

**Management Risk** - Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

### **Risk of Loss**

Clients should be aware that investing in securities involves a risk of loss that they should be prepared to bear. Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy would be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal. Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

### **Proxy Voting**

GDM does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

## **Item 7 – Client Information Provided to Portfolio Managers**

GDM is the sole sponsor of the Wrap Fee Program and together with its portfolio managers has access to and is responsible for maintaining all information provided by clients. Client information will be updated in our firm's records upon notification of changes provided by clients and during client meetings.

## **Item 8 - Client Contact with Portfolio Managers**

GDM is the sole sponsor and portfolio manager to the Wrap Fee Program. Clients are free to contact GDM or their designated investment adviser representative at any time with questions regarding the Wrap Fee Program. We can be reached at 888-488-4625 or at [dewayne@gdmcanally.com](mailto:dewayne@gdmcanally.com).

## **Item 9 - Additional Information**

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither we nor our management persons have a history of material legal or disciplinary events.

### **Other Financial Industry Activities or Affiliations**

Neither GDM nor any of its management persons is registered as a futures commission merchant, a commodity trading adviser, or a commodity pool operator, nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms

### **Insurance Activities**

Certain Executive officers and other Associated Persons of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to our clients. Insurance commissions earned by these persons are separate from and in addition to our advisory fees. The sale of insurance instruments and other commissionable products offered by Associated Persons are intended to complement our advisory services. However, this practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. We address this conflict of interest by recommending insurance products only where we, in good faith, believe that it is appropriate for the client's particular needs and circumstances and only after a full presentation of the recommended insurance product to our client. In addition, we explain the insurance underwriting process to our clients to illustrate how the insurer also reviews the client's application and disclosures prior to the issuance of a resulting insuring agreement. Clients to whom the firm offers advisory services are informed that they are under no obligation to purchase insurance services. Clients who do choose to purchase insurance services are under no obligation to use our licensed Associated Persons and may use the insurance brokerage firm and agent of their choice.

Where fixed annuities are sold, clients should also note that the annuity sales result in substantial up-front commissions and ongoing trails based on the annuity's total value. In addition, many annuities contain surrender charges and/or restrictions on access to your funds. Payments and withdrawals can have tax consequences. Optional lifetime income benefit riders are used to calculate lifetime payments only and are not available for cash surrender or in a death benefit unless specified in the annuity contract. In some annuity products, fees can apply when using an income rider. Annuity guarantees are based on the financial strength and claims-paying ability of the issuing insurance company. We urge our clients to read all insurance contract disclosures carefully before making a purchase decision. Rates and returns mentioned on any program presented are subject to change without notice. Insurance products are subject to fees and additional expenses.

### **Description of Our Code of Ethics**

GDM has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes GDM's policies and procedures developed to protect Client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of Clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of GDM's Code of Ethics is available upon request to our firm at 888-488-4625 or at [dewayne@gdmcanally.com](mailto:dewayne@gdmcanally.com).

### **Personal Trading Practices**

At times, GDM and/or its related persons may take positions in the same securities as clients, which may pose a conflict of interest with clients. In an effort to uphold our fiduciary duties to clients, GDM and its related

persons will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to client trades. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (e.g., a purchase or sale that is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price) would not be deemed a material conflict requiring disclosure at the time of trading.

### **Account Reviews, Statements and Reports**

GDM monitors client account holdings on a continuous basis. Portfolio management accounts receive a formal review of investment allocations at least annually. Accounts are reviewed by the Associated Person assigned to the account.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the client’s financial situation or investment objectives, or upon client request.

Clients are advised that it remains their responsibility to advise GDM of any changes in their investment objectives and/or financial situation. All clients are encouraged to review financial planning goals, investment objectives, and account performance with their Associated Person on at least an annual basis.

### **Brokerage Practices**

GDM executes all transactions for the Wrap Fee Program accounts through Schwab. Schwab is an unaffiliated broker-dealer, and a member of FINRA and the SIPC. GDM has chosen Schwab based on a number of factors, including quality of service, fees, reputation, accountability, and security of assets. The fees and commissions charged by Schwab may be higher or lower than other broker-dealers or custodians, depending on the type of transaction. GDM considers the services provided by Schwab to be high quality and the fees charged to be comparable or favorable to those charged by other broker-dealers or custodians.

### **Client Referrals and Other Compensation**

GDM receives additional benefits from Schwab such as electronic delivery of client information, electronic trading platforms, institutional trading support, proprietary and/or third-party research, continuing education, practice management advice, and other services provided by custodians for the benefit of investment advisory clients.

The receipt of additional benefits gives us an incentive to require that you maintain your account with Schwab based on our interest in receiving additional services from Schwab rather than your interest in receiving the best value and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of Schwab as broker-dealer/custodian is in the best interests of our clients. Our belief is primarily supported by the scope and quality of services Schwab provides to our clients and not services that benefit only us. Please refer to Item 12 of our Form ADV Part 2A Brochure for more information about the receipt of additional benefits from broker-dealers.

To address the existence of this conflict, on a periodic basis, we conduct a best execution review considering the full range and quality of Schwab’s services, including execution quality, commission rate, the value of research provided, financial strength, and responsiveness to our requests for trade data and other information. Our obligation is not necessarily to get the lowest price but to obtain the best qualitative execution.

### **Economic Benefits Received from Vendors and Product Sponsors**

Occasionally, our firm and our Associated Persons will receive additional compensation from vendors. Compensation could include such items as gifts; an occasional dinner or ticket to a sporting event; reimbursement in connection with educational meetings with an Associated Person, reimbursement for consulting services, client workshops, or events; or marketing events or advertising initiatives, including services for identifying prospective clients. Receipt of additional economic benefits presents a conflict of interest because our firm and Associated Persons have an incentive to recommend and use vendors based on the additional economic benefits obtained rather than solely on the client’s needs. We address this conflict of interest by recommending vendors that we, in good faith, believe are appropriate for the client’s particular

needs. Clients are under no obligation contractually or otherwise, to use any of the vendors recommended by us.

**Financial Information**

In this section, we are required to provide you with certain financial information or disclosures about GDM's financial condition. GDM does not require the prepayment of over \$1,200, six or more months in advance. Additionally, GDM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and it has not been the subject of a bankruptcy proceeding.

**Item 10- Requirements for State-Registered Advisers**

**This section is not applicable because our firm is SEC registered**