

## Item 1 - Cover Page

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This brochure provides information about the qualifications and business practices of G. DeWayne McAnally, LLC. 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. DeWayneMcAnally, 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 Item 4 of our Form ADV Part 2A 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 - Advisory Business

G. DeWayne McAnally, LLC (hereinafter "GDM" or the "firm") is a registered investment adviser based in Oklahoma City, Oklahoma. We are a limited liability company, organized under the laws of the state of Oklahoma. We have been providing investment advisory services since 1989. Gary DeWayne McAnally is the principal owner of GDM.

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

Our Associated Persons are restricted to providing services and charging fees based on the disclosures detailed in this document and the agreement(s) signed by the Client with the firm. However, the exact services and fees charged to a Client are dependent upon each Associated Person's relationship with his or her client and may vary in scope and amount. Associated Persons are instructed to consider the individual needs of each client when recommending a service or a portfolio management platform. Investment strategies and recommendations are tailored to the individual needs of each client.

Currently, we offer the following investment advisory services, personalized for each individual client:

- **Financial Planning Services**
- **Portfolio Management Services (Wrap, Non-Wrap and Web Based Programs)**

### **General Description of Primary Advisory Services**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

#### **Financial Planning Services**

GDM provides advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focuses on a client's overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand the client's overall financial situation and help the client set financial objectives.

#### **Investment Management Services**

We offer discretionary investment advisory services to our clients. To retain our firm, we will arrange for an interview in person, or by telephone to discuss suitability, our philosophy, investment strategy and other relevant information. After our interview, if you decide to retain us, we will enter into an investment advisory agreement. We use the suitability information we gather to assist you in choosing an investment option that employs a model portfolio developed by our firm that is diversified among investment styles and/or asset classes. We will use the information we gather to develop a strategy that enables our firm to customize an investment portfolio for you in accordance with your risk tolerance and investment objectives. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance and re-balance your investments as required by changes in market conditions and in your financial circumstances.

#### **Non-Wrap Portfolio Management Services**

Our Non-Wrap Portfolio Management Services are offered on a discretionary basis. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

Asset allocation models are diversified among investment styles and/or asset classes and are developed and managed by us based on research conducted by GDM. We also use portfolio models developed by third party investment advisers. 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.

We will also contact clients at least annually or more often to review their financial situation and objectives. Please notify us of any changes in your financial situation, investment objectives, or account restrictions.

#### Recommendation of Sub Advisers

As part of our overall portfolio management strategy, we may also recommend sub advisers to manage all or a portion of your account. All sub advisers recommended by our firm must either be registered as investment advisers or exempt from registration requirements. These sub advisers may specialize in traditional or alternative investments. Factors that we take into consideration when making our recommendations include, but are not limited to, the following: the sub adviser's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. Once a sub advisory account has been established, we will provide all administrative and clerical duties that are required service your account. The sub adviser will have little or no direct contact with you. Our responsibility to you will be to: (i) continuously evaluate the performance of your portfolio to ensure the sub adviser selected adheres to your asset allocation guidelines; (ii) make recommendations regarding the sub adviser as market factors and your personal goals dictate, (iii) assume discretionary authority to hire or fire the sub adviser where such action is deemed to be in your best interest.

#### Portfolio Management Services - Wrap Fee Program

GDM participates in Wrap Fee Programs as a sponsor and portfolio manager. Clients will receive a separate Wrap Account Brochure either in lieu of or along with this Firm Brochure. The name of the Wrap Fee Programs are as follows: Navigator Plus and Pilot. Wrap Fee Programs charge a fee which includes the cost of securities transactions which would otherwise be charged to the client by the Custodian. We are no longer accepting new clients into the Wrap Program(s).

#### **Types of Investments**

When providing Asset Management Services, the firm will typically construct each client's account holdings using mutual funds, exchange traded funds (ETFs), bonds, equities and other investment tools, to build diversified portfolios. It is not the firm's typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate, based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations like low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations. *(Please refer to Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

#### Assets Under Management

As of December 31, 2023, we managed approximately \$129,119,154 in client assets under management on a discretionary basis, and \$0 client assets on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

In addition to the information provided in *Item 4 - Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements.

#### Investment Management Services

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., or other designated custodians. The designated custodian will maintain custody of all funds and securities. Our firm will not have physical custody of client funds and securities.

### **Management Fees**

GDM offers investment management services for a percentage of assets under management.

The fee schedule for this service for accounts maintained at Charles Schwab, Inc. is:

<b>Assets Under Management</b>	<b>Annual Fee</b>
Under \$250,000	1.35 %
\$250,001 - \$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 on the last business day 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 GDM.

At our discretion, we will combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

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 those 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.

Brokerage commissions and/or transaction ticket fees charged by the custodian (if there are any) will be billed directly to your account unless you are participating in our wrap account. GDM will not receive any portion of such commissions or fees. 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.

All fees paid to GDM for investment advisory services are separate and distinct from the fees and expenses charged to shareholders by investment companies, such as unit investment trusts, mutual funds or exchange traded funds. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

You could invest in a mutual fund directly, without the services of GDM. In which case, you would not receive the advice provided by GDM, which is designed, among other things, to assist you in determining which mutual fund or

funds are most appropriate to your financial condition and objectives. Accordingly, you should review both the fees charged by the funds and the fees charged by GDM to fully understand the total amount of fees to be paid by you to evaluate the advisory services being provided. Although GDM uses its best efforts to purchase lower cost mutual fund shares when available, some mutual fund companies do not offer institutional classes to us or they do not offer funds that do not pay 12b-1 distribution fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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.

**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.

### **Financial Planning Services**

GDM may provide you with a written financial plan for a fee. You will furnish the firm with complete and up-to-date information about your personal circumstances and financial goals and objectives. The financial plan may include an analysis of one or more of the following: assets, liabilities, projected income, income tax position, insurance programs, retirement plans, and investment portfolios.

The fee for preparing a financial plan, if any, will be determined on the basis of the anticipated amount of work to be done and will be disclosed up front. The fee is negotiable and will not exceed \$2500 for any individual plan. The first half of the fee is payable upon entering into an agreement for financial planning services and the balance is due upon delivery of the plan. Financial plans will be prepared, reviewed and delivered to clients within 30 days.

Although GDM discloses that there may be a fee for its financial planning services, historically there have never been any charges to investment management clients for financial planning services. Financial planning services have always been considered a courtesy to the firm's investment management clients at their request.

### **Sales Compensation**

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.

We strive to identify all potential and actual material conflicts of interest between you, our firm, and our Associated Persons in this Disclosure Brochure. If additional conflicts arise in the future, we will notify you in writing and/or provide you with an updated Disclosure Brochure.

You are advised that the investment recommendations and financial advice offered by GDM is not of a legal or accounting nature and you should coordinate and discuss the impact of this financial advice with your attorney and/or accountant. You are advised that it is necessary to inform us promptly with respect to any changes in your financial condition, situation, and investment goals and objectives. Failure to notify us or our representatives of any such changes could result in investment recommendations not meeting your needs.



## **Item 6 - 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 *Fees and Compensation* 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).

## **Item 7 – 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 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis**

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.

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.

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.

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 issuer'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.

Recommendation of Other Advisers: In the event we recommend a third-party investment adviser to manage all or a portion of your assets, we will advise you on how to allocate your assets among various classes of securities or third-party investment managers, programs, or managed model portfolios. As such, we will primarily rely on investment model portfolios and strategies developed by the third-party investment advisers and their portfolio managers. If there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark, we may recommend changing models or replacing a third-party investment adviser. The primary risks associated with investing with a third party is that while a particular third party may have demonstrated a certain level of success in the past; it may not be able to replicate that success in future markets. In addition, as we do not control the underlying investments in third party model portfolios, there is also a risk that a third party may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. To mitigate this risk, we seek third parties with proven track records that have demonstrated a consistent level of performance and success over time. A third party's past performance is not a guarantee of future results and certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account. Please refer to the third-party investment adviser's advisory agreements, Form ADV Brochure, and associated disclosure documents for details on their specific investment strategies, methods of analysis, and associated risks.

## **Item 9 - Disciplinary Information**

Item 9 is not applicable to our Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

## **Item 10 - Other Financial Industry Activities and 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**

Gary DeWayne McAnally and other Associated Persons of GDM are licensed insurance agents. Our dually licensed Associated Persons can effect transactions in insurance products and earn commission based compensation for these activities. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Gary DeWayne McAnally and our other dually licensed Associated Persons.

Receipt of commission-based compensation presents a conflict of interest because our firm and persons providing investment advice on behalf of our firm who are licensed insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than recommendations made 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 in illustrating how the insurer also reviews the client's application and disclosures prior to the issuance of a resulting insuring

agreement. Ultimately, all insurance sales are on a non-discretionary basis and are offered by duly licensed and supervised insurance professionals by our affiliated entity. Clients are under no obligation contractually or otherwise, to purchase insurance products through any person or entity affiliated with our firm.

## **Item 11 - Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

All investment advisers are required to establish, maintain and enforce a Code of Ethics. GDM has established a Code of Ethics. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in your best interest at all times. Our firm's fiduciary duty to you is considered the core underlying principle for our Code of Ethics, which also covers our Insider Trading and Personal Securities Transactions Policies and Procedures. We conduct business with the highest level of ethical standards and will comply with all federal and state securities laws at all times. We have the responsibility to make sure that the interests of all clients are placed ahead of our own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to you prior to the provision of any advisory services. We must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give you a summary of our Code of Ethics.

A copy of GDM's Code of Ethics is available upon request to our firm at 405-728-1649 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.

## **Item 12 - Brokerage Practices**

GDM does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw advisory fees from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We require that our clients use Charles Schwab & Co., Inc. ("Schwab"), a registered broker dealer, and a member of FINRA and SIPC as the qualified custodian for your account. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them to. While we require that you use Schwab as custodian, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Schwab then we cannot manage your account.

The Custodian, Charles Schwab, was chosen based on the relatively low transaction fees and access to mutual funds and ETFs. GDM will never charge a premium or commission on transactions, beyond the actual cost imposed by the Custodian.

### **How We Select Custodians/Brokers**

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



- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.) Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab” below).

### **Brokerage for Client Referrals**

G. DeWayne McAnally, LLC and its related persons receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

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

G. DeWayne McAnally receives research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions (“soft dollar benefits”). These soft dollar benefits fall under “Safe Harbor” of section 28(e) of the Securities Exchange Act of 1934.

Soft dollar benefits received from our Custodian, Schwab, are described in more detail below.

### **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 us and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

#### **Services that benefit you.**

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 you and your account.

#### **Services that may not directly benefit you.**

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. 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:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients’ accounts
- Assist with back-office functions, recordkeeping, and client reporting 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:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- 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 a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services may be contingent upon us committing a certain amount of business to Schwab in assets in custody. We may have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us.

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

GDM and its related persons do not allow clients to direct brokerage. GDM may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients' money because without the ability to direct brokerage G. DeWayne McAnally, LLC may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers deny their clients to direct brokerage.

#### **Handling Trade Errors**

GDM has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with the firm's fiduciary duty, it is the policy of GDM, 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 any loss resulting from the trade error will be absorbed by GDM if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for handling the trade error. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain. Associated persons of GDM may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons).

GDM will never benefit or profit from trade errors.

#### **Block Trading Policy**

Transactions implemented by GDM, for client accounts are generally affected independently, unless the firm decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when we believe such action may prove advantageous to clients. When our firm aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among our firm's clients in proportion to the purchase and sale orders placed for each client account on any given day.

## **Item 13 - Review of Accounts**

#### **Portfolio Management Account Reviews**

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.

#### **Statements and Reports**

The account custodian will send trade confirmations to you concurrent with the purchase or sale of securities or mutual funds. The account custodian will also send quarterly statements that will provide you with a detail of portfolio allocation and mutual fund product mix and total value of your investment portfolio.

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

#### **Custodian Benefits**

As described in Item 12 above, we receive economic benefits from our custodial broker dealer in the form of support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at these custodial broker dealers. The availability of custodial products and services is not dependent upon or based on the specific investment advice we provide our clients, such as buying or selling specific securities or specific types of securities for our clients. The products and services provided by the custodial broker dealer, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

#### **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.

At our sole discretion, we may discount our advisory fee to clients who have referred clients to us.

## **Item 15 - Custody**

GDM is deemed to have custody of client funds because of the fee deduction authority granted by the client in the Advisory Agreement. You will receive account statements at least quarterly from the broker-dealer or other qualified custodian. The custodian will not verify the calculation of the advisory fees. You are urged to review custodial account statements for accuracy.

With respect to third party standing letters of authorization ("SLOA") where a client grants us authority to direct custodians to disburse funds to one or more third party accounts, we are deemed to have custody pursuant to Rule 206(4)-2 (the "Custody Rule"). We have taken steps to have controls and oversight in place to comply with the no-action letter issued by the SEC on February 21, 2017 (the "SEC no-action letter"). We are not required to comply with the surprise examination requirements of the Custody Rule if we comply with the representations noted in the SEC no-action letter. Where our firm acts pursuant to a SLOA, we believe we are making a good faith effort to comply with the representations noted in the SEC no-action letter. Additionally, since many of the representations noted in the SEC no-action letter involve the qualified custodian's operations, we will collaborate closely with our custodian(s) to ensure that the representations are met.

## **Item 16 -Investment Discretion**

GDM offers Portfolio Management Services on a discretionary basis. For discretionary services, clients must grant discretionary authority in the management agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in client accounts. However, our firm does not retain discretionary authority to select the broker/dealer used for transactions, or commission rates paid.

Apart from the ability to withdraw management fees, GDM does not have the ability to withdraw funds or securities from the client's account. The client provides GDM discretionary authority via a limited power of attorney in the management agreement and in the contract between the client and the custodian.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

## **Item 17 - Voting Client Securities**

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 18 - 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 19 - Requirements for State-Registered Advisers**

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