

# Grupp Financial LLC

## Firm Brochure - Form ADV Part 2A

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*This brochure provides information about the qualifications and business practices of Grupp Financial LLC. If you have any questions about the contents of this brochure, please contact us at 1.307.200.6579 or by email at: [matthew@gruppfinancial.com](mailto:matthew@gruppfinancial.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 Grupp Financial LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Grupp Financial LLC's CRD number is: 168436.*

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

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## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment of Grupp Financial LLC on March 24, 2023. Material changes relate to Grupp Financial LLC's policies, practices or conflicts of interests.

## Item 3: Table of Contents

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## **Item 4: Advisory Business**

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

Grupp Financial LLC (hereinafter “GF”) is a Limited Liability Company organized in the State of Wyoming. The firm was formed in May 2012. The firm is wholly owned by Grupp Organization LLC. Grupp Organization is 100% owned by Matthew Peter Grupp.

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

Grupp Financial LLC is a registered investment adviser registered with the state of Wyoming, with offices in both Wyoming and Idaho. We provide investment advisory services to individuals, families, and closely held businesses. Our advice is comprehensive in nature and focuses primarily on investments held by trusts and business entities that are administered by Private Family Trust Companies. We do not directly hold customer funds or securities and all transactions are sent to our qualified custodian which executes, compares, allocates, clears, and settles them. In certain circumstances we provide investment and financial advisory services to Private Family Trust Companies in the State of Wyoming and through an affiliated company provide administrative services and frequently serve as officers or directors of the Private Family Trust Companies or closely held businesses, and as such may serve on various committees, such as investment committees or distribution committees.

GF offers the following services to advisory clients:

#### ***Portfolio Management Services***

GF offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. GF creates an Investment Policy Statement for each client’s investment account, which outlines the client’s current situation.

Portfolio management services include, but are not limited to, the following:

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

GF evaluates the current investments of clients with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

GF seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of GF’s economic, investment or

other financial interests. To meet its fiduciary obligations, GF attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and, accordingly, GF's policy is to seek fair and equitable allocation of investment opportunities and transactions among its clients to avoid favoring one client over another over time. It is GF's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; education planning; and debt/credit planning. Financial planning services are included with GF's base management fee.

### ***Selection of Other Advisers***

GF may direct clients to third-party investment advisers. Before selecting other advisers for clients, GF will always ensure those other advisers are properly licensed or registered as investment advisers.

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

GF generally limits its investment advice to mutual funds, equities, fixed income securities, ETFs (including ETFs in the gold and precious metal sectors), real estate funds (including REITs), non-U.S. securities, and insurance products including annuities, and private placements. GF may use other securities as well to help diversify a portfolio when applicable.

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

GF offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent GF from properly servicing the client account, or if the restrictions would require GF to deviate from its standard suite of services, GF reserves the right to end the relationship.

## **D. Wrap Fee Programs**

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

## **E. Assets Under Management**

GF has the following regulatory assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$81,676,802.00	\$0.00	December 2023

In addition to regulatory assets under management, GF provides regular supervisory or management services of non-regulatory assets such as real estate and closely held businesses, and such assets are excluded from the calculation of Assets Under Management.

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

### **A. Fee Schedule**

#### ***Portfolio Management Services Fees***

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
Up to \$1,000,000	1.50%
Excess of \$1,000,000 to \$5,000,000	1.25%
Excess of \$5,000,000	1.00%

These fees are generally negotiable and the final fee schedule is set forth in the Investment Advisory Contract.

GF uses an annualized percentage of the net market value of assets posted monthly in the client's account by the custodian without regard to any margin balance or securities-backed borrowing. Fees are charged monthly in advance but may be charged quarterly in GF's sole discretion. The Investment Advisory Contract will reflect the client's billing period.

Please see below for an example of the fee calculation formula:

<b>Description:</b>	Percentage of Net Market Value is entered as an annualized percentage, applied on a monthly basis (12 business months are applied in this calculation method).
<b>Assumption:</b>	You specify 1.5% of Net Market Value as an annualized percentage, and the client's previous month-ending equity is \$1,000,000.

Calculation:	Advisor client fees for the given month will be $1.5\% * \$1,000,000 / 12 = \$1,250.00$ .
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Additionally, GF may negotiate a fixed fee schedule at GF's discretion. Under this arrangement, GF will charge a fixed annual rate of \$X for portfolio management. This fee will be payable in equal monthly installments. The fixed fees will never exceed 1.5% of assets under management. In the event that the fixed fee would exceed 1.5% of the client's assets under management, GF will discount the monthly fixed fee to equate to 1/12th of 1.5% of assets under management.

### ***Selection of Other Advisers Fees***

GF may direct clients to third-party investment advisers. GF will not be compensated via a fee share from the advisers to which it directs those clients. GF will charge its fees per the schedule above separately from any outside manager.

### ***Termination of Agreement***

Clients may terminate the agreement without penalty, for full refund of GF's fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with thirty days' written notice.

## **B. Payment of Fees**

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

Portfolio management fees are withdrawn directly from the client's accounts with client's written authorization. Fees are generally paid monthly in advance, unless reflected otherwise within the Investment Advisory Contract. This amount will be non-refundable.

### ***Payment of Selection of Other Advisers Fees***

The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected and will be disclosed to the client prior to entering into a relationship with the third-party advisor.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third-party fees (e.g., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.), unless the Client's Investment Advisory Contract provides otherwise. Those fees are separate and distinct from the fees and expenses charged by GF. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

Contracts generally require 30-day notice of either parties' intention to terminate a contract. Refunds for unearned fees paid more than 30 days in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account. In the event that a contract terminates in the middle of a billing period, a refund of any amounts collected beyond 30 days from date of termination will be based on a prorated basis.

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

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

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

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

# **Item 7: Types of Clients**

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

- ❖ Individuals
- ❖ High Net Worth Individuals
- ❖ Corporations or Business Entities
- ❖ Trusts (including Private Family Trust Companies)

There is no account minimum.

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

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

### ***Methods of Analysis***

GF's methods of analysis include fundamental bottom-up and top-down analysis, quantitative market analysis, cyclical analysis, and global macro risk management.

**Fundamental bottom-up analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. **Top-down analysis** focuses upon growth, inflation, and policy for US and global economies.

**Quantitative market analysis** involves the analysis of multi-duration frameworks, focusing primarily upon price, volume, and volatility; and the rates of change in each.

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

**Global Macro Risk Management** applies principles from history, math, and behavioral psychology in determining asset class exposures, sub-sector exposures, and factor exposures.

### ***Investment Strategies***

GF uses long-term and short-term purchases and sells, respecting position sizing, the volatility of different asset classes, and diversification principles.

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

## **B. Material Risks Involved**

### ***Methods of Analysis***

**Fundamental bottom-up analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage security purchases that are undervalued or priced below their perceived value, or sold if they are trading at the high end of their risk and price range. The risk assumed is that the market will fail to reach expectations of perceived value. **Top-down analysis** concentrates on the marginal rates of change of growth and inflation, and overlays how central bankers are likely to respond to the implied changes in economic conditions. These components lead to four macro environments brought about by the intersection of growth acceleration and deceleration versus inflation acceleration and deceleration. The risk assumed is that counter-trend market movements occur that lessen or reverse returns during their duration.

**Quantitative market analysis** attempts to predict a future price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified within short, moderate, and longer-term time frames, then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

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

begin to implement this strategy, it changes the very cycles these investors are trying to exploit.

**Global macro risk management** assumes that many market participants do not utilize global macro methodologies and rely more on consensus narratives rather than data and the rates of change within the data. A risk to the potential advantages of global macro is more market participants entering into and using the global macro process.

### ***Investment Strategies***

All investment programs present certain risks to the investor, including but not limited to, interest-rate risk, market risk, inflation risk, currency risk, potential counterparty risk, reinvestment risk, business risk, liquidity risk, and financial risk, as well as potential tax consequences. These risks are generally manifested in volatility or limitations.

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

**Short term trading** risks include liquidity, economic stability and inflation, in addition to the long term trading risks listed above. Frequent trading, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Short selling** included the risk of much larger investment loss if a short position continues to rise in asset value while held as a short position.

**Margin and Securities-Backed Borrowing** use leverage that is borrowed from a brokerage firm as collateral. Leverage enhances the ability to acquire assets, but also amplifies net profits and losses and increases transaction costs. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder either to allocate more funds to the account or sell assets on a shorter time frame than desired.

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

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment

returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned below).

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

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary and include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general the fixed income market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). The price of Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) may be negatively impacted by several factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

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

**Hedge Funds** often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private equity funds:** In addition to the risks associated with hedge funds, there are risks specifically associated with investing in private equity. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Private placements** carry a substantial risk as they are subject to less regulation than publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

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

## **Item 9: Disciplinary Information**

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

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

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

There are no self-regulatory organization proceedings to report.

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

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

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

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

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

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

Matthew Peter Grupp is a lawyer and Managing Member of The Grupp Law Firm LLC. The Grupp Law Firm LLC provides administrative services to Private Family Trust Companies. From time to time, he will offer clients advice or products from these activities.

Michael John Estrada is the Director of Private Client Services for The Grupp Law Firm LLC, in Coeur d'Alene, Idaho. He is not a lawyer. In his capacity as Director of Private Client Services he offers trust administrative services, investment advisory services, and assists in carrying out legal advice and recommendations of the lawyers of The Grupp Law Firm LLC. Grupp Financial LLC always acts in the best interest of the client.

John Robert Palmer-Kamprath works as an independent educational consultant to Catholic grammar and secondary schools.

John Robert Palmer-Kamprath is the president of the Coeur d'Alene Estate Planning Council.

Grupp Financial LLC always acts in the best interest of the client. Clients are in no way required to implement a plan through any representative of Grupp Financial LLC in connection with either the legal or administrative services of The Grupp Law Firm LLC.

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

GF may direct clients to third-party investment advisers. GF will not be compensated via a fee share from the advisers to which it directs those clients. GF charges its own fee separately per its advisory fee schedule. GF will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. GF will ensure that all recommended advisers are licensed or notice filed in the states in which GF is recommending them to clients.

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

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

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

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

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

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

From time to time, representatives of GF may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of GF to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. GF will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

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

## **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on GF's duty to seek "best execution," which is the obligation to seek to execute securities transactions for a Client on terms that are the most favorable to the Client under the circumstances. The client will not necessarily pay the lowest commission or commission equivalent, and GF may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of GF. GF will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian. GF recommends Interactive Brokers, Charles Schwab & Co., Inc. Advisor Services, and Vanguard Group, but may recommend other brokers in the future, without prior notice.

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

GF receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). GF may enter into soft-dollar arrangements within (but not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and GF does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. GF benefits by not having to produce or pay for the research, products or services, and GF will have an incentive to recommend a broker dealer based on receiving research or services. Clients should be aware that GF's acceptance of soft dollar benefits may result in higher commissions charged to the client.

We elect to work with Charles Schwab & Co., Inc. as a custodian for our client assets. Schwab Advisor Services is willing to assist GF by offering a one-time payment for eligible third-party vendor services for marketing, technology, consulting, or research expenses. Eligibility for the payment is determined by net new assets brought to Schwab Advisor Services. GF elects to participate in this payment arrangement for research that will benefit our clients.

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

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

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

GF may permit Clients to direct it to execute transactions through a specified broker-dealer. Clients must refer to their advisory agreements for a complete understanding of how they may be permitted to direct brokerage. If a client directs brokerage, the client will be required to acknowledge in writing that the Client's direction with respect to the use of brokers supersedes any authority granted to GF to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades; and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

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

If GF buys or sells the same securities on behalf of more than one client, it might, but would be under no obligation to, aggregate or bunch, to the extent permitted by applicable law and regulations, the securities to be purchased or sold for multiple Clients in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, GF would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. GF would determine the appropriate number of shares to place with brokers and will select the appropriate brokers consistent with the Adviser's duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Reviews of Accounts**

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

All client portfolio management accounts are reviewed at least monthly by Matthew P. Grupp, President and CEO, or other delegated individuals with regard to clients' respective investment policies and risk tolerance levels.

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

Portfolio management reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance). As there will be no ongoing Financial Planning reviews, GF's services will generally conclude upon delivery of the financial plan.

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

Each client will receive at least quarterly a written report that details the client's account including assets held and asset value, which report will come from the custodian.

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

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

Charles Schwab & Co., Inc. Advisor Services provides GF with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For GF client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to GF other products and services that benefit GF but may not benefit its clients' accounts. These benefits may include national, regional or GF specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of GF by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist GF in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of GF's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of GF's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to GF other services intended to help GF manage and further develop its business enterprise. These services may include professional

compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to GF by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to GF. GF is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

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

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

### **Item 15: Custody**

GF, with client written authority, has limited custody of client's assets through direct fee deduction of GF's fees. If the client chooses to be billed directly by the client's chosen custodian, GF would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

In certain circumstances GF is deemed to have custody over approximately \$85,459,024 in client cash and securities by virtue of its affiliation with The Grupp Law Firm LLC ("GLF"). GLF provides administrative services to Private Family Trust Companies in the State of Wyoming and the GF investment advisor representatives (in their capacity as employees of GLF) frequently serve as officers or directors of the Private Family Trust Companies or closely held businesses, and as such may serve on various committees, such as investment committees or distribution committees.

GF will follow specific Rules concerning custody of client assets as required by each jurisdiction in which GF is registered. GF is subjected to annual surprise custody audits by an independent certified public accountant, who files Form ADV-E. All custody accounts are held at qualified custodians; the clients are provided notice of this fact; and those statements are mailed by the custodians to our clients on a monthly or quarterly basis. Further, during this same time period all of our client engagement letters have disclosed the custody arrangement.

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

GF provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client outlines the discretionary authority for trading. Where investment discretion has been granted, GF generally manages the client's account and makes investment decisions without consultation with the client as to what securities

to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, or the price per share. In some instances, GF's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to GF.

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

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

## **Item 18: Financial Information**

### **A. Balance Sheet**

GF neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

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

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

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

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