

**Form ADV Part 2A Appendix 1: *Firm Wrap Brochure***

**Item 1 – Cover Page**

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This wrap fee program disclosure brochure (“Wrap Fee Brochure”) provides information about the qualifications and business practices of Global Wealth Management Investment Advisory, Inc. (also referred to as “we”, “us”, the “Firm” and “GWMIA”). If you have any questions about the contents of this Wrap Fee Brochure, please contact John Thomas at 866-405-1031. The information in this Wrap Fee Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about GWMIA 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 GWMIA via our Firm’s CRD number 286005.

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

## **Item 2 – Material Changes**

Investment advisers are required to prepare a disclosure document such as this one, commonly referred to as a “Wrap Fee Brochure,” that describes the adviser and its business practices. GWMIA is required to update our Wrap Fee Brochure at least annually and provide clients and prospective clients with a summary of any material changes since the previous annual amendment.

This Item will be reserved for discussion of the specific material changes made to the Wrap Fee Brochure since the last annual update.

We will ensure that you receive a summary of any material changes to this and subsequent Wrap Fee Brochures within 120 days after our Firm’s fiscal year ends. Our Firm’s fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time, we will also offer or provide a copy of the most current Wrap Fee Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

This Wrap Fee Brochure is dated March 27. The following are the material changes since our initial Wrap Fee Brochure dated March 22, 2021:

- Torian Johnson was named Chief Compliance Officer.

We will deliver a complete copy of our Wrap Fee Brochure upon your request at any time during the year. Please contact our Chief Compliance Officer Alisha Dowell, at 859-402-1460 or via email at [tjohnson@kbc.team](mailto:tjohnson@kbc.team) to request a Brochure.

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

GWMIA offers asset management services which involves GWMIA providing you with continuous and ongoing supervision over your specified Accounts. GWMIA offers its asset management services on a wrap fee basis, which means you pay one fee which covers both asset management and implementation of our recommendations.

##### GWMIA Wrap Free Program

GWMIA will recommend an investment program (“Wrap Fee Program”) in which certain transactional costs are included in the client’s management fee (“Wrap Fee”). Fees included in the Wrap Fee include transaction fees for the purchase or sale of securities, but do not include expenses related to the use of margin, wire transfer fees, the fees charged to shareholders of mutual funds or ETFs, mark-ups and mark-downs, spreads, odd-lot differentials, fees charged by regulatory agencies, and any transaction fees for securities trades executed by a broker-dealer other than Schwab Advisor Services.

Because of the nature of a Wrap Program, the Wrap Program client may pay more or less than if the client were able to buy and sell investments outside of a wrap fee program. For example, if a client’s account is rarely traded, the transaction fees the client would have paid would be minimal, thus limiting the benefits of “wrapping” management fees and transaction fees. However, GWMIA does not offer non-wrap fee accounts. Clients are free to explore other investment advisers that offer non-wrap fee programs.

To participate in the Wrap Fee Program, you must appoint our Firm as your investment adviser of record on specified Accounts (collectively, the “Account”). The Account consists only of separate Account(s) held by Fidelity Brokerage Services LLC as qualified custodian through the Fidelity Institutional Wealth Program (collectively referred to as Fidelity) under your name. Fidelity, as qualified custodian, maintains physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account on a discretionary or non-discretionary basis as agreed upon with you.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your Accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal Accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own Accounts.

Conflicts may arise in the allocation of investment opportunities among Accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your Account(s) and other Accounts advised by our Firm among such Accounts equitably and consistent with the best interests of all Accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client’s benefit.

GWMIA may provide recommendations to the client to utilize one or more specific sub-adviser(s) (individually “Sub-Adviser” and collectively “Sub-Advisers”) to manage the Account or a portion of the assets of the Account. When a Sub-Adviser is selected, the Sub-Adviser will have discretionary authority on your Account to place trades and make changes to the Account or the portion of your Account the Sub-Adviser is authorized to manage. GWMIA only recommends Sub-Advisers who manage within a Wrap Fee, which is typically sponsored by the Sub-Adviser. A complete description of the Sub-Adviser’s services, practices and fees will be disclosed in the Sub-Adviser’s Form ADV Part 2A Appendix 1 that will be provided to the client.

GWMIA will conduct due diligence of any recommended Sub-Adviser and monitor the performance of Sub-Adviser with respect to the Sub-Adviser’s management of the designated assets of Account relative to appropriate peers and/or benchmarks. Although GWMIA reviews the performance of numerous third-party investment adviser firms, GWMIA enters into only a select number of relationships with third-party investment adviser firms that have agreed to pay us a portion of the overall fee charged to our clients. Therefore, GWMIA has a conflict of interest in that it will only recommend third-party investment advisers that have a sub-advisory relationship with GWMIA. Clients are advised that there may be other third-party managed programs not recommended by the Firm, that are suitable for the client and that may be more or less costly than arrangements recommended by the Firm.

GWMIA will be available to answer questions client may have regarding any portion of client’s Account managed by a Sub-Adviser and will act as the communication conduit between the client and the Sub-Adviser. The recommendation of Sub-Advisers and investments may be done on a discretionary or non-discretionary basis with the specific terms outlined in your Advisory Agreement. When a client authorizes GWMIA to have the ability to select Sub-Advisers and investments on a discretionary basis, GWMIA will have the authority to select and terminate Sub-Advisers and also the ability to purchase and sell investments on behalf of the client without the client’s specific approval.

#### Tailor Advisory Services to Individual Needs of Clients

GWMIA advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose reasonable restrictions on the Accounts we manage for you, including specific investment selections and sectors. Our financial planning services are always provided based on your individual needs. When providing financial planning services, we work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

When managing client Accounts through our Firm’s Asset Management Services program, we may manage a client’s Account in accordance with one or more investment models. When client Accounts are managed using models, investment selections are based on the underlying model and we do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models is always based on each client’s individual investment goals, objectives and mandates.

#### Fees for Asset Management Services

Wrap Fees charged for our asset management services are charged based on a percentage of assets under management. Wrap Fees are billed in arrears (at the end of the billing period) on a monthly calendar basis.

Wrap Fees billed in arrears are calculated based on the average daily balance of the account for the preceding calendar month. Wrap Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. Under the average daily balance method, each day’s balance for the month is summed then divided by the number of days in the month, to

compute the average daily balance. The average daily balance is then multiplied by the monthly portion of the annual fee to determine the monthly fee due.

The GWMIA services continue in effect until terminated. You may terminate the services by providing GWMIA with notice. GWMIA may terminate the services by providing you with written notice effective 30 days after you receive the written notice. Any prepaid, unearned fees will be promptly refunded by GWMIA to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final billing period.

Wrap Fees charged for our asset management services are negotiable based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's Account (i.e., equities versus mutual funds), the potential for additional Account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client. Client will be charged an annual Wrap Fee ranging between .30% to 2.0%. All fees are negotiable.

There is no minimum Account size required to open an Account with GWMIA.

GWMIA may elect to use a sub-adviser to manage all or part of the assets of client. Fees for such sub-advisers will be paid by GWMIA from the Wrap Fee and clients will not be charged additionally for their services. Sub-advisers generally have account minimum requirements that will vary. Account minimums are generally higher on fixed income accounts than for equity based accounts. GWMIA does not charge additional management fees for third-party managed or sub-advised account services.

The Firm pays higher fees to AE Wealth for sub-advised accounts than the Firm pays for accounts the Firm manages directly via AE Wealth's platform. For accounts sub-managed by AE Wealth, the fee will not exceed 0.45%, but will most commonly be 0.40%. For accounts managed by GWMIA on the AE Wealth platform, the fee will not exceed 0.20%, but will most commonly be 0.15%. Since the Firm retains the difference between the total advisory fee and the amounts the Firm pays to AE Wealth, the Firm has an incentive to recommend that clients not use a sub-adviser. This incentive creates a conflict of interest. This conflict of interest is lessened by the fact that the Firm incurs internal costs for self-managing an account via the AE Wealth platform. In situations where those internal costs exceed the difference that AE Wealth charges for sub-advised versus Firm-advised accounts, the Firm-advised accounts become less profitable than sub-advised accounts, and the Firm has a financial incentive to recommend a sub-adviser, which creates a conflict of interest. Ultimately, these conflicts of interests are managed by assuring that the recommendations the Firm makes to each client is based on the client's best interest without regard to costs, and by disclosing this conflict so you, our client, may ask questions about our recommendations.

GWMIA retains the difference between the total Wrap Fee paid to GWMIA and any sub-advisory fee. GWMIA therefore has a financial incentive to recommend that clients invest in the sub-advisory programs with the lowest sub-advisory fee. This creates a conflict of interest, as GWMIA is incentivized to recommend sub-advisers based on compensation received by GWMIA rather than based solely on the interests of the client. GWMIA manages this conflict of interest by reviewing all sub-adviser recommendations to ensure such recommendations are suitable and in the client's best interest.

A complete description of the sub-adviser's or third-party money manager's services, fee schedules and account minimums will be disclosed in that adviser's disclosure brochure, which will be provided to you prior to or at the time an agreement for services is executed and the account is established.

GWMIA believes that its annual Wrap Fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our Firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your

account and pay such fees directly to our Firm. The quarterly performance report will include the billing statement and will detail the formula used to calculate the fee, the assets under management and the time period covered. See Item 15 (Custody) of our ADV Part 2A Brochure for more details.

You should review your Account statements received from Fidelity or other qualified custodian and verify that appropriate investment advisory fees are being deducted. Fidelity or other qualified custodian will not verify the accuracy of the investment advisory fees deducted.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's/former employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than based solely on your needs. We manage this conflict of interest by always acting in the client's best interest and keeping documentation of our determination that the rollover recommendation is in the client's best interest. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits.

An employee will typically have four options:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney. We will speak with your CPA and/or attorney if you authorize us to do so in connection with any rollover recommendation we make. Similarly, we may rely on information you obtain from your CPA or tax attorney and communicate to us prior to making any such recommendation.

### **Other Fee Terms**

You should notify GWMIA if you have questions about or dispute any billing entry.

At times, GWMIA will refer clients to various outside professionals (i.e., an attorney, independent investment adviser, or accountant) in the course of providing financial planning services. GWMIA does not receive compensation for such referrals. In these instances the outside professional represents the client and GWMIA is not a party to such relationship. Fees for the services of an outside professional will be in addition to and separate from the fees charged by GWMIA, and you will be responsible for the payment of the fees for the services of such an outside professional. GWMIA may, at the Firm's sole discretion, reimburse the client for all or a portion of the expenses related to such outside professionals. In no event will the services of an outside professional be engaged without your express approval.

Typically, the more assets a client has in an advisory account, the more the client will pay in asset-based fees, and we therefore have a conflict of interest based on an incentive to encourage clients to increase the assets in their

account We mitigate this conflict of interest by ensuring that our recommendations are made in a client's best interests.

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

GWMIA generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Charitable organizations
- Corporations or other businesses

You are required to execute a written agreement with GWMIA specifying the particular advisory services in order to establish a client arrangement with GWMIA.

GWMIA does not require a minimum investment amount, however, as described above in Item 4, some of the sub-advisers GWMIA recommends may have minimum amounts for investment.

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

The Wrap Program offered by GWMIA is sponsored by the Firm. GWMIA is the only portfolio manager. Our advice and services are based on the individual needs of our clients as determined after analyzing and thoroughly evaluating the client's goals, objectives, investment horizon, and risk tolerance. Clients may impose restrictions on investing in certain asset classes or any specific types of securities by advising their investment adviser representative of such restrictions.

As mentioned in Item 4, We may recommend that all or certain portions of a client's portfolio be managed by independent third-party managers. GWMIA only recommends Sub-Advisers who manage within a Wrap Fee, which is typically sponsored by the Sub-Adviser. Please See Item 4 for more about the conflicts of interest involved in that decision.

GWMIA will conduct due diligence of any recommended Sub-Adviser and monitor the performance of the Sub-Adviser with respect to the Sub-Adviser's management of the designated assets of Account relative to appropriate peers and/or benchmarks. Although GWMIA reviews the performance of numerous third-party investment adviser firms, GWMIA enters into only a select number of relationships with third-party investment adviser firms that have agreed to pay us a portion of the overall fee charged to our clients. Therefore, GWMIA has a conflict of interest in that it will only recommend third-party investment advisers that have a sub-advisory relationship with GWMIA.



Clients are advised that there may be other third-party managed programs not recommended by the Firm, that are suitable for the client and that may be more or less costly than arrangements recommended by the Firm.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's Account. We do not charge or accept performance-based fees.

#### Methods of Analysis

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

Charting - This is a 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.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

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 a company). 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). Fundamental 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.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

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.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so

it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

Cyclical – This method 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 in 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.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

### Investment Strategies

GWMIA 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.

Frequent trading. This strategy refers to the practice of selling investments within 30 days of purchase.

Short sales. A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

We primarily follow a value-investing strategy that attempts to acquire at reasonable valuations publicly traded businesses that can deliver sustainable excess returns. We focus on a long-only strategy. Long term strategies are designed to identify and select investments to be held for multiple years. We will also invest in value oriented special situations with shorter expected holding periods.

Value Investing can be described as a strategy of selecting stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, under performance relative to major benchmarks, macro-economic risks, investing in value traps i.e. businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation.

Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest of the purchase price from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Fifth Avenue Wealth Advisors.

Tactical asset allocation. Allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

#### Primarily Recommend One Type of Security

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client’s specific circumstances and needs.

#### 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, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

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

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company’s employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the 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.

- 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. You will also incur brokerage costs when purchasing ETFs.
- 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.

#### Voting Client Securities

GWMIA does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in your Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You may not contact us with questions about a particular solicitation. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

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

GWMIA provides third-party portfolio managers with client suitability information, as necessary. On an annual basis, we perform a detailed review of each client's managed accounts to ensure that the strategy of the portfolio aligns with the client's investment objective. This process includes reviewing the various asset classes, investment management styles, and specified risk and return data of the portfolio. If reallocation is necessary, we may recommend or assist clients in selecting different portfolios or third-party managers or we may provide the third-party managers with updated suitability information.

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

GWMIA clients may contact GWMIA's portfolio managers for any questions related to client accounts. For questions directed toward outside portfolio managers, clients must contact GWMIA directly and GWMIA will contact the outside portfolio managers to address such questions.

### **Item 9 – Additional Information**

#### Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

### Other Financial Industry Activities and Affiliations

GWMIA is not and does not have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

### *Sub-Advisers*

As described in Item 4 and Item 6 of this Wrap Fee Brochure and Item 4 (Advisory Business) and Item 5 (Fees and Compensation) of our ADV Part 2A Brochure, GWMIA has formed relationships with independent investment advisers to serve as sub-advisers through our Asset Management Services. Please refer to the previous disclosures in Item 4 and Item 6 of this Wrap Fee Brochure regarding our use of sub-advisers and model managers.

### *Insurance Agents*

Andrew Costa and Grant Conness own a state-licensed affiliated insurance agency, Global Wealth Management Retirement Planning, LLC ("GWRP"). GWRP is licensed to offer and sell insurance products in the state of Florida. Many of these insurance products are sold through separate and distinct vendors. As an insurance agency, GWRP will receive separate, yet customary compensation for insurance product sales. Acting in dual capacities (insurance agency and financial advisor) and receiving compensation as such creates a conflict of interest in that representatives of GWMIA may recommend purchasing insurance products based on compensation received rather than on the needs of the client. We manage this conflict of interest by requiring all representatives who are licensed

to offer insurance products to our clients to assure that the issuing insurer reviews the potential sale of any products for the purpose of determining adherence to applicable insurance suitability standards, requiring all representatives seek prior approval of any outside employment activity so that we may ensure that any conflicts of interest in such activities are properly disclosed and fully disclosing to a client when a particular transaction will result in the receipt of commissions or other associated fees. Insurance products may be available through other channels and as a client you are not obligated to purchase products recommended by our representatives.

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative sells, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent may suggest that you implement recommendations of GWMIA by purchasing disability insurance, life insurance, annuities, or other insurance products.

This receipt of commissions creates a conflict of interest based on an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

GWMIA utilizes the services of Advisors Excel, a third-party insurance marketing organization ("IMO") to select appropriate products. The IMO may also offer special incentive compensation while our investment adviser representatives acts in their separate capacity as insurance agents, if they meet certain overall sales goals by placing annuities and/or other insurance products through the IMO. The receipt of commissions and additional incentive compensation creates a conflict of interest and may affect our independent judgment. However, this conflict is mitigated by the fact that we ensure the recommendation is suitable for the client and clients are not required to purchase any insurance products through us in our separate capacity as insurance agents. The purpose of the IMO is to assist us to find the insurance company that best fits the client's situation.

Advisors Excel provides our Firm with marketing assistance and business development tools to acquire new clients, technology with the goal of improving the client experience and our Firm's efficiency, back office and operations support to assist in the processing of our insurance (through Advisors Excel) services for clients, and business succession planning for our Firm. Although some of these services may directly benefit a client, other services obtained by us from Advisors Excel such as marketing assistance and business development may not benefit an existing client.

#### Code of Ethics, Participation in Client Transactions and Personal Trading

##### *Code of Ethics Summary*

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. GWMIA has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. GWMIA's Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. GWMIA requires its supervised persons to consistently act in your best interest in all advisory activities. GWMIA imposes certain requirements on its affiliates and supervised persons to ensure that they meet the Firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of GWMIA. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

## *Affiliate and Employee Personal Securities Transactions Disclosure*

GWMIA or supervised persons of the Firm may buy or sell for their personal accounts, investments identical to those recommended to clients. This creates a conflict of interest. It is the express policy of GWMIA that all persons supervised in any manner with our Firm must place clients' interests ahead of their own when implementing personal investments. As is required by our internal procedures manual, GWMIA and its supervised persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our Firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, supervised persons). Any supervised person not observing our policies is subject to sanctions up to and including termination.

### Review of Accounts

#### *Account Reviews and Reviewers*

Managed Accounts are reviewed at least annually. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by your investment adviser representative with reviews performed in accordance with your investment goals and objectives.

Our On-Going Financial Planning Services include monitoring the investments of your Account(s), and therefore, there is ongoing review of your Account(s) under such services.

#### *Statements and Reports*

For our asset management services, you are provided with transaction confirmation notices and regular quarterly Account statements in writing directly from the qualified custodian.

Financial planning clients do not receive any report other than the written plan originally contracted for and provided by GWMIA, unless you are using our Asset Management Services also.

You are encouraged to always compare any reports or statements provided by us against the Account statements delivered from the qualified custodian. When you have questions about your Account statement, you should contact our Firm and the qualified custodian preparing the statement.

### Client Referrals and Other Compensation

GWMIA does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fee charged for providing investment advisory services as described in Item 4 of this Wrap Fee Brochure. GWMIA receives no other forms of compensation in connection with providing investment advice.

*Please see Item 4 (Services, Fees and Compensation) of this Wrap Fee Brochure (ADV Part 2A Appendix 1) and Item 5 (Fees and Compensation), Item 10 (Other Financial Industry Activities and Affiliations) and Item 12 (Brokerage Practices) of our ADV Part 2A Brochure for additional discussion concerning other compensation.*

### Financial Information

GWMIA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a

financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, GWMIA has not been the subject of a bankruptcy petition at any time.