

Item 1 – Cover Page

**GFG** Capital, LLC

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This brochure (the “Brochure”) provides information about the qualifications and business practices of GFG Capital, LLC (“GFG Capital”). If you have any questions about the contents of this Brochure, please contact us at (305) 810.6500 or [info@gfgcapital.com](mailto:info@gfgcapital.com). The information in this Brochure has not been approved or verified by the United States of America Securities and Exchange Commission (“SEC”) or by any state securities authority.

GFG Capital is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information which you use to determine to hire or retain an adviser.

Additional information about GFG Capital is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for GFG Capital is 128059.

## **Item 2 – Material Changes**

This Item of the Brochure discusses only specific material changes that are made to the Brochure and provides clients with a summary of such changes. Since our last update of our brochure on March 22, 2016, we had the following changes:

- Item 5 was updated to reflect the addition of the focus growth strategy fee.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Mauricio Gruener or Eduardo Gruener at (305) 810.6500.

Additional information about GFG Capital is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with GFG Capital who are registered as investment adviser representatives of GFG Capital.

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#### **Item 4 – Advisory Business**

GFG Capital is a registered investment adviser owned by GFG Holdings, LLC. GFG Holdings, LLC is owned by Mr. Eduardo Gruener and Mr. Mauricio Gruener. GFG Capital was registered with the SEC in August 2003, and has total regulatory assets under management of USD \$789,887,652 as of December 31, 2016; USD \$585,947,886 in discretionary assets and USD \$203,939,766 in non-discretionary assets.

GFG Capital focuses on providing a combination of investment services based on each client's individual goals and circumstances. Through in-depth personal discussions with clients, GFG Capital develops a client's investment policy, determining with the client an appropriate investment strategy and risk tolerance model. Once an appropriate model has been determined, GFG Capital will either: (i) invest the client's assets in various asset classes, matching the investment strategy determined with the client; or (ii) manage a portion of the client's assets in mutual funds and retain a separate independent registered investment advisers (herein "Independent Managers") for the remaining portion of the client's assets. The determination to retain an Independent Manager to advise on a portion of the client's assets is based on the investment strategies determined and risk tolerance preferred. All of GFG Capital's investment recommendations are based on long-term investment strategies.

#### **GFG Capital Investment Management Services**

GFG Capital will manage portfolios primarily consisting of fixed income securities and no-load, institutional mutual funds, predominately institutional and with the lowest expense ratio available. In certain circumstances, GFG Capital may include individual stocks, and cash and cash equivalents within a portfolio. As discussed, GFG Capital's management services may be offered in circumstances when GFG Capital determines that an Independent Manager may not add value or meet the client's needs, or if a client's portfolio does not meet account minimums set out by the appropriate Independent Managers. In addition, some clients may request GFG Capital's investment management services. GFG Capital employs various asset allocation models (conservative, moderate, growth, focus growth and fixed income) as a basis for working with a client to establish an appropriate investment strategy. All portfolios are separately managed based on the clients' individual considerations such as liquidity requirements, cash flow and risk tolerance.

Once an appropriate asset allocation has been established, GFG Capital will manage the clients' assets on a continuous basis within the parameters of the model. GFG Capital will rebalance the portfolio periodically, based on the clients' financial goals and their individual needs. Clients have

the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio, and retain individual ownership of all securities.

### **Independent Manager Searches**

GFG Capital will perform searches of Independent Manager(s) to manage specific portions of a client's investment portfolio. GFG Capital will determine which Independent Manager(s) are appropriate for the client based on the individual needs and circumstances of the client. Factors considered in making this determination include the sum of investments relative to the total dollar value of the client's advisory portfolio, the client's stated risk tolerance, the client's prior experience with investments, the client's opinion of the recommended Independent Manager, and the investment philosophy of the Independent Manager.

GFG Capital will allocate the client's assets to/from the Independent Manager, taking into consideration those objectives identified in the client's personal investment policy and the overall management style selected by the client. The client should refer to the Independent Manager's Form ADV disclosure document (or other disclosure brochure in lieu of the Form ADV disclosure document) for information regarding the investment strategies, fees, qualifications and brokerage practices of that Independent Manager.

GFG Capital will continuously monitor all Independent Managers on behalf of the client, review the performance of each Independent Manager against appropriate benchmarks, and review the investment style of the Independent Manager against the client's investment parameters to ensure the Independent Manager continues to meet the client's investment goals. GFG Capital may request the discretion to hire and fire Independent Managers on a client's behalf. GFG Capital has discretionary and nondiscretionary relationships with clients to hire and fire Independent Managers.

## **Item 5 – Fees and Compensation**

### **Investment Management Fees**

The annual fee for investment services shall be charged as a percentage of total client assets advised by GFG Capital through its own management or the recommendation of Independent Managers. The basic fee schedule is as follows:

<b>Tier Levels</b>	<b>Annual Fee</b>	<b>Total Assets Under Management</b>	<b>Cumulative Annual Fee Percentage</b>
First \$5,000,000	1.00%	\$5,000,000	1.00%
Next \$5,000,000	0.90%	\$10,000,000	0.95%
Next \$15,000,000	0.70%	\$25,000,000	0.80%
Next \$25,000,000	0.55%	\$50,000,000	0.675%
Next \$50,000,000	0.25%	\$100,000,000	0.463%
Over \$100,000,000	0.15%	\$200,000,000	0.306%

GFG Capital will provide a specific fee schedule to each client based on both the nature and total dollar value of that account. Fees may vary among clients based on the allocation of assets between GFG Capital's own management services and the selection of Independent Managers. In certain circumstances, all fees, account minimums and their applications to family circumstances may be negotiable. GFG Capital has previously operated with a lower basic fee schedule and certain legacy clients remain subject to that previous schedule.

GFG Capital invoices clients in arrears, on a monthly basis, based on the average account balance at the close of the calendar month for which the fee is applicable and the preceding calendar month (market value or fair market value in the absence of market value). For the first month, new accounts will be charged based solely on the account balance at the end of the applicable calendar month. For terminated accounts, GFG Capital shall be entitled to the fees for the entire month, monthly fees are not pro-rated.

### **Reporting Services Fees**

GFG Capital offers select clients consolidated account reporting services at an additional fee. For an agreed upon flat rate fee, or variable fee based on assets under management, clients can be provided with a consolidated account report of all the client's assets, including positions not under GFG Capital's management. The consolidated report includes transactional, performance, and cash flow information which is provided to clients monthly either via personal meetings, U.S. Postal mail, email or a unique log-in to GFG Capital's website. Clients are either invoiced for this additional service or have given GFG Capital permission to debit their account.

### **Focus Growth Strategy Fees**

GFG Capital offers select clients a focus growth strategy at an additional fee. The focus growth strategy is an all equity strategy. The fee for this strategy is 1% of the amount invested (a separate and distinct fee from the investment management fee set forth in the tier schedule above); and an annual fee based upon performance. Additional information on performance based fees is contained in Item 6 below.

### **General Information on Fees**

All fees are subject to negotiation.

The specific manner in which fees are charged by GFG Capital is established in a client's investment management agreement with GFG Capital. Pursuant to the investment management agreement, clients' fees will be directly debited from the client accounts at their custodian.

GFG Capital may charge a minimum monthly fee of \$500. All clients with less than \$500,000 of investable assets should assess whether GFG Capital's services are appropriate based on GFG Capital's minimum monthly fee and the total combination of fees to which the client will be subject. At GFG Capital's sole discretion, the \$500 minimum monthly fee may be waived for clients.

GFG Capital's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Separately managed strategies, mutual funds, and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to GFG Capital's fee, and GFG Capital does not receive any portion of these commissions, fees, and costs. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution and marketing fee (12b-1 fee). GFG Capital and its affiliates do not receive any 12b-1 fees in relation to mutual funds within accounts managed by GFG Capital. Similarly, the hiring of Independent Managers will result in additional management and/or administrative fees by these entities. Clients should review the fees of Independent Managers to understand completely the total fees paid by the client.

Item 12 further describes the factors that GFG Capital considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

A client investment management agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of an investment management agreement for any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an investment management agreement without penalty within five business days after entering into the investment management agreement.

Clients should note that similar advisory services may be available from other registered investment advisers for similar or lower fees. GFG Capital will establish fee relationships with each client at the start of the advisory relationship.

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

GFG Capital has entered into performance fee arrangements with qualified clients. Performance fee arrangements with qualified clients are negotiated with clients on a case by case basis. Performance based fee arrangements may create an incentive for GFG Capital to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. GFG Capital has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients. Only "qualified clients" will be eligible for performance-based fee arrangements.

The performance-based fee arrangement is fully disclosed within the investment management agreement presented to the client. The client must understand the proposed method of compensation and its risks prior to entering into the investment management agreement.

Certain clients may have legacy performance-based fee arrangement or negotiated performance-based fee arrangement which differ from recently implemented performance based fee arrangements agreed to upon with clients.

#### **Item 7 – Types of Clients**

GFG Capital provides portfolio management services to individuals, high net worth individuals, pooled investment vehicles, pension and profit-sharing plans, corporations and insurance companies.



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

In the implementation of investment plans, GFG Capital primarily uses mutual funds, and, as appropriate, portfolios of fixed income and equity securities. Clients may hold or retain other types of assets as well, and GFG Capital may offer investment advice on any investments held by a client at the start of the advisory relationship. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

GFG Capital emphasizes the identification of an appropriate risk tolerance and asset allocation. GFG Capital's investment management strategies do not attempt to manage short-term market fluctuations and emphasize a buy and hold approach. GFG Capital will also assist clients in selecting Independent Managers with their own investment analysis methods and strategies. Clients should refer to the Independent Manager's Form ADV disclosure document for information on the methods of analysis used by that Independent Manager in servicing client accounts.

### **Risk of Loss**

***Investing in securities involves risk of loss that clients should be prepared to bear:*** All investments present the risk of loss of principal – the risk that the value of securities (e.g., mutual funds, ETFs, bonds, etc.), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

Although all investments involve risk, GFG Capital's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients, the investment directly in fixed income securities to represent the fixed income class. GFG Capital's investment philosophy is designed for investors who desire a buy and hold strategy.

Certain funds utilized by GFG Capital may contain international securities. Investing outside the United States of America involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

***Equity Securities Risk:*** Equity securities (common, convertible preferred stocks and other securities whose values are tied to the price of stocks, such as rights, warrants and convertible debt securities) could decline in value if the issuer's financial condition declines or in response to overall market and economic conditions. A fund's principal market segment(s), such as large cap, mid cap or small cap stocks, or growth or value stocks, may underperform other market segments or the equity markets as a whole. Investments in smaller companies and mid-size companies may involve greater risk and price volatility than investments in larger, more mature companies.

***Fixed-Income Securities Risk:*** Fixed-income securities are subject to interest rate risk and credit quality risk. The market value of fixed-income securities generally declines when interest rates rise, and an issuer of fixed-income securities could default on its payment obligations.

***Foreign Securities Risk:*** The risks of foreign securities include loss of value as a result of: political or economic instability; nationalization, expropriation or confiscatory taxation; changes in foreign exchange rates and foreign exchange restrictions; settlement delays; and limited government regulation (including less stringent reporting, accounting, and disclosure standards than are required of U.S. companies). Certain of these risks are greater for investments in emerging markets.

***Concentrated Risk:*** For the focus growth strategy, clients' accounts may hold a relatively small number of equity securities. Losses incurred in such securities could have a disproportionate effect on the account's overall financial condition.

## **Item 9 – Disciplinary Information**

GFG Capital has no material facts to disclose regarding any legal or disciplinary events that would be material to your evaluation of GFG Capital or the integrity of GFG Capital's management.

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

### **Affiliations**

#### ***GFG Investments LLC***

The managers of GFG Capital are also the managers of GFG Investments, LLC. GFG Investments, LLC, has a 35% equity interest in Blue House Hotels, LLC and a 50% interest in Artise Hotels, LLC. Blue House Hotels, LLC and Artise Hotels, LLC are working to develop boutique hotels. GFG Capital may recommend to clients that they invest in Blue House Hotels, LLC and/or Artise Hotels, LLC. As a result, there is a conflict of interest in that fees received by GFG Investments, LLC will directly benefit the managers of GFG Capital and there is a financial incentive to recommend an investment in the Blue House Hotels, LLC and/or Artise Hotels, LLC. Similarly, GFG Securities, LLC, a related entity to GFG Capital, may assist with the raising of equity and debt financing for the Blue House Hotels, LLC and/or Artise Hotels, LLC brands.

#### ***GFG Family Office Services, LLC***

The managers of GFG Capital also operate GFG Family Office Services, LLC, which offers bill paying, property management, concierge, and other personalized services. GFG Family Office Services, LLC charges separate and distinct fees for its services. Bill paying services provided to advisory clients may indirectly cause GFG Capital to be construed by the SEC as having “custody” of client assets because related persons of GFG Family Office Services, LLC and GFG Capital have the authority to appropriate or handle client assets. GFG Family Office Services, LLC will not, however, take actual possession of any client’s monies or securities, which must be maintained by banking or brokerage institutions, or other similar institutions deemed by the SEC as qualified custodians, and which provide at least quarterly statements directly to clients regarding the clients’ assets.

### ***GFG Securities, LLC***

The managers of GFG Capital are also managers of GFG Securities, LLC, a FINRA member broker-dealer. GFG Securities, LLC’s business is limited to the receipt of retainer and success fees on mergers and acquisitions transactions, capital raising and debt issuance, financing, private placements and related advisory services. GFG Capital may provide investment management or consulting services to clients of GFG Securities, LLC, but GFG Capital does not charge investment management fees related to mergers and acquisitions business of GFG Securities, LLC. GFG Securities, LLC may assist with the raising of equity and debt financing for Blue House, and/or Artise Hotels, in which related persons of GFG Securities, LLC and GFG Capital have a 35%, and 50% membership interest respectively. In addition, GFG Securities, LLC may assist with the raising of equity for the Momentum Real Estate Partners, LLC managed funds. GFG Securities, LLC and Momentum Real Estate Partners, LLC have common ownership.

### ***Momentum Real Estate Partners, LLC***

The managers of GFG Capital are also managers of Momentum Real Estate Partners, LLC. Momentum Real Estate Partners, LLC, is an adviser to private real estate fund(s) which are exempt from registration pursuant to Section 3(c)(5)(C) of the Investment Advisers Act of 1940. The Momentum Real Estate Partners, LLC managed funds invest in multifamily real estate assets, distressed loans secured by income-producing real estate or other types of real estate related assets, as determined appropriate by its manager. GFG Capital may recommend to clients that they invest in the Momentum Real Estate Partners, LLC managed funds. This is a potential conflict of interest because GFG Capital and Momentum Real Estate Partners, LLC have common ownership, and therefore, GFG Capital will indirectly benefit from the referral of its clients to Momentum Real Estate Partners, LLC. Additionally, certain employees of GFG Securities may receive compensation for their introduction of the client to the Momentum Real Estate Partners, LLC managed funds.

Investors in the Momentum Real Estate Partners, LLC managed funds must be “accredited investors” as defined by Rule 501 under the Securities Exchange Act of 1933, and make a minimum capital contribution of \$250,000.

Momentum Real Estate Partners, LLC will receive organizational fees, asset management fees and allocations of profits as the manager of the Momentum Real Estate Partners, LLC funds. GFG Capital and its affiliated persons may be subject to certain potential conflicts of interest in providing services to the Momentum Real Estate Partners, LLC managed funds. Based on personal investments in the Momentum Real Estate Partners, LLC managed funds and the receipt of profit allocations, a potential incentive exists to allocate certain potentially profitable investment opportunities to the Momentum Real Estate Partners, LLC managed funds rather than to the investment management accounts of advisory clients. This conflict exists only to the extent that the Momentum Real Estate Partners, LLC managed funds invest in securities typical of, or appropriate, for investment management accounts. The types of investments to be made on behalf of the Momentum Real Estate Partners, LLC managed funds, however, are not expected to be typical of those made for investment management accounts.

GFG Securities, LLC may also be retained by Momentum Real Estate Partners, LLC to seek debt financing and capital for the Momentum Real Estate Partners, LLC managed funds.

#### ***GFG Asesores S. de R.L. de C.V.***

The managers of GFG Capital are also the managers of GFG Asesores S. de R.L. de C.V. located in Mexico City, Mexico. This entity provides administrative services for the subsidiaries of GFG Holdings, LLC with respect to clients residing in Mexico. This entity is not a licensed broker dealer or investment adviser, rather solely performs administrative tasks.

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

GFG Capital has adopted a code of ethics (“Code of Ethics”) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at GFG Capital must acknowledge the terms of the Code of Ethics annually, or as amended.

To supervise compliance with its Code of Ethics, GFG Capital requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. GFG Capital requires such access persons to also receive approval from the Chief Compliance Officer

prior to investing in any IPO's or private placements (limited offerings). GFG Capital requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline. GFG Capital will provide a complete copy of its Code of Ethics to any client upon request.

GFG Capital anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which GFG Capital has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which GFG Capital, its affiliates and/or clients, directly or indirectly, have a position of interest. GFG Capital's employees and persons associated with GFG Capital are required to follow GFG Capital's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of GFG Capital and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for GFG Capital's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of GFG Capital will not interfere with: (i) making decisions in the best interest of advisory clients; and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of GFG Capital's clients. In addition, the Code of Ethics requires pre-clearance of certain transactions, such as IPO's and private placements.

Employees may buy and sell securities GFG Capital recommends to clients on the same day as clients. As such, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between GFG Capital and its clients.

In limited circumstances, certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with GFG Capital's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. GFG Capital will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

It is GFG Capital's policy that the firm will not effect any principal or agency cross securities transactions for client accounts. In addition, GFG Capital will not perform cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or

sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

For assets directly managed by GFG Capital, discretionary authority to select brokers and to negotiate commissions on behalf of clients will be requested. GFG Capital will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions are based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help GFG Capital in providing investment management services to clients. GFG Capital may select a broker(s) who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance.

Certain clients may already have a pre-established relationship with a broker and they will instruct GFG Capital to execute all transactions through that broker. In the event that a client directs GFG Capital to use a particular broker or dealer, it should be understood that under those circumstances, GFG Capital will not have authority to negotiate commissions, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.

For certain trades, GFG Capital will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows GFG Capital to execute equity or fixed income trades in a timely, equitable manner and to reduce overall commission charges to clients. Again, clients who do not provide GFG Capital with brokerage discretion may in some circumstances not participate in block trades, and their trades in similar securities will be placed with brokers after trades for discretionary accounts.

Independent managers selected by clients to manage clients' assets will generally also request the discretion to select brokers and negotiate commissions on behalf of a client. GFG Capital will not

have control over trading execution by such managers. Clients should review the Form ADV disclosure documents of such managers regarding their trading practices.

GFG Capital has entered into soft dollar arrangements with SunGard, Pershing and Fidelity Brokerage Services LLC (“Soft Dollar Custodians”), unaffiliated third-party custodians that GFG Capital has recommended to clients because of their execution and settlement services available. For the soft dollar arrangements, the Soft Dollar Custodians will provide certain research and trade-order execution services that assist GFG Capital in its management of client accounts. GFG Capital therefore receives a benefit and has a potential conflict of interest with respect to its recommendation of the Soft Dollar Custodians and use of the Soft Dollar Custodians for client transactions. GFG Capital must arrange a minimum number of transactions through the Soft Dollar Custodians, as determined by the Soft Dollar Custodians, to defray the Soft Dollar Custodians’ cost of the research service received by GFG Capital. The research may also benefit clients whose accounts are not executed through the Soft Dollar Custodians and/or custodied at the Soft Dollar Custodians. the Soft Dollar Custodians may discontinue purchase of the research on behalf of GFG Capital at any time that it determines GFG Capital has not directed sufficient brokerage business to the Soft Dollar Custodians. GFG Capital will discontinue the execution of transactions through the Soft Dollar Custodians if it does not believe that the Soft Dollar Custodians provides the best overall execution and custody services for client accounts.

Clients without relationships at the Soft Dollar Custodians may benefit from the research and trade order execution services provided by the Soft Dollar Custodians despite not generating any such benefits. Generally, such benefits would be generated by clients with accounts custodied at the Soft Dollar Custodians and through which clients transactions are generally executed.

### **Item 13 – Review of Accounts**

All client account investments receive continuous reviews by Eduardo Gruener and Mauricio Gruener. The review process contains each of the following elements:

- A. Assessing the client goals and objectives;
- B. Evaluating the employed strategy(ies);
- C. Monitoring the portfolio(s); and
- D. Addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- A. A specific client request;
- B. A change in client goals and objectives;

- C. An imbalance in a portfolio asset allocation; and
- D. Market/economic conditions.

### **Reports**

In addition to the custodian statements received by client, GFG Capital will provide clients with periodic reports detailing its investments with GFG Capital.

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

### **Client Referral**

Certain GFG Capital employees act as originators of GFG Capital business. Such persons' compensation is based on the successful introduction of business to GFG Capital. These persons receive a percentage of client fees paid to GFG Capital, and therefore have a direct economic interest in introducing GFG Capital clients. GFG Capital further has a solicitor agreement with certain unaffiliated third party solicitors regarding the referral of potential clients to GFG Capital. GFG Capital is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations. As such, appropriate disclosure shall be made, all written instruments will be maintained by GFG Capital and all applicable Federal and/or State laws will be observed. Clients should understand that third party solicitors have an economic incentive to recommend the advisory services of GFG Capital.

GFG Capital has various solicitation agreements with third party entities which are subject to a written solicitation agreement. Any potential client that is referred to GFG Capital will receive the above mentioned disclosure document and a separate disclosure document regarding GFG Capital's referral fee payment to the entity at the time that any such referral is made.

GFG Capital is a participant in the Fidelity Registered Investment Advisor Group, a FINRA registered independent and unaffiliated broker-dealer. GFG Capital does not require clients to select any particular custodian and makes no financial commitment to such custodial brokers based on transaction volume, commission amounts, or otherwise.

Fidelity Brokerage Services, LLC provides GFG Capital with electronic systems that assist in the management of GFG Capital client accounts. Custodians of client accounts may further provide access to research, the ability to directly debit client fees, software and other technology 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), pricing information and other market data, assist with back-office functions, recordkeeping and client reporting.



GFG Capital may recommend custodians to clients or potential clients. Though not limited to the following, among those custodians recommended are Fidelity Brokerage Services, LLC, Pershing/BNY Mellon, and UBS. GFG Capital can also recommend custodians to clients with off-shore brokerage accounts, such as UBS AG, Scotiabank and others. GFG Capital does not require clients to select any particular custodian and, other than the soft dollar arrangements discussed in Item 12, makes no financial commitment to such custodial brokers based on transaction volume, commission amounts, or otherwise. GFG Capital is also not affiliated with any custodian.

Fidelity Brokerage Services, LLC, Pershing, BNY Mellon, UBS AG, HSBC, Merrill Lynch, Scotia and other custodians do, however, provide GFG Capital with electronic systems that assist in the management of GFG Capital client accounts. Custodians may further provide access to research, the ability to directly debit client fees, software and other technology 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), pricing information and other market data, assist with back-office functions, recordkeeping and client reporting.

### **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. GFG Capital urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities and should be used as a complement to bank statements. The official statement is the custodian bank statement and that is the statement clients should rely on for all purposes.

### **Item 16 – Investment Discretion**

GFG Capital may request discretionary authority to select Independent Managers on behalf of clients. However, for other investment management decisions, GFG Capital generally provides services on a nondiscretionary basis in direct consultation with clients. Any limitations on this discretionary authority shall be included in the written investment management agreement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, GFG Capital does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting

proxies for any and all securities maintained in client portfolios. GFG Capital may provide advice to clients regarding the clients' voting of proxies.

### **Item 18 – Financial Information**

GFG Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of an insolvency or a bankruptcy proceeding.