



**GRAHAM**  
**WEALTH**  
**ADVISORS**

January 30, 2016

## **FORM ADV PART 2A BROCHURE**

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This brochure provides information about the qualifications and business practices of Graham Wealth Advisors, LLC. (“GWA”). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer at 1-312-264-4377. 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. Registration of an investment adviser does not imply any level of skill or training. Additional information about GWA is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

<b>Item 2 – Material Changes</b>
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Not applicable, initial submission.

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#### Item 4 – Advisory Business

Graham Wealth Advisors, LLC (“GWA”) is a privately held investment management company based in Chicago, IL and organized as a Limited Liability Corporation under the laws of Illinois. GWA is applying to become registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”). GWA was founded in 2016 by Robert E. Graham, a registered representative and advisor, and is 100% owned by Montrose Holdings, LLC, an Illinois Limited Liability Corporation. As of the date of this brochure, GWA has no assets under management, discretionary or non-discretionary.

GWA provides discretionary portfolio management and investment services to a number of client types through:

- Separately Managed Accounts (“SMA’s”) for individuals, high net-worth individuals, Trusts and institutions; and
- Wrap Fee Accounts (“Wrap Program”) for individuals, high net-worth individuals, Trusts and institutions.

GWA performs advisory services for each client under the terms of an investment advisory agreement with that client. GWA typically exercises exclusive investment discretion regarding the purchase or sale of securities or other investments. GWA may also agree to manage a client’s account subject to certain reasonable restrictions or direction that the client imposes on the inclusion or exclusion of specific securities, or types of securities, within that account. Where appropriate, GWA will also provide advisory services on a non-discretionary basis. An investment advisory agreement may be terminated by either party for any reason with 30-day’s written notice.

An appropriate amount of financial planning and profiling is performed on each client to develop the investment objectives for that client. Through the custodian’s account opening applications, client discussions, and often third-party profiling and planning software, GWA will formulate an investment profile that takes into consideration a client’s financial goals, risk tolerance, investable time horizon, and tax situation so that a suitable portfolio of securities can be purchased and held in the client’s accounts. Some clients may have an Investment Policy Statement authored by themselves, their Board or their management that provides GWA with the appropriate direction to provide this service.

#### Clients Subject to ERISA

To the extent a client account is subject to ERISA, the client must inform us of any employer securities the client is not permitted to own under ERISA. In addition, in order to rely on the class exemption for qualified professional asset managers, the client must provide us with a list of any “party in interest” as defined in Section 3(14) of ERISA and every party with the authority to appoint or terminate GWA as investment adviser or to negotiate the terms of an investment management agreement with GWA with respect to the account.

## Item 5 – Fees and Compensation

The following information describes how GWA is compensated for the advisory services that it provides to clients. Unless otherwise stated in the investment advisory agreement, GWA's fees will be collected in arrears on the entire balance in the account, and will be automatically deducted from client accounts on a quarterly basis based on the closing balance of each account, provided by the custodian, at the end of the final business day of that calendar quarter. Should any position remain un-priced at that time, a third-party pricing source such as Bloomberg will be used to access a price. Managed account balances may be aggregated and account fees may be deducted from accounts that GWA may or may not manage, based on the client's direction. Fees earned beginning mid-quarter will be pro-rated to only charge for the days the account is managed. Fees earned ending mid-quarter will be pro-rated and charged at termination to only charge for the days the account is managed. GWA does not require a minimum fee and does not offer a "most favored nation" clause for any clients. GWA does not offer any proprietary mutual or exchange-traded funds to cause GWA to "double-charge" on the assets in advisory accounts, whether under an SMA or Wrap investment advisory agreement. Clients may be subject however, to the management fees charged by other investment managers for portfolio management, and the mutual or exchange-traded funds held in the account. Clients may obtain more information about these fees by reviewing the sponsor's Wrap Program Brochure and the relevant prospectus for the underlying mutual or exchange-traded funds in which the clients' assets are invested.

GWA's fees represent revenue to GWA for advisory services and the role as fiduciary to clients. These fees help GWA invest in client-supporting infrastructure and compensate one or more GWA advisors hired to manage the client's account. Each advisor enters into an agreement with GWA to, among other things, maintain the highest standard of client care in delivering GWA's planning-based advisory services. The agreement also specifies that a percentage of revenue earned by GWA becomes either W-2 or 1099 income to the advisor after collected by GWA. Each advisor executes its own customized compensation agreement with GWA but may share revenues with other GWA advisors when a collaborative effort is in the best interest of the GWA client. Any such arrangement will be disclosed in the client's investment advisory agreement. The GWA advisor may be compensated more for the Wrap Program than what might have been received if the client participated in other GWA programs, or paid separately for investment advice, trading and other services. Therefore, the GWA advisor may have financial incentive to recommend the Wrap Program.

### GWA SMA Advisory Fees

When GWA enters into an investment advisory agreement to provide discretionary portfolio management services to a client through an SMA, GWA will charge each such separate account a quarterly fee at a specified annual percentage rate of the account's assets under management. GWA's maximum standard fee rates for separate accounts are listed below. However, the fees charged to separate accounts are negotiable and may vary depending on certain factors including the account's amount and type of assets, and whether the client wishes to impose particular restrictions on GWA's discretionary investment authority (e.g., restrictions on the types of securities that GWA may acquire for the account).

The fee rates listed below do not include fees that a SMA client pays to third party service providers such as another money manager's portfolio management fees and mutual or exchange-traded fund fees, trading/brokerage and exchange fees, and account fees that may be charged by a custodian.

<u>Net Assets</u>	<u>Annual Fee</u>
Up to \$500,000	2.50%
\$500,001 to \$1,000,000	2.25%
\$1,000,001 to \$5,000,000	2.0%
\$5,000,001 to \$10,000,000	1.0%
\$10,000,001 and more	Negotiable

#### GWA Wrap Program Fees

When GWA enters into an investment advisory agreement to provide discretionary portfolio management services to a client through GWA's or another money manager's Wrap Program, GWA will charge each such account a quarterly fee at a specified annual percentage rate of the account's assets under management. GWA's maximum standard fee rates for Wrap accounts are listed below. However, the fees charged to Wrap accounts are negotiable and may vary depending on certain factors including the account's amount and type of assets, and whether the client wishes to impose particular restrictions on GWA's discretionary investment authority (*e.g.*, restrictions on the types of securities that GWA may acquire for the account).

The fee rates listed below include all fees for GWA's or another money manager's portfolio management, trading/brokerage and exchange fees, and account fees that may be charged by a custodian, excepting mutual or exchange-traded fund fees from another money manager that are embedded in the fund, or any directed brokerage fees assessed by the Wrap Program sponsor. The Wrap Program may cost the client more or less than purchasing these same services separately. The cost factors are the Custodian's fee structure and the size, number and timing of trades executed in the account. GWA does not allow directed brokerage in GWA's Wrap Program.

<u>Net Assets</u>	<u>Annual Fee</u>
Up to \$500,000	2.5%
\$500,001 to \$1,000,000	2.25%
\$1,000,001 to \$5,000,000	2.0%
\$5,000,001 to \$10,000,000	1.0%
\$10,000,001 and more	Negotiable

Attention is directed to Item 12-Brokerage Practices, below for additional information about the types of brokerage and other transaction costs that GWA's clients may incur.

#### Services to Employees, Family and Friends of GWA

GWA may provide portfolio management services to certain GWA principals, employees, and their family members and friends for fee rates that are lower than the rates available to other clients. These clients may also participate in the same trade aggregation or allocation procedures outlined in Item 12-Brokerage Practices.

### Tax Implications - Liquidation of Existing Positions Upon Transition to GWA

GWA may liquidate securities deposited into an account if the securities are not perceived by GWA to be suitable or consistent with a client's investment objectives and profile. GWA will then re-allocate the cash resulting from the liquidations accordingly. GWA may consider the tax consequences to a client when liquidating securities deposited into an account that GWA will manage, but may still liquidate unsuitable securities or those not consistent with a client's investment objectives and profile.

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

GWA does not charge performance fees and is not conflicted when managing multiple accounts for any one client.

### **Item 7 – Types of Clients**

The following information describes the types of clients for which GWA provides portfolio management services.

- Individuals- The typical individual is an adult-aged saver, single or married, who has liquid investable assets of less than \$1,000,000;
- High net-worth Individuals and Trusts- The typical high net-worth individual is a mid to latter stage investor, single or married, who has liquid assets of over \$1,000,000; and
- Institutions- The typical institution is either a non-profit or for-profit organization who has either investable liquid assets itself or through a retirement plan it sponsors. The institutions are either businesses, health care operations, foundations, associations, charitable organizations, or municipalities.

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

GWA offers its clients customized equity and fixed income investment strategies directly or indirectly through a custodian's investment management platform. These strategies may also include allocations to other suitable investment vehicles and asset classes such as REIT's, alternative investments, options, commodities, and other marketable securities. A summary of investment objectives and material risks provided below are presented for general information purposes. These summaries are in all instances qualified and superseded by the descriptions of objectives, strategies and risks, portfolio reports, and other communications which are provided to each client in connection with the creation and maintenance of the client's own account with GWA.

For all objectives and strategies, investing in securities involves the risk of loss of money, and clients investing money with GWA should be prepared to bear that loss. None of the strategies for which GWA provides portfolio management services is a deposit in any bank, nor are those investment vehicles insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

GWA profiles clients and their investment objectives as Conservative, Moderate, or Aggressive investors. A general description of each of these objectives and their risks follows:

### Conservative Investment Objective

*Investment Objective(s):* The strategy seeks to provide a level of income consistent, in the view of GWA, with preservation of principal. A secondary objective of the strategy is to reduce expected fluctuations in the portfolio's value compared to longer intermediate and longer term portfolios.

*Principal Investment Strategies:* The strategy is a portfolio of short/intermediate investment grade obligations with an average maturity of less than five years. The portfolio may be bar-belled, building a portfolio of securities at both ends of the maturity spectrum, or laddered, building a portfolio of securities with staggered maturities so that a portion of the portfolio matures each year. In most strategies, cash from maturing bonds is typically invested in securities with maturities at the required end of the barbell or ladder. The portfolio is typically invested in securities rated at the time of investment in the four highest categories of ratings services such as S&P, Moody's, or Fitch, or in unrated securities judged by GWA to be comparable to securities rated in the four highest ratings categories.

*Material Risks:* Management Risk; Interest Rate Risk; Prepayment Risk; Credit Risk; Market and Economic Risk; Foreign Investment Risk; Liquidity Risk.

### Moderate Investment Objective

*Investment Objective(s):* The strategy seeks long-term capital appreciation. The strategy normally invests the majority of assets in the equity markets, within and outside the United States. The secondary goal of the strategy is to seek current income.

*Principal Investment Strategies:* The strategy typically invests in a number of common stocks selected on a growth and/or value basis using fundamental research. The strategy is diversified to include growth and/or value stocks of companies of any size. The strategy also may invest in debt securities of any type.

*Material Risks:* Management Risk; Market and Economic Risk; Risks Affecting Specific Issuers; Foreign Investment Risk; Smaller Company Risk; Credit Risk; Interest Rate Risk; Liquidity Risk.

### Aggressive Investment Objective

*Investment Objective(s):* The strategy seeks long-term capital appreciation. As a secondary goal, the strategy seeks current income.

*Principal Investment Strategies:* The strategy typically invests in common stocks selected on a growth and/or value basis using varying types of research. The strategy is diversified to include growth and/or value stocks of companies of any size. The strategy also may invest in debt securities of any type.

*Material Risks:* Management Risk; Market and Economic Risk; Risks Affecting Specific Issuers; Smaller Company Risk; Foreign Investment Risk; Credit Risk; Interest Rate Risk; Liquidity Risk.



## Descriptions of Material Risks

*Credit Risk* – If debt obligations held by an account are downgraded by ratings agencies or go into default, or if management action, legislation or other government action reduces the ability of issuers to pay principal and interest when due, the value of those obligations may decline and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly "junk" or "high yield" bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher-rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, to ratings downgrades, and to liquidity risk. Political, economic and other factors also may adversely affect governmental issues.

*Derivatives Risk* – An account's investments in derivatives involve the risks associated with the securities or other assets underlying the derivatives, and also may involve risks different or greater than the risks affecting the underlying assets, including the inability or unwillingness of the other party to a derivative to perform its obligations to an account, an account's inability or delays in selling or closing positions in derivatives, and difficulties in valuing derivatives.

*Focused Investment Risk* – A strategy which invests in a focused portfolio of issuers may be subject to increased risk because changes in the value of one of the issuers may have a greater impact on the total value of the portfolio than if the portfolio is invested in a larger number of issuers. Further, to the extent that some of the issuers in the portfolio are in the same or related industries or sectors, any economic, political, regulatory or other event affecting one of those industries or sectors may have a greater impact on the total value of the portfolio.

*Foreign Investment Risk* – Investments in securities of foreign issuers may involve risks including adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments, and reduced legal protection. These risks may be more pronounced for investments in developing countries.

*High Yield Risk* – Debt obligations that are rated below investment grade and unrated obligations of similar credit quality (commonly referred to as "junk" or "high yield" bonds) may have a substantial risk of loss. These obligations are generally considered to be speculative with respect to the issuer's ability to pay interest and principal when due. These obligations may be subject to greater price volatility than investment grade obligations, and their prices may decline significantly in periods of general economic difficulty or in response to adverse publicity, changes in investor perceptions or other factors. These obligations may also be subject to greater liquidity risk.

*Interest Rate Risk* – When interest rates increase, the value of the account's investments may decline and the account's share value may be reduced. This effect is typically more pronounced for intermediate and longer-term obligations. This effect is also typically more pronounced for mortgage- and other asset-backed securities, the value of which may fluctuate more significantly in response to interest rate changes. When interest rates decrease, the account's current income may decline.

*Liquidity Risk* – Due to a lack of demand in the marketplace or other factors, an account may not be able to sell some or all of the investments promptly, or may only be able to sell investments at less than desired prices. The market for lower-rated and unrated debt obligations (including particularly "junk" or "high yield"

bonds) and debt obligations backed by so-called “subprime” mortgages may be less liquid than the market for other obligations, making it difficult for an account to value its investment in a lower-rated or unrated obligation or to sell the investment in a timely manner or at an acceptable price.

*Management Risk* – GWA client accounts are actively managed portfolios, and the value of the accounts may be reduced if GWA pursues unsuccessful investments or fails to correctly identify risks affecting the broad economy or specific issuers in which the accounts invest.

*Market and Economic Risk* – The value of an account’s investments may decline due to changes in general economic and market conditions. The value of a security held in an account may change in response to developments affecting entire economies, markets or industries, including changes in interest rates, political and legal developments, changes in Federal Reserve policy, and general market volatility.

*Prepayment Risk* – When market interest rates decline, certain debt obligations held by an account may be repaid more quickly than anticipated, requiring the account to reinvest the proceeds of those repayments in obligations which bear a lower interest rate. Conversely, when market interest rates increase, certain debt obligations held by an account may be repaid more slowly than anticipated, causing assets of the account to remain invested in relatively lower yielding obligations. These risks may be more pronounced for an account’s investments in mortgage-backed and asset-backed securities.

*Real Estate Risk* – An account’s investments in real estate investment trusts (“REITs”) are subject to risks affecting real estate investments generally (including market conditions, competition, property obsolescence, changes in interest rates and casualty to real estate), as well as risks specifically affecting REITs (the quality and skill of REIT management and the internal expenses of the REIT).

*Risks Affecting Specific Issuers* – The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may include a variety of factors, including but not limited to management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer’s competitive position.

*Smaller Company Risk* – Investments in smaller companies may involve additional risks because of limited product lines, limited access to markets and financial resources, greater vulnerability to competition and changes in markets, lack of management depth, increased volatility in share price, and possible difficulties in valuing or selling the investments.

*Structured Products Risk* – An account’s investments in structured finance arrangements, including CMOs, CDOs, CBOs and CLOs, involve the risks associated with the underlying pool of securities or other assets, and also may involve risks different or greater than the risks affecting the underlying assets. In particular, these investments may be less liquid than other debt obligations, making it difficult for an account to value its investment or sell the investment in a timely manner or at an acceptable price.

## **Item 9 – Disciplinary Information**

Neither GWA, nor any of its management persons, has been the subject of any legal or disciplinary action.

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

### Potential Conflicts of Interest

GWA will engage in a relationship with one or many independent custodians to safeguard and hold client assets for them. These independent custodians will also provide most other reporting, account administration, and trading and execution services either directly or through a broker-dealer affiliate. By providing these services, the potential exists for certain fees or charges to appear hidden or imbedded in accounts and securities and may compensate the brokers or custodians involved in providing the product or service.

GWA will also engage in a shared revenue agreement with a broker-dealer so that certain GWA Advisors may offer and be compensated for providing their clients typical broker-dealer, insurance and banking services. These Advisors will operate under a dual-registration contract with both companies and be supervised as such. They will receive compensation through 12(b)-1 fees, commissions and other fees charged to clients for accessing these products or services.

Robert E. Graham owns a minority interest as a non-voting silent member of Great Lakes & Atlantic Wealth Management & Advisory Partners, LLC, a Charlotte, NC based RIA. GWA has no other agreements and no other operations related to Great Lakes & Atlantic Wealth Management & Advisory Partners, LLC.

Robert E. Graham may also earn income as a FINRA Arbitration consultant or expert witness. In these proceedings, Robert is subject to non-disclosure of the identities involved, but uses these assignments to stay abreast of industry and regulatory trends. Robert will not be asked to perform this role for any case that may represent a conflict for GWA or its clients.

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

GWA has established policies and procedures to address any potential conflicts of interest which could arise from effecting purchases or sales of securities with or between client accounts, or which could arise from the personal investment activities of GWA or its employees, officers or members of its board of directors. Conflicts are avoided by GWA by not investing any GWA company funds in any equity or fixed-income securities held in client accounts other than cash or near-cash instruments. GWA also avoids conflict by disallowing trades with or between client accounts so that the favoring of one client over another from price manipulation within that security cannot occur. Conflicts with the sale or purchase of a security held in GWA client accounts as well as those of an advisor or person associated with an adviser are avoided by disallowing that security from being traded in the same trade or order for both the client and the advisor or person associated with the advisor. They may be traded however, on the same day, avoiding the trading of the same security at the same time for both the client and the advisor or person associated with the

advisor.

### Cross-Trading Policy

GWA's Cross-Trading Policy is to disallow Cross-Trading (the simultaneous purchase and sale of the same security at the same time) between any GWA client accounts or those of an advisor or person associated with an adviser.

### Personal Trading

GWA has adopted a Personal Securities Transactions Policy to address any potential conflicts which may arise from the personal investment activities of its advisors, employees, and officers. This Policy has various features, including requirements that certain "access persons" (*i.e.*, persons who may have access to client investment information):

- initially (upon hire) and annually thereafter disclose/report:
  - All brokerage accounts that are beneficially held
  - All securities that are beneficially held;
- monthly disclose/report all securities transactions as defined in the Policy;
- pre-clear any personal transaction in a "reportable security" as defined in the Policy, including any purchase or sale of a "private placement" or an "initial public offering";
- refrain from purchasing or selling securities on GWA's "prohibited list" (securities that GWA restricts due to a determination by GWA that an employee may possess potentially material, non-public information).

### Code of Ethics

In addition to the specific policies described above, GWA also has adopted a Code of Business Conduct and Ethics (the "Code of Ethics") in accordance with rules issued by the Securities and Exchange Commission under the Investment Advisers Act of 1940. The Code of Ethics was adopted with the objectives of deterring wrongdoing, promoting honest and ethical conduct, and compliance with all applicable laws and regulations. The Code of Ethics prohibits:

- defined conflicts of interest;
- trading on the basis of material nonpublic information;
- certain political contributions;
- the use of non-public, material information respecting an issuer of securities;
- effecting trades with GWA company funds or between GWA client accounts;
- trading securities held personally and in GWA client accounts in the same trade or order; and
- other activities which are viewed by GWA as inconsistent with its obligations to its clients.

GWA will provide a copy of the Code of Ethics to its clients and prospective clients upon request by calling our Chief Compliance Officer, at 1-312-264-4377 or by sending a written request to Graham Wealth Advisors, LLC, Attn: Chief Compliance Officer, 141 W. Jackson Blvd., Suite 1340A, Chicago, IL 60604.

### Selection of Broker-Dealers to Execute Transactions in Client Accounts

GWA generally has the discretionary authority to select broker-dealers to execute investment purchase and sale transactions for client accounts. Clients may seek to limit GWA's authority to select broker-dealers, or to direct GWA to place transactions through a particular broker-dealer, but in any such instance GWA may determine not to accept a client's engagement or to terminate an existing advisory agreement. See "Directed Brokerage in Wrap Program Accounts"; and "Additional Aspects of Directed Brokerage For Clients Subject to ERISA," below.

GWA maintains a list of approved broker-dealers with which it places client trades for execution based upon its investment decisions. GWA reevaluates broker-dealers on the list to confirm its perception that the approved broker-dealers continue to provide trade execution services which GWA views as satisfactory, and GWA may add or remove broker-dealers to or from its list.

GWA seeks to obtain the best available price and most favorable execution in placing orders for the execution of transactions in securities investments for client accounts over which GWA has discretionary or non-discretionary investment authority. "Best available price and most favorable execution" means, for this purpose, "best execution," or the execution of a particular transaction at the price and commission which provides the most favorable total cost or proceeds reasonably obtainable under the circumstances. GWA pursues this objective by placing orders for the execution of transactions for client accounts in accordance with its best execution policies, except as otherwise directed by clients. Selection of a broker-dealer by GWA in any instance is consequently based upon a variety of factors, which may include in the specific instance:

- commission rates;
- execution capability;
- responsiveness;
- creditworthiness and financial stability; and
- clearance and settlement capability.

Transactions may not always be executed at the lowest available price or commission and no assurance can be given that best execution will be achieved for each client transaction. Perceptions of what constitutes best execution in any given instance may vary.

### Directed Brokerage in Wrap Programs

Client accounts managed under GWA's Wrap Program are not able to limit GWA's authority to select broker-dealers or to direct GWA to place transactions through a particular broker-dealer. Client accounts managed through another money manager's Wrap Program ordinarily are by their nature directed brokerage accounts. Sponsors of these programs typically charge the program participants a fee which covers the costs of executing transactions for the participants' accounts when such transactions are placed by the program sponsor. Trades not placed by the program sponsor are referred to as "step-out" trades and may incur additional trading costs for the client. A Wrap Program client should confer with the program's sponsor and determine that the direction of brokerage provided for under the program is reasonable in view of the benefits received, and that the trade execution provided by the program's sponsor is in the client's best interest.

### Directed Brokerage for Clients Subject to ERISA

If a client account is subject to the Employee Retirement Income Security Act of 1974 (“ERISA”) and the client directs GWA to place all transactions for the client’s account with a particular broker-dealer, the following apply:

- the client retains and accepts sole responsibility for the determination of whether the directed brokerage arrangement is reasonable in relation to the benefits received by the plan;
- the client acknowledges and represents to GWA that the directed brokerage arrangement is used solely and exclusively for the benefit of the plan and its participants; and
- the client acknowledges and represents to GWA that the directed brokerage arrangement is permissible under the plan’s governing documents.

### Trade Rotation

All accounts managed by a particular GWA adviser on a discretionary basis that require the same security to be traded at the same time are subject to “block trading” and are ordinarily aggregated and executed simultaneously on a best execution basis. This ensures that no one client account benefits from a better execution price than another when a similar security is traded in multiple accounts.

### Purchases for Discretionary Accounts

GWA Advisers may aggregate and execute purchases of the same security simultaneously across multiple accounts through the use of block trading on a best execution basis. Trading volume in that security may dictate how and where the purchase will be executed. This does not suggest that all accounts with similar investment objectives always actively purchase the same securities at the same time. The customization of portfolios for many reasons may dictate that a suitable investment purchase for one client may not get purchased at the same time for another.

### Sales for Discretionary Accounts

GWA Advisers may aggregate and execute sales of the same security simultaneously across multiple accounts through the use of block trading on a best execution basis. Trading volume may dictate how and where the sale will be executed. This does not suggest that all accounts with similar investment objectives always actively sell the same securities at the same time. The customization of portfolios for many reasons may dictate that the sale of a suitable investment for one client may not occur at the same time for another.

### Exceptions

Variances in the trade procedures described above may arise due to cash availabilities or needs, or other practical considerations, including but not limited to tax considerations, diversification away from other similar securities or securities within the same industry sector, or the timing of the purchase or sale relative to the client’s investable time horizon.

### Allocation and Aggregation

GWA seeks to allocate transactions fairly and equitably among clients. Because it is not possible in all instances to execute a purchase or sale in one transaction, necessitating the execution of a series of purchases or sales over a period of time, a series of transactions may be executed at different prices over that period of time. In some instances, the availability of trading volume in a given security may be limited. Multiple

contemporaneous client orders may be aggregated in order to obtain more favorable pricing and execution. In the event any such aggregated order is effected in more than a single transaction and at other than a single price, the average weighted price of all such transactions shall be deemed to be the price at which the security was purchased or sold for all such clients.

#### Equity

In circumstances where an allocation of equity securities is believed by GWA to be necessary, the allocation is performed using a pro-rata allocation method.

#### Fixed Income

In circumstances where an allocation of fixed income securities is believed by GWA to be necessary, fixed income trades in the same security may be aggregated and then allocated to a number of clients or client accounts at the same price.

#### Research and Other Benefits Paid For Using Client Commissions (“Soft Dollars”)

GWA will not receive research or any other benefits from the use of client commissions in a Soft Dollar arrangement, avoiding the potential conflict of accepting lower or higher trade execution costs for any one client over another or any advisor or person associated with the advisor.

#### Trade Errors

On occasion, a material trading error may occur in a client account that results in a loss or a profit to the client. As appropriate, the following resolution procedures will be followed.

- Materiality is assessed according to GWA’s trade error policy.
- If GWA caused the error and the error resulted in a loss to the client’s account, GWA corrects the error to place the client in the same position as if the error had not occurred.
- If GWA caused the error and the error resulted in a profit to the client account, with the client’s consent, the profit is retained by the client. If the client does not consent to the trade error profit, the profit will be removed from the client’s account and a corrected trade, as of the original date, is placed in the account.
- If GWA did not cause the error, the party that caused the error is responsible to correct the results of the error.
- If GWA shares responsibility for an error with another party, GWA pays the portion of any loss associated with its error.

GWA maintains records of all errors it identifies, including the original trade ticket, trade date, error correction date, error correction transactions, identification of who caused the error and the results of the error and any correction. GWA generally notifies clients of any material error correction that involves a guideline breach and/or reimbursement to the client, but the form and timing of this notification may differ based on the particular client and the facts and circumstances of the error.

<b>Item 13 – Compliance Practices and Review of Accounts</b>
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#### Compliance Activities

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GWA’s Chief Compliance Officer has implemented a program to create a culture of compliance. Advisors

have access to the Custodians' tools for Compliance monitoring, a company-wide secured workflow and document repository tool, regularly scheduled compliance training and audit sessions and input on GWA policies and procedures to maintain timely and informed compliance monitoring. GWA has arranged to distribute this ADV and its Appendixes as required at any GWA investment advisor agreement signing, and along with GWA's Privacy Policy, annually every first calendar quarter through a firm-wide communication effort.

### Reviews

GWA Advisors and compliance employees conduct reviews of each account on a regular basis to confirm that trading activity, security diversification and account performance are consistent with client guidelines.

The frequency, interval and scope of these reviews for each account are dependent upon many things, such as a recent change in the account's investment policy statement, or even restrictions, or requirements that could be imposed by court order or by a regulator (*e.g.*, Securities and Exchange Commission, Department of Labor, etc.). GWA utilizes the Custodian's trade reporting system to conduct these reviews. Clients should contact GWA if any changes occur in their particular financial situation that may affect their investment advisor agreement, their investment policy statement or objectives, and the portfolio management services that GWA provides.

### Regular Reports

Materials provided to all clients include confirmations of transactions and custodial reports (below) that the client has agreed to receive directly from their independent custodian and/or an outside Wrap Program sponsor via mail or e-mail.

- Holdings
- Balances
- Activity
- Performance

These reports are delivered to the client via mail or e-mail no less than quarterly with no activity in the account and generally monthly with normal account activity triggering the creation of a monthly statement.

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

GWA may pay fees to financial intermediaries, advisers, planners and individuals who refer clients to GWA, in accordance with applicable law and only when governed by an executed written solicitation agreement.

### Client Referrals

GWA has not entered into any written solicitation agreements with third party solicitors to introduce prospective clients to GWA and be compensated for it.

### Education and Marketing Support

GWA actively seeks to educate client-influencers such as accountants, consultants, and other financial intermediaries ("Influencers") about its advisory services. GWA may pay some of the costs associated with



educational events, which provide GWA advisors with an opportunity to meet with Influencers and clients alike.

#### **Item 15 – Custody**

GWA does not have access to or control over client accounts and funds beyond authorization to deduct fees in accordance with the client's investment advisory agreement. GWA does not hold client funds, sign checks on behalf of a client, serve on the Board or act as Trustee for a non-family member client, or have any other client authorizations that would constitute GWA having custody over client funds.

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

GWA provides discretionary investment portfolio management services to its clients. This means that GWA has the authority to purchase or sell securities for a client's account, and determine the amount of the securities to purchase or sell, without obtaining the client's consent to the transactions. GWA may purchase or sell investments in a client's account whenever GWA believes it is prudent to do so.

GWA consequently may purchase or sell investments without regard for the length of time the investments have been held. Transactions may result in taxable gains or losses in a client's account, and also may result in the payment of commissions and other transaction costs. In particular, in some Wrap Programs with fixed or minimum transaction fees, a larger number of transactions may result in higher costs to a client.

Clients may impose certain limitations or restrictions on GWA's exercise of its discretionary authority. However, GWA reserves the right not enter into a contract with a prospective client, or to terminate an agreement with an existing client if the proposed limitation or restriction is likely in GWA's opinion to impair its ability to provide services to a client or is otherwise believed by GWA to be administratively or practically not feasible. Examples include directions not to invest in a certain type of company or industry sector. All such requests for limitations or restrictions not already contained in the investment advisory agreement must be mutually acceptable and executed in writing.

Certain clients may require transactions in foreign currencies for the purchase or sale of foreign securities and to repatriate the proceeds of such trades, as well as the income and dividends, to the base currency of the account. Since certain clients may require, and certain types of foreign currency transactions circumstances may dictate, that foreign currency transactions be executed by the clients' custodian, the client's consent is required before GWA will utilize a third party for foreign currency transactions. While GWA will monitor the reasonableness of foreign currency transactions conducted by a third party, the decision as to whether the custodian or a third party will execute the foreign currency transactions is at the discretion of the client. Additionally, GWA assumes no responsibility for the execution or oversight of foreign currency transactions conducted by either a third party or the clients' custodian.

**Item 17 – Voting Client Securities**

GWA does not seek authority to vote proxies on behalf of its clients. GWA's clients reserve their right to vote their own proxies generally through the mail or electronically through an E-mail from the registrant of the security.

**Item 18 – Financial Information**

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