

Item 1

Cover Page



SEC File Number: 801 – 70562

ADV Part 2A, Brochure
Dated: March 30, 2020

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This Brochure provides information about the qualifications and business practices of Glassman Wealth Services, LLC. If you have any questions about the contents of this Brochure, please contact us (703) 534-4444 or barry@glassmanwealth.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Glassman Wealth Services, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Glassman Wealth Services, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes to this Brochure since the March 28, 2019, annual amendment filing. However, Item 12 has been amended to reflect that Glassman Wealth Services no longer receives soft dollar benefits from Schwab.

ANY QUESTIONS: Glassman Wealth Services, LLC's Chief Compliance Officer, Barry Glassman, CFP®, remains available to address any questions that a client or prospective client may have regarding this Brochure and the arrangements described below.

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Item 4 Advisory Business

- A. Glassman Wealth Services, LLC (“GWS”) is a limited liability company formed in the Commonwealth of Virginia in 2009. GWS became registered as an Investment Adviser Firm with the Securities and Exchange Commission on September 17, 2009. GWS is principally owned by Barry Glassman, who is also GWS’ Managing Member and Chief Compliance Officer.
- B. As discussed below, GWS offers to its clients (individuals, high net-worth individuals, pension and profit sharing plans, charitable organizations, etc.) investment advisory services, financial planning consulting services, and retirement plan consulting services.

INVESTMENT ADVISORY SERVICES

The client can engage GWS to provide investment advisory services on a *fee-only* basis. GWS’ annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under management. Before engaging GWS to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with GWS setting forth the terms and conditions of the engagement.

GWS’ annual investment advisory fee shall include investment advisory services and limited financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of GWS), GWS may determine to charge for such additional services pursuant to a stand-alone Financial Planning and Consulting Agreement (see below).

To commence the investment advisory process, an investment adviser representative will first ascertain each client’s investment objective(s) and then allocate investment assets consistent with the designated investment objective(s). Once allocated, GWS provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objective(s), and may periodically execute or recommend execution of account transactions based upon such reviews.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, GWS may also provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, tax planning, insurance planning, etc.) on a stand-alone separate fee basis.

Before engaging GWS to provide stand-alone financial planning or consulting services, clients are required to enter into a Financial Planning and Consulting Agreement with GWS setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before GWS commences services.

If requested by the client, GWS may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from GWS. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. It remains the client’s responsibility to promptly notify GWS if there is ever any change in their financial situation or investment objective(s) for the purpose of reviewing, evaluating, or revising GWS’ previous recommendations and/or services.

RETIREMENT PLAN CONSULTING SERVICES

GWS also provides non-discretionary retirement plan consulting services, pursuant to which it assists sponsors of self-directed retirement plans and defined benefit plans with the selection and/or monitoring of investment alternatives from which plan participants will choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, GWS may also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement will be set forth in a Retirement Plan Services Agreement between GWS and the plan sponsor.

MISCELLANEOUS

Limitations of Planning and Non-Investment Consulting/Implementation Services. To the extent specifically requested by the client, GWS may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance. GWS does not directly implement any aspect of a client's financial plan, except for the ongoing management of a client's investments. GWS is not a law firm, accounting firm, or insurance agency, and no portion of GWS' services should be construed as legal, accounting, or insurance implementation services. Accordingly, GWS does not prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, GWS may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents.). Clients are reminded that they are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by GWS or its representatives. If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and not GWS, shall be responsible for the quality and competency of the services provided. GWS is not responsible for monitoring a client's financial plan, and it remains the client's responsibility to promptly notify GWS if there is ever any change in their financial situation or investment objective(s) for the purpose of reviewing, evaluating, or revising GWS' previous recommendations.

Unaffiliated Private Investment Funds. GWS may also provide investment advice regarding unaffiliated private investment funds. In particular, GWS may recommend that certain qualified clients consider an investment in unaffiliated private investment funds on a non-discretionary basis. GWS' role relative to the private investment funds will be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in any fund will be included as part of "assets under management" for purposes of GWS calculating its investment advisory fee. GWS' clients are under absolutely no obligation to consider or make an investment in any private investment fund.

Private Fund Risk Factors: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client will establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Private Fund Valuation. In the event that GWS references private investment funds owned by the client on any supplemental account reports prepared by GWS, the value(s) for all private investment funds owned by the client will reflect the most recent valuation provided by the fund sponsor. The current value could be significantly more or less than original purchase price or the fair market value of the fund. The client's advisory fee will be based upon reflected fund values.

Retirement Plan Rollovers. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If GWS recommends that a client roll over their retirement plan assets into an account to be managed by GWS, such a recommendation creates a conflict of interest if GWS will earn a new (or increase its current) advisory fee as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by GWS. GWS' Chief Compliance Officer, Barry Glassman, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by a rollover recommendation.

Portfolio Activity. GWS reviews accounts periodically and as necessary to determine if any changes are necessary based upon various factors, which may include, but are not limited to: investment performance, fund manager tenure, style drift, account additions/withdrawals, and changes in the client's investment objectives. GWS may determine that changes to a client's portfolio are unnecessary. Clients are still subject to the fees described in Item 5 below, even during periods of account inactivity.

Cash Positions. At any time and for a substantial length of time, GWS may hold a significant portion of a client's assets in cash or cash equivalents. Investments in these assets may cause a client to miss advances in the markets. Unless GWS expressly agrees otherwise in writing, account assets consisting of cash and cash equivalents are included in the value of an account's assets for purposes of calculating its advisory fee. A client can advise GWS, in writing, not to maintain (or to limit the amount of) cash and cash equivalents in the client's account.

Use of Mutual and Exchange Traded Funds: Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by GWS independent of engaging GWS as an investment advisor. However, if a prospective client determines to do so, he/she will not receive GWS's initial and ongoing investment advisory services. GWS also uses mutual funds advised by Dimensional Fund Advisors ("DFA"). DFA funds are generally only available through registered investment advisers approved by DFA. If a client terminates GWS's services, restrictions regarding additional purchases of, or reallocation among other DFA funds, may apply.

Independent Managers. For those clients that require an enhanced and/or specialized level of investment management services, GWS may also recommend that certain clients authorize GWS to allocate the active discretionary management of a portion of their assets by and/or among certain independent municipal bond separate account manager(s) to be selected by GWS (the "Independent Manager(s)"), based upon the stated investment objective(s) of the client. GWS will continue to render ongoing and continuous advisory services to the client relative to the monitoring and review of account performance, client investment objective(s), and asset allocation, for which GWS will receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Manager(s). Factors which GWS will consider in

recommending Independent Manager(s) include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. GWS generally has the authority to determine the broker-dealer/custodian to be used by the designated Independent Manager(s) relative to those accounts for which the Independent Manager(s) provide discretionary investment management services for GWS' clients. The investment management fees charged by the designated Independent Manager(s), together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, GWS' ongoing investment advisory fee. Fees charged by GWS pursuant to the use of Independent Manager(s) may be either in advance or arrears depending upon the specific Independent Manager relationship, and will be incorporated into the separate agreement that the client signs with the Independent Manager before commencing that engagement.

ByAllAccounts and MoneyGuidePro. GWS, in conjunction with the services provided by ByAllAccounts, Inc., and "MoneyGuidePro" may also provide periodic comprehensive reporting and financial planning services, which can incorporate all of the client's investment assets including those investment assets that are not part of the assets managed by GWS (the "Excluded Assets"). **The client and/or the client's other advisors that maintain trading authority, and not GWS, shall be exclusively responsible for the investment performance of the Excluded Assets.**

Unless otherwise specifically agreed to, in writing, GWS' service relative to the Excluded Assets is limited to reporting only. The sole exception to the above shall be if GWS is specifically engaged to monitor and/or allocate the assets within the client's 401(k) account maintained away at the custodian directed by the client's employer. As such, except with respect to the client's 401(k) account (if applicable), GWS does not maintain any trading authority for the Excluded Assets. Rather, the client and/or the client's designated other investment professional(s) maintain supervision, monitoring and trading authority for the Excluded Assets. If GWS were asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and GWS shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that GWS provide investment management services for the Excluded Assets, the client may engage GWS to do so pursuant to the terms and conditions of the Investment Advisory Agreement between GWS and the client. In addition, GWS shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the MoneyGuidePro platform without GWS' assistance or oversight.

Client Obligations. In performing its services, GWS will not be required to verify any information received from the client or from the client's other designated professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify GWS if there is ever any change in their financial situation or investment objective(s) for the purpose of reviewing, evaluating, or revising GWS' previous recommendations and/or services.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by GWS) will be profitable or equal any specific performance level(s).

- C. GWS will provide investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, GWS will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on GWS' services.

- D. GWS does not offer a wrap-fee program for its investment advisory services.
- E. As of December 31, 2019, GWS had \$1,454,471,398 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

A. INVESTMENT ADVISORY SERVICES

If a client determines to engage GWS to provide discretionary investment advisory services on a *fee-only* basis, GWS' negotiable annual investment advisory fee will be based upon a percentage (%) of the market value and type of assets placed under GWS' management. The annual investment advisory fee will generally range between 0.25% and 1.25% subject to the terms and conditions of the Investment Advisory Agreement, depending upon various factors including but not limited to: the amount of assets to be managed; account composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees. Moreover, the services to be provided by GWS to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

GWS also generally requires a \$2,000,000 minimum asset level and a minimum annual fee of \$16,000 for investment advisory services. Please refer to Item 7 below for more information in this respect.

GWS' Chief Compliance Officer, Barry Glassman, remains available to address any questions that a client or prospective client may have regarding its fees, and minimum asset levels and fees.

FINANCIAL PLANNING AND CONSULTING SERVICES

GWS may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. GWS' negotiable financial planning and consulting fees generally range between \$500 and \$10,000 on a fixed-fee basis subject to the terms and conditions of the Financial Planning and Consulting Agreement, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). If the client engages GWS for additional investment advisory services, GWS may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

RETIREMENT PLAN CONSULTING SERVICES

If a client determines to engage GWS to provide retirement plan consulting services, the terms and conditions of the engagement will be set forth in a Retirement Plan Services Agreement between GWS and the plan sponsor. GWS charges a negotiable annual fee for retirement plan consulting services, which generally ranges between 0.25% and 1.00 % of plan assets, depending on the level and scope of services requested, the professional(s) rendering the service(s), and the size of the plan.

- B. Clients may elect to have GWS' fees deducted from their custodial accounts. The applicable form of Agreement and the custodial/clearing agreement may authorize the custodian to debit the account

for the amount of GWS' fees and to directly remit that fee to GWS in compliance with regulatory procedures. In the limited event that GWS bills the client directly, payment is due upon receipt of GWS' invoice. GWS deducts and/or bills clients for its fees quarterly in arrears, based upon the market value of the assets on the last business day of the previous quarter.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, GWS generally recommends that Charles Schwab & Co., Inc., an SEC registered broker-dealer, FINRA and SIPC Member ("Schwab") serve as the broker-dealer/custodian for client investment assets. Broker-dealers such as Schwab charge transaction fees for executing certain transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition, clients will also incur, relative to all mutual fund and exchange traded fund ("ETF") purchases, charges imposed at the fund level (e.g., management fees and other fund expenses). The fees charged by the applicable broker-dealer/custodian, the charges imposed at the fund level, and any fees charged by Independent Managers as identified above are in addition to GWS' investment advisory fees referenced in this Item 5.
- D. GWS' investment advisory fees are prorated and paid quarterly, in arrears, based on the value of the assets on the last business day of the previous quarter. The applicable form of client Agreement with GWS will continue in effect until terminated by either party in accordance with the terms of such Agreement. Upon termination, GWS will bill or debit the client account for the pro-rated portion of the unpaid fee, based upon the number of days that services were provided during the billing quarter.
- E. Neither GWS, nor its representatives, accepts compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither GWS, nor any supervised person of GWS, accepts performance-based fees.

Item 7 Types of Clients

GWS' clients will generally include: individuals, high net-worth individuals, pension and profit sharing plans, and charitable organizations. GWS generally requires a \$2,000,000 minimum asset level and a minimum annual fee of \$16,000 for investment advisory services. GWS, in its sole discretion, may reduce or waive its minimum asset requirement or minimum annual fee based upon various factors including but not limited to: the amount of assets to be managed; account composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); and negotiations with the client. Clients maintaining less than \$1,280,000 of assets under GWS' management, which are subject to the \$16,000 annual minimum fee, may pay a higher percentage annual fee than the 1.25% fee referenced in the above-fee schedule at Item 5.A.

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

A. GWS may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts); and
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices).

GWS may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year); and
- Short Term Purchases (securities sold within a year).

Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear, including the loss of principal investment. Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by GWS) will be profitable or equal any specific performance level(s). Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss.

B. GWS' methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis GWS must have access to current/new market information. GWS has no control over the dissemination rate of market information; therefore, unbeknownst to GWS, certain analyses may be compiled with outdated market information, severely limiting the value of GWS' analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

GWS' primary investment strategies (Long Term Purchases and Short Term Purchases) are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer-term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter-term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

Margin Loans and Securities Based Loans. GWS may provide information to a client regarding margin loans or securities based loans (collectively, "SBLs") which the client clients may access through their account's broker-dealer/custodian or their affiliated banks (each, an "SBL Lender"). SBLs may be used for financial planning, college planning or cash flow management among other things. GWS typically will only provide this information upon request from a client. GWS does not recommend the use of margin for investment purposes. For example, a client may request information about borrowing money on margin to pay bills or other expenses such as financing the

purchase, construction, or maintenance of a real estate project. Unlike a traditional real estate-backed loan, an SBL has the potential benefit of: enabling borrowers to access funds in a shorter period of time, providing greater repayment flexibility, and may also result in the borrower receiving certain tax benefits. Clients interested in learning more about the potential tax benefits of borrowing money on margin should consult with an accountant or tax advisor. GWS does not conduct diligence on any issuer or the available rates in the market, across SBL Lenders or in comparison to other lenders.

Borrowing funds on margin is not suitable for all clients and is subject to certain risks, including but not limited to: increased market risk, increased risk of loss, especially in the event of a significant downturn; liquidity risk; the potential obligation to post collateral or repay the SBL if the SBL Lender determines that the value of collateralized securities is no longer sufficient to support the value of the SBL; the risk that the SBL Lender may liquidate the client's securities to satisfy its demand for additional collateral or repayment / the risk that the SBL Lender may terminate the SBL at any time. GWS does not provide any offset or reduce its investment advisory fee as a result of a client's decision to enter into an SBL and charges its fees based on the market value of the securities held in a client's account.

GWS has a conflict of interest with respect to SBLs, because it has an incentive to recommend or make available SBLs to clients instead of recommending that a client sell securities in their account. If a client sold securities in their account (instead of leveraging those securities to access an SBL) it would reduce the amount of fees collected by GWS. This conflict persists as long as GWS has an economic disincentive to recommend that the client terminate the use of SBLs. Clients are therefore reminded that they are not under any obligation to use SBLs, and are solely responsible for determining when to use, reduce, and terminate the use of SBLs. Our Chief Compliance Officer, Barry Glassman, remains available to address any questions that a client or prospective client may have regarding the use of SBLs.

- C. GWS primarily allocates client investment assets primarily among open-end no load mutual funds, with the remainder primarily allocated among exchange traded funds ("ETFs") exchange traded notes ("ETNs"), municipal bond independent separate account managers, and private investment funds. From time to time, GWS may recommend the use of options. Upon a specific client request, GWS may also allocate client investment assets as an accommodation among individual equity or fixed income securities.

Item 9 Disciplinary Information

Neither GWS nor its management persons have been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither GWS, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither GWS, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

- C. Neither GWS, nor its representatives, have any relationship or arrangement that is material to its advisory business or to its clients with any related person.
- D. GWS does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. GWS maintains an investment policy relative to personal securities transactions. This investment policy is part of GWS' overall Code of Ethics, which serves to establish a standard of business conduct for all of GWS' Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, GWS also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by GWS or any person associated with GWS.

- B. Neither GWS nor any related person of GWS recommends, buys, or sells for client accounts, securities in which GWS or any related person of GWS has a material financial interest.
- C. GWS and/or representatives of GWS may buy or sell securities that are also recommended to clients. This practice may create a situation where GWS and/or representatives of GWS are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if GWS did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed before those of GWS' clients) and other potentially abusive practices.

GWS has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of GWS' "Access Persons." GWS' securities transaction policy requires that an Access Person of GWS must provide the Chief Compliance Officer or a designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or a designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date GWS selects.

- D. GWS and/or representatives of GWS may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where GWS and/or representatives of GWS are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest. As indicated above in Item 11.C, GWS has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of GWS' Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that GWS recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct GWS to use a specific broker-dealer/custodian), GWS generally recommends that investment management accounts be maintained at Schwab. Before engaging GWS to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with GWS setting forth the terms and conditions under which GWS will manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that GWS considers in recommending Schwab (or any other broker-dealer/custodian to clients) include historical relationship with GWS, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by GWS' clients will comply with GWS' duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where GWS determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although GWS will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, GWS' investment management fee. GWS' best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Non-Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, GWS receives from Schwab (or could receive from other broker-dealer/custodians, unaffiliated investment managers, vendors, investment platforms, and/or product/fund sponsors) without cost (and/or at a discount) support services and/or products, certain of which assist GWS to better monitor and service client accounts maintained at such institutions. The support services that GWS receives can include: investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or free consulting services, discounted and/or free travel and attendance at conferences, meetings, and other educational and/or social events (which can also include transportation and lodging), marketing support, computer hardware and/or software and/or other products used by GWS in furtherance of its investment advisory business operations. As referenced above, certain of the support services and/or products that GWS can receive may assist GWS in managing and administering client accounts. Others do not directly provide such assistance, but rather assist GWS to manage and further develop its business enterprise. The receipt of these support services and products presents a conflict of interest, because GWS has the incentive to recommend that clients utilize Schwab as a broker-dealer/custodian based upon its interest in continuing to receive the above-described support services and products, rather than based on a client's particular need. However, GWS' clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by GWS to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. **GWS' Chief Compliance Officer, Barry Glassman, remains available to address any**

questions that a client or prospective client may have regarding the above arrangement and the conflict of interest presented.

Schwab Institutional Advisor Program

Without limiting the above, GWS participates in the Schwab Institutional Advisor Program (“Schwab IA Program”) offered by Schwab Institutional, which is a division of Schwab. GWS is independently owned and operated and not affiliated with Schwab. Schwab provides GWS with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services are generally available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor’s clients’ assets are maintained in accounts at Schwab Advisor Services, and are not otherwise contingent upon GWS committing to Schwab any specific amount of business (assets in custody or trading). Schwab’s services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For GWS’ client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to GWS other products and services that benefit GWS but may not benefit its clients’ accounts. Some of these other products and services assist GWS in managing and administering clients’ accounts. These include 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), provide research, pricing information and other market data, facilitate payment of GWS’ fees from its clients’ accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of GWS’ accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to GWS other services intended to help GWS manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to GWS by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to GWS. While as a fiduciary, GWS endeavors to act in its clients’ best interests, GWS’ recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to GWS of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which presents a conflict of interest. However, based upon the amount of assets under GWS’ management as reported in Item 4.E. above, as compared to the \$10 million requirement to qualify for the Schwab IA Program, GWS does not believe that this conflict of interest is material or compromises its fiduciary obligations to its clients in any way.

Schwab Operations Board.

As indicated in Item 10.C. above, Zach Rampold, serves on the Schwab Operations Board, which is comprised of approximately twenty-three representatives of independent investment advisory firms who have been invited by Schwab to participate in meetings and discussions of Schwab Advisor Services’ services for independent investment advisory firms and their clients.

Board members serve for three-year terms, and enter into nondisclosure agreements with Schwab under which they agree not to disclose confidential information. This information generally does not include material nonpublic information about the Charles Schwab Corporation, whose common stock is listed for trading on the New York Stock Exchange and the NASDAQ stock market (symbol: SCHW).

The Schwab Operations Board meets in person approximately twice per year and has periodic conference calls scheduled as needed. Schwab Operations Board members are not compensated by Schwab for their service, however, Schwab pays for Schwab Operations Board members' travel, lodging, meals and other incidental expenses incurred in attending Schwab Operations Board meetings.

GWS' Chief Compliance Officer, Barry Glassman, CFP®, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such engagement.

2. GWS does not receive referrals from broker-dealers.
3. **Directed Brokerage.** GWS does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and GWS will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by GWS. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs GWS to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through GWS. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts. **GWS' Chief Compliance Officer, Barry Glassman, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that GWS provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless GWS decides to purchase or sell the same securities for several clients at approximately the same time. GWS may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among GWS' clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. GWS will not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom GWS provides investment supervisory services, account reviews are conducted on an ongoing basis by GWS' Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise GWS of any changes in their investment objective(s) and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objective(s) and account performance with GWS on an annual basis.
- B. GWS may conduct account reviews on an other-than-periodic basis upon the occurrence of a triggering event, such as a change in client investment objective(s) and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. GWS may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A above, GWS receives economic benefits from Schwab including support services and/or products without cost and/or at a discount. Clients and prospective clients should review Item 12.A.1 above for more information about this arrangement.
- B. GWS does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 Custody

GWS will have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. GWS may also provide a written periodic report summarizing account activity and performance.

To the extent that GWS provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by GWS with the account statements received from the account custodian. The account custodian does not verify the accuracy of GWS' advisory fee calculation.

GWS engages in other practices and services on behalf of its clients that require disclosure at Form ADV Part 1, Item 9. Some of the practices and services subject the affected account(s) to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. In addition, certain clients have signed asset transfer authorizations, which permit the qualified custodian to rely upon instructions from GWS to transfer client funds to "third parties." These arrangements are also reflected at Form ADV Part 1, Item 9, but in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

Item 16 Investment Discretion

The client can determine to engage GWS to provide investment advisory services on a discretionary basis. Before GWS assumes discretionary authority over a client's account, the client will be required to execute an Investment Advisory Agreement, naming GWS as the client's attorney and agent in fact, granting GWS full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account. Clients who engage GWS on a discretionary basis may, at any time, impose restrictions, in writing, on GWS' discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe GWS' use of margin, etc.).

Item 17 Voting Client Securities

- A. GWS does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client will be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact GWS to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. GWS does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. GWS is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. GWS has not been the subject of a bankruptcy petition.