

**GRAVES-LIGHT PRIVATE WEALTH MANAGEMENT WRAP FEE PROGRAM**

Sponsored by



**GRAVES-LIGHT PRIVATE WEALTH MANAGEMENT, INC.**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Graves-Light Private Wealth Management, Inc. (hereinafter “GLPWM” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

### **Item 2. Material Changes**

In this Item, GLPWM is required to discuss any material changes that have been made to the brochure since the February 21, 2019. The Firm has updated Item 4 to disclose its current Wealth Management fee schedule. The Firm has no other changes to disclose in relation to this Item.

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## Item 4. Services, Fees and Compensation

The Graves-Light Private Wealth Management Wrap Fee Program (the “Program”) is an investment advisory program sponsored by GLPWM. In addition to the Program, the Firm offers a variety of advisory services, which include financial planning, consulting, and investment management services under different arrangements than those described herein. Prior to GLPWM rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with GLPWM setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

GLPWM has been in business as a registered investment adviser since August 31, 2018 and is owned by Asa Wesley Graves VII, John Douglas Light, and Jeffrey Grant Lenhart. As of December 31, 2019, GLPWM had \$744,102,313 in assets under management, all of which was managed on a discretionary basis.

While this brochure generally describes the business of GLPWM, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on GLPWM’s behalf and is subject to the Firm’s supervision or control.

### Description of the Program

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The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Clients must also open a new securities brokerage account and complete a new account agreement with Schwab Advisor Services™ (“Schwab”), or another broker-dealer that GLPWM approves under the Program (collectively “Financial Institutions”).

At the onset of the Program, clients complete an investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, GLPWM assists its clients in developing an appropriate strategy for managing their assets. Clients’ investment portfolios are generally managed on a discretionary or non-discretionary basis by either GLPWM’s investment adviser representatives or an independent investment manager (collectively “Independent Managers”), as recommended or selected by GLPWM. GLPWM and/or the Independent Managers generally allocates clients’ assets among the various investment products available under the Program, as described further in Item 6 (below).

## Fees for Participation in the Program

The Program is offered on a fee basis, meaning participants pay a single annualized fee based upon assets under management (“Program Fee”) based on the following fee schedule:

<b><u>PORTFOLIO VALUE</u></b>	<b><u>BASE FEE</u></b>
Up to \$1,000,000	0.90%
\$1,000,001 – 2,500,000	0.75%
\$2,500,001 - \$12,500,000	0.50%
Above 12,500,000	0.35%

The annual fee is prorated and charged quarterly in advance, based upon the market value of the assets being managed by GLPWM on the last day of the previous billing period.

If assets in excess of \$50,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), GLPWM may negotiate a fee rate that differs from the range set forth above. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage GLPWM for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm’s management. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.

## Fee Comparison

As referenced above, a portion of the fees paid to GLPWM are used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients’ portfolios, as well as the fees charged by the Independent Managers engaged to provide services under the Program. Clients should be aware that this arrangement creates an incentive for the Firm to limit trading activities.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients’ accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower

than fees charged by other sponsors of comparable investment advisory programs. Because the Firm pays for the brokerage fees, a conflict of interest exists because the Firm has an incentive to engage in fewer transactions or transactions that cost less to the Firm, including the use of mutual funds that do not have transaction charges, but have higher expenses to the client.

### **Fee Discretion**

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GLPWM, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

### **Other Charges**

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In addition to the advisory fees paid to GLPWM, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions. These additional charges may include mark-ups and mark-downs on fixed income transactions, other transaction fees, fees for trades executed away from Schwab (a conflict of interest exists where the firm avoids expenses by trading through a Financial Institution other than Schwab), custodial fees, reporting charges, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

### **Direct Fee Debit**

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Clients generally provide GLPWM and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to GLPWM. Alternatively, clients may elect to have GLPWM send a separate invoice for direct payment.

### **Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to GLPWM's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients

may withdraw account assets on notice to GLPWM, subject to the usual and customary securities settlement procedures. However, GLPWM designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. GLPWM may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charge) and/or tax ramifications.

### **Use of Margin**

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In limited circumstances, GLPWM will be authorized to use margin in the management of the client's investment portfolio. In these cases the fee payable will be assessed gross of margin such that the market value of the client's account and corresponding fee payable by the client to GLPWM will be increased. Where investment management fees are assessed gross of margin, a conflict of interest exists as the Firm has an incentive to use margin to increase its fees.

### **Compensation for Recommending the Program**

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GLPWM has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation. A person recommending the Program will not earn more compensation than he or she would otherwise receive if a client elected another investment management program.

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

GLPWM offers services to individuals, pension and profit sharing plans, other investment advisers, trusts, estates, charitable organizations, corporations and business entities.

### **Minimum Account Value**

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As a condition for starting and maintaining an investment management relationship, GLPWM imposes a minimum portfolio value of \$1,000,000. GLPWM may, in its sole discretion, accept clients with smaller portfolios based upon certain criteria, including anticipated future earning capacity, anticipated future earning capacity, anticipated future additional asset, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. GLPWM only accepts clients with less than the minimum portfolio size if the Firm determines the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. GLPWM may aggregate the portfolio of family members to meet the minimum portfolio size.

## Item 6. Portfolio Manager Selection and Evaluation

GLPWM acts as the sponsor and sole portfolio manager under the Program. Clients' investment portfolios are managed either directly by GLPWM or through the use of certain Independent Managers, as referenced above.

### Financial Planning and Consulting Services

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GLPWM offers clients a broad range of financial planning and consulting services, which include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Due Diligence

These services are rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below) and not offered on a stand-alone basis.

In performing these services, GLPWM is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. GLPWM recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage GLPWM or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by GLPWM under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising GLPWM's recommendations and/or services.



### Wealth Management Services

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GLPWM manages client investment portfolios on a discretionary or non-discretionary basis. In addition, GLPWM provides certain clients with wealth management services which include a broad range of financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

GLPWM primarily allocates client assets among various mutual funds, exchange-traded funds (“ETFs”), individual debt and equity securities, options and independent investment managers (“Independent Managers”) in accordance with their stated investment objectives. I

Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon. Clients can engage GLPWM to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, GLPWM directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product’s provider.

GLPWM tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. GLPWM consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify GLPWM if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if GLPWM determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm’s management efforts.

### Use of Independent Managers

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As mentioned above, GLPWM selects certain Independent Managers to actively manage a portion of its clients’ assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

GLPWM evaluates a variety of information about Independent Managers, which includes the Independent Managers’ public disclosure documents, materials supplied by the Independent Managers themselves and

other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. GLPWM also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

GLPWM continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. GLPWM seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

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

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GLPWM does not provide any services for performance-based fees (i.e. a fee based on a share of capital gains or capital appreciation of a client's assets).

### **Methods of Analysis**

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Client accounts will be managed through the prism of a top-down philosophy, focusing on proper strategic asset allocation target ranges. Furthermore, each selected target allocation may be massaged by tactical asset allocation decisions based upon the Firm's estimation of current and prospective economic and capital market variables. Unless there are extraordinary circumstances, actual asset allocations of the accounts are not expected to deviate by more than fifteen percent from the strategic asset allocation parameters identified as appropriate by both the Firm and the client. However, allocation targets may be temporarily violated under unusual market conditions for purposes of reducing overall portfolio risk (i.e. higher than normal levels of cash). If such actions are taken, the Firm will promptly communicate the implementation and rationale for the change.

For the equity component, the Firm's tactical allocation constraints are anticipated to be approximately 0.5 to 2.0 times the actual industry weighting of the S&P 500. The Firm often utilizes a core/satellite strategy which utilizes ETF securities to form the skeleton of the portfolio, complimented with individual stocks to overweight certain industry and/or market capitalization targets. No individual security is expected to constitute more than eight percent of the portfolio, with the notable exception of ETF securities (due to their diversified nature), unless dictated by client circumstances (i.e., company stock, tax considerations, etc.). However, it should be noted that diversification cannot eliminate the risk of fluctuating prices and uncertain returns.

### **Investment Methodology and Strategies**

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The Firm's portfolio management process is focused on long-term results. While officially style agnostic, the Firm's individual equity selection process tends to favor high-quality securities as opposed to fast-growing companies with volatile fundamentals. Individual equity security selection will be determined

through a combination of fundamental, technical, and quantitative analysis. In addition, the Firm's process can incorporate client preferences, within reason.

The Firm's fixed income strategies are largely determined by individual client needs. For example, high net worth individuals entering into their retirement years often require investment-grade municipal bonds for maximum after-tax income. In addition, clients with defined liabilities maturing at a known period in the future require a fixed income portfolio with proper duration and/or cash flow matching.

The Firm's fixed income investing philosophy is primarily focused on unlevered yield maximization, duration matching, and asset allocation/portfolio risk reduction strategies. Instruments utilized will range from government (both coupon and zero-coupon), investment-grade corporate securities, diversified portfolios of High-Yield securities, municipal bonds (when appropriate), GNMA's, and CMO securities. Importantly, our strategies often incorporate relatively modest allocations to below-investment grade fixed-income securities or other aggressive investments.

### **Risk of Loss**

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The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of GLPWM's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that GLPWM will be able to predict these price movements accurately or capitalize on any such assumptions.

#### *Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

### *Cash Management Risks*

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

### *Equity-Related Securities and Instruments*

The Firm may take long and short positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

### *Fixed Income Securities*

Fixed income securities are subject to various risks, including the following risks:

#### *Credit Risk*

The creditworthiness of the issuer's issuer and/or guarantors will impact the value of the fixed-income securities. Such creditworthiness can be impacted by a variety of economic, market, and issuer-specific circumstances. Such creditworthiness can also be impacted by actions taken by credit rating agencies. The downgrade of an issuer or its securities by a rating agency can negatively impact the value of related fixed-income securities.

#### *Default Risk*

If an issuer or any guarantor is unable to make principal and interest payments in a timely fashion, the value of the subject securities could be significantly impaired.

#### *Interest Rate Risk*

This is the risk that a security's value will change due to a change in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve, or in any other interest rate relationship.

### *Call and Prepayment Risk*

Call and prepayment risk is concerned with the holders having their bonds paid off earlier than the maturity date. This is due to decreasing market rates, which cause the issuer to call the bonds.

### *Inflation Risk*

Inflation Risk is also known as Purchasing Power Risk, this risk arises from the decline in value of a securities cash flow due to inflation, which is measured in terms of purchasing power.

### *Credit Spread Risk*

This type of credit risk deals with how the spread of an issue over the treasury curve will react. Spreads tend to widen in poor performing economies.

### *Liquidity Risk*

This risk is concerned with an investor having to sell a fixed income security at a price below its indicated value, the indication having come from a recent transaction.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares

or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Use of Independent Managers*

As stated above, GLPWM selects certain Independent Managers to manage a portion of its clients' assets. In these situations, GLPWM continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies.

### *Options*

Options allow investors to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Use of Margin*

While the use of margin borrowing for investments can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a Financial Institution, which is secured by a client's holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

### **Voting of Client Securities**

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GLPWM generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

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

In this Item, GLPWM is required to describe the type and frequency of the information it communicates to the Independent Managers, if any, managing its clients' investment portfolios. GLPWM acts as the sole portfolio manager under the Program and, as such, the Firm has no information to disclose in relation to this Item. Clients participating in the Program generally grant GLPWM the authority to discuss certain non-public information with the Independent Managers engaged to manage their accounts. Depending upon the specific arrangement, the Firm may be authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, tax identification numbers and account numbers. GLPWM may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the Independent Managers' investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

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

In this Item, GLPWM is required to describe any restrictions on clients' ability to contact and consult with the portfolio managers managing their investment portfolios. There are no restrictions on clients' ability to correspond with GLPWM, which acts as the sole portfolio manager under the Program. Clients can generally contact the Independent Managers managing their portfolios through GLPWM by providing the Firm with written request and identification of the questions or issues to be discussed with the Independent Managers. After receiving the client's written request, GLPWM, at its sole discretion, may contact the Independent Managers for the client or arrange for the Independent Managers and the client to communicate directly.

## **Item 9. Additional Information**

### **Disciplinary Information**

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GLPWM has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

### **Other Financial Industry Activities and Affiliations**

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This item requires investment advisers to disclose certain financial industry activities and affiliations.

### *Licensed Insurance Agents*

A number of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that GLPWM recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

### **Code of Ethics**

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GLPWM has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. GLPWM's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of GLPWM's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.



Clients and prospective clients may contact GLPWM to request a copy of its Code of Ethics.

### **Account Reviews**

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GLPWM monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's Principal. All investment advisory clients are encouraged to discuss their needs, goals and objectives with GLPWM and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and General Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from GLPWM and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from GLPWM or an outside service provider.

### **Client Referrals**

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The Firm does not currently provide compensation to any third-party solicitors for client referrals.

### **Receipt of Economic Benefit and Brokerage Practices**

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GLPWM recommends that clients utilize the custody, brokerage and clearing services of Charles Schwab & Co, Inc. through its Schwab Advisor Services division ("Schwab") for investment management accounts. The final decision to custody assets with Schwab is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. GLPWM is independently owned and operated and not affiliated with Schwab. Schwab provides GLPWM with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which GLPWM considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Schwab enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. Schwab has also agreed to reimburse clients for exit fees associated with moving accounts to Schwab. The reimbursement is only available up to a certain amount for all of the Firm's clients over a

twelve month period. Fees are reimbursed on a first-come-first-served basis so that no clients are favored. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.

The commissions paid by GLPWM's clients to Schwab comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where GLPWM determines that the commissions are reasonable in relation to the value of the brokerage and research services received. 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 Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. GLPWM seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the Client may be required to sign an additional agreement, and additional fees are likely to be charged.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist GLPWM in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because GLPWM does not have to produce or pay for the products or services.

GLPWM periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

GLPWM receives without cost from Schwab administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow GLPWM to better monitor client accounts maintained at Schwab and otherwise conduct its business. GLPWM receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits GLPWM, but not its clients directly. Clients should be aware that GLPWM's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services, especially because the support is contingent upon clients placing a certain level(s) of assets at Schwab. In fulfilling its duties to its clients, GLPWM endeavors at all times to put the interests of its clients first and has determined that the

recommendation of Schwab is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, GLPWM receives the following benefits from Schwab: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

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

Schwab also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of GLPWM by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist GLPWM in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Schwab. Schwab also makes available to GLPWM other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Schwab 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 the Firm. While, as a fiduciary, GLPWM endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

GLPWM does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

The client may direct GLPWM in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to “batch” client transactions for execution through other Financial Institutions with orders for other accounts managed by GLPWM (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, GLPWM may decline a client’s request to direct brokerage if, in the Firm’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client will be effected independently, unless GLPWM decides to purchase or sell the same securities for several clients at approximately the same time. GLPWM may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among GLPWM’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which GLPWM’s Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. GLPWM does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Financial Information**

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GLPWM is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.