



# **GLOBAL WEALTH MANAGEMENT, L.C.**

**ADV BROCHURE – MARCH 2020**

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This brochure provides information about the qualifications and business practices of Global Wealth Management, L.C. ("GWM"), a registered investment advisor. If you have any questions about the contents of this brochure, please contact us at +1 (305) 851-2476. 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 GWM also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The IARD/CRD number for GWM is 150743.

Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.



## SUMMARY OF MATERIAL CHANGES

This “Summary of Material Changes,” Global Wealth Management, L.C. discusses only the material changes since the last annual update of this brochure in March 2019:

As of March 2019, there are no material changes to report. However, clarifications were made to Items 5 and 14.

**Delivery of Amendments to this Brochure:** Pursuant to SEC rules, Global Wealth Management, L.C. will provide each of its customers with a summary of any material changes for all subsequent annual updates to brochures by April 30th of each year. The client will be provided with a new brochure as necessary based on changes or new information without charge.

Due to changes to this brochure, it is suggested that clients review this document in its entirety upon receipt. Clients are also encouraged to direct any questions they may have regarding the contents of this brochure to Thomas U. Heierli at +1 (305) 851-2476.



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## **ADVISORY SERVICES**

Global Wealth Management, L.C. is a portfolio management company that provides comprehensive investment supervisory services to individuals, families, trusts and other business entities. Global Wealth Management, L.C. provides both investment advice (non-discretionary) and asset management (discretionary) services, based on the scope of the client engagement.

We believe in global diversification to achieve capital preservation with firm long-term growth and our focus is on global and international investment opportunities. Portfolios can be customized to suit your investment needs and goals. You have the option of imposing reasonable investment restrictions on certain securities, industries or sectors by providing us with written instructions when you open your advisory account or at any time thereafter. All partners and portfolio managers of Global Wealth Management, L.C. have broad long-term experience in managing global and international investment portfolios.

Global Wealth Management, L.C. was registered as an investment adviser in 2009. The principal owner is Thomas U. Heierli.

As of December 31, 2019, Global Wealth Management, L.C. had the following amounts of client assets under management:

\$ 86,895,983 in discretionary assets  
\$ 23,108,847 in non-discretionary assets

## **FEES AND COMPENSATION**

Global Wealth Management, L.C. does not take custody of client's funds. We impose no minimum for opening and maintaining an account. We charge clients a maximum quarterly fee of 0.3% of total assets under management in arrears, including cash positions. We may agree to a lower fee schedule, in our sole discretion. No particular range for such lower fee arrangement has been established by Global Wealth Management, L.C. at this time. Therefore, clients with similar assets under management and investment objectives may pay higher or lower fees than other clients. In addition, some clients pay more or less than others depending on certain factors, including but not limited to the type and size of the account, the range of additional services provided to the client and the total amount of assets managed for a single client. While we believe our standard fees are reasonable, services similar to those provided by us may be available for lower fees from other sources. The fees that we charge for investment advisory services are specified in the agreement between GWM and each individual client.

Such fees shall be deducted from the client's account quarterly when due. The fee will be calculated based on the ending portfolio balance on the last day of the quarter as calculated by the custodian. We send a billing statement to clients and to the custodian, which shows the amount of the fees, the value of the assets on which the fees are based, and the manner in which they were calculated. The advisor/client relationship may be terminated at any time immediately upon written notice to the other party. If the advisor/client relationship is terminated during the quarter, fees will be assessed on a pro rata basis.

You will pay other expenses in addition to investment management fees. For example, you will typically pay costs such as brokerage commissions and equivalents, transaction fees, custodial



fees, transfer taxes, wire transfer fees, and other fees and taxes charged to brokerage and bank accounts and securities transactions, which are unrelated to the fee collected by us (please reference Item 12 for more information on our brokerage practices).

Open end mutual funds generally charge a management fee for their services, which are disclosed in the fund's prospectus and/or financial filings. In addition, mutual funds also may charge an early termination fee if you sell your shares prior to the fund's required holding period. You should refer to the fund's prospectus for specific information regarding early redemption fees.

## **PERFORMANCE-BASED FEES**

Global Wealth Management, L.C. does not accept performance-based fees.

## **TYPES OF CUSTOMERS**

Global Wealth Management, L.C. provides asset management/portfolio management services to accounts used by high net worth individuals, families, trusts and other business entities. There is no minimum investment requirement; however, \$500,000 minimum for discretionary mandates is recommended.

Global Wealth Management, L.C. also provides investment advice to accounts used by high net worth individuals, families, trusts and other business entities. There is no minimum investment requirement; however, \$500,000 minimum for discretionary and non-discretionary mandates is recommended.

## **METHOD OF ANALYSIS, INVESTMENT STRATEGY AND RISK OF LOSS**

Global Wealth Management, L.C. uses a number of different security analysis methods, including fundamental and technical analysis, charting and cyclical analysis. Our main sources of information include internal research and research materials prepared by external analysts, based upon different models, as well as other financial and economic publications, international newspapers, annual corporate reports and any other source of information beneficial for our investment decision process. We advise on a number of types of investments, including exchange-listed and over-the-counter securities, foreign securities, fixed income securities, Exchange Traded Funds ("ETF's"), certificates of deposits and time deposits, mutual fund shares, government securities, commodities, covered options, investments in foreign currencies and currency forward transactions. We may advise clients on any other type of investment deemed appropriate, based on the client's investment profile.

Our investment strategies are based upon each client's individual investment profile. We may use any of the following investment approaches to implement our investment advice: Conservative (maintain purchasing power with a focus on capital preservation and earnings primarily through current income), Balanced (maintain purchasing power to achieve long-term growth with earnings through current income, capital and currency gains), Dynamic (long-term capital growth through larger investments in tangible assets with earnings primarily through



capital and currency gains).

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend, including a complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor which are described below:

**Market Risks:**

*Material Non-Public Information.* By reason of their responsibilities in connection with other activities of Global Wealth Management, L.C. and/or its affiliates, certain principals or employees of Global Wealth Management, L.C. and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. Global Wealth Management, L.C. will not be free to act upon any such information. Due to these restrictions, Global Wealth Management, L.C. may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

*Accuracy of Public Information.* Global Wealth Management, L.C. selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to Global Wealth Management, L.C. by the issuers or through sources other than the issuers. Although Global Wealth Management, L.C. evaluates all such information and data and sometimes seeks independent corroboration when it is considered appropriate and reasonably available, Global Wealth Management, L.C. is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

*Investments in Non-U.S. Investments.* Global Wealth Management, L.C. may provide investment advice in non-U.S. securities and other assets (through mutual funds and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as overall as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include: Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets. Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments. Foreign securities and other assets often trade in currencies other than the U.S. dollar, and Global Wealth Management, L.C. may provide advice on foreign currencies through forward exchange contracts or other foreign currency hedging methods. Changes in currency exchange rates will affect the client's asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the client's investments to decline. Some foreign currencies are particularly volatile. Foreign governments and central banks may intervene in the currency markets, causing a decline in value or liquidity of the client's foreign currency holdings. If the client enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the client enters forward contracts for the purpose of increasing return, it may sustain losses.

Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often



lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

*Investments in ETFs.* ETFs are subject to investment advisory and other expenses, which will be indirectly paid by clients. As a result, the cost of our investment strategies will be higher than the cost of investing directly in ETFs, as there are two levels of fees. ETFs are subject to specific risks, depending on the nature of the fund. ETFs are professionally managed pooled vehicles that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. ETF managers trade fund investments in accordance with fund investment objectives. ETF risk can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant degree, or concentrate in a particular type of security (i.e., equities), rather than balancing the fund with different types of securities.

ETFs can be bought and sold throughout the day like stocks, and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day); however, there is no guarantee this relationship will always occur.

### **Regulatory Risks:**

*Strategy Restrictions.* Certain institutions may be restricted from directly utilizing investment strategies of the type in which Global Wealth Management, L.C. may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment with Global Wealth Management, L.C. is appropriate.

*Fund Offering Limitations.* For all funds offered, the fund sponsor or provider generally has the right to suspend or limit units offered under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue, thereby effecting their returns.

**Conflicts of Interest:** In the administration of client accounts, portfolios and financial reporting, Global Wealth Management, L.C. faces inherent conflicts of interest which are described in this brochure. Generally, Global Wealth Management, L.C. mitigates these conflicts through its Code of Ethics, which provides that the client's interest is always held above that of Global Wealth Management, L.C. and its associated persons.

**Security Specific Risks:** Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

**Liquidity:** Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation.

**Shorting, Margin and Use of Leverage:** Global Wealth Management, L.C., with the client's consent, may open client accounts as margin accounts and if we elect to use margin,



such use can magnify risk to client's accounts. As these are separately managed accounts, use of margin should be discussed with your IAR. Separately managed accounts wishing to use margin are required to complete a margin agreement. Other forms of leverage which Global Wealth Management, L.C. may use, includes options, short sales, and other inverse or leveraged derivative instruments. Global Wealth Management, L.C. also has the ability to short stocks in the client portfolios, and a high level of risk is associated with this strategy. Shorting securities requires the use of margin. Global Wealth Management, L.C. believes shorting provides additional opportunities to make money for margin approved clients if Global Wealth Management, L.C. believes a stock is overvalued. In rare circumstances, structured products may be offered to certain clients. These products often involve a significant amount of risk and should only be offered to clients who have carefully read and considered the products' offering documents, as they are often times based on derivatives. Structured products are intended to be "buy and hold" investments and are not liquid instruments.

**Currency:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

The above list of risk factors is not intended to be a complete list or explanation of the risks involved in an investment strategy. Due to the dynamic nature of investments and markets, strategies may be subject to additional and different risk factors not discussed above.

## **DISCIPLINARY INFORMATION**

Global Wealth Management, L.C. has not been involved in any disciplinary or legal action, nor has any officer, principal, or representative in the firm been involved in any disciplinary or legal action.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither Global Wealth Management, L.C. nor its personnel are registered, or have an application pending to register, as a broker-dealer, a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person (or registered representative) of the foregoing entities.

In addition, neither GWM nor its personnel have any relationship or arrangement with a related person and as a type of person listed below that is material to its advisory business or GWM clients:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company or agency,



- Pension consultant, or
- Real estate broker or dealer, or
- Sponsor or syndicator of limited partnerships.

However, Mr. Thomas Schnurrenberger, investment adviser representative of Global Wealth Management, L.C., is affiliated with Cité Gestion, a broker/dealer and investment advisory firm registered in Switzerland, taking care of non-US markets. Mr. Schnurrenberger divides his time between the business of Global Wealth Management, L.C. and Cité Gestion. A Solicitors Agreement exists between Cité Gestion and Global Wealth Management, L.C.

Global Wealth Management, L.C. has sub-advisory agreements with other Non-US-registered investment advisers.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CUSTOMER TRANSACTIONS AND PERSONAL TRADING**

Global Wealth Management, L.C. requires that all personnel sign and submit an acknowledgement of compliance with our code of ethics each year. A copy of this code of ethics is available to any client or prospective client upon request.

Global Wealth Management, L.C.'s code of ethics establishes requirements for complying with the laws and regulations applicable to investment advisers and their representatives, including the securities laws and regulations of Florida and other states where our clients may be located, the Investment Advisers Act of 1940, the Securities Exchange Act of 1933 and federal laws relating to privacy of client information, money laundering, and transactions in currency.

In addition to the restrictions described below with respect to the purchase or sale of securities by access persons of Global Wealth Management, L.C., all personnel are required to disclose in writing any situation that creates an actual or apparent conflict of interest between the person and Global Wealth Management, L.C. or any of our clients. All personnel are further prohibited from engaging in insider trading, from disclosing confidential information of any sort relating to Global Wealth Management, L.C. or its clients, and from accepting gifts, favors or preferential treatment from any client or prospective client or any broker, dealer, investment adviser, financial institution or other supplier of goods and services, among other things. The restrictions on insider trading, conflicts of interest, and the receipt of gifts or other improper benefits also apply to family members, dependents and affiliated persons of personnel.

Subject to certain restrictions and the reporting requirements set forth in the code of ethics, Global Wealth Management, L.C. and its members may buy or sell securities, which we are purchasing or selling for its client's accounts under certain circumstances. Pursuant to the code of ethics, to avoid conflicts of interests with Global Wealth Management, L.C. and its clients, no transaction may be effected by Global Wealth Management, L.C. that would disadvantage a client. All employee securities transactions of access persons are reviewed on at least a quarterly basis to ensure that employee trading is not disadvantaging client transactions (see also Aggregated Orders below).

Any member, director or officer of Global Wealth Management, L.C., or any person who has access to information regarding client transactions (an "access person") are further subject to



certain reporting requirements regarding its trading activities, which provide reasonable assurance that the transactions and holdings are in compliance with the code of ethics. Every January, each access person must file an annual holdings report identifying any and all securities in which they held any beneficial ownership as of December 31 of the prior year.

## **BROKERAGE PRACTICES**

When Global Wealth Management, L.C. believes it is desirable, appropriate and feasible to purchase or sell the same security for a number of client accounts at the same time (“Aggregated Orders”), we may aggregate client orders, including orders for GWM personnel, in a way that seeks to obtain more favorable executions, in terms of the price at which the securities are purchased or sold, the costs of execution, and the efficiency of processing the transactions. Each client account that participates in an aggregated order will participate at the average share price or some other manner which GWM determines is fair and equitable under the circumstances to all clients. In certain situations, the larger aggregated orders may obtain higher or lower prices than the price which could have been obtained had there been no bunching. When average pricing does not occur, the client may experience different execution prices.

As a result, GWM may have conflicts of interest in allocating its investments among client accounts and accounts for GWM personnel, and in effecting transactions between client accounts and accounts for GWM personnel where GWM personnel have a financial interest.

Although we will attempt to allocate investment opportunities in a manner which is in the best interests of all clients’ accounts, there can be no assurance that an investment opportunity which comes to our attention will be allocated to all other client accounts as certain accounts may be unable to participate in such investment opportunities or participation in a transaction may only be available on a limited basis. In addition, there may be circumstances under which we will consider participation by other client accounts in investment opportunities in which we do not intend to invest, or intend to invest only on a limited basis, on behalf of accounts in which GWM personnel hold a financial interest.

Global Wealth Management, L.C. recommends or chooses broker-dealers and custodians because of their financial strength, reputation, execution, pricing, and service. However, certain custodians may refer clients to us. In return for effecting securities transactions through certain broker-dealers/custodians, we may receive certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, economic forecasting and general market information, historical data base information and computer software that assist with our investment management process.

In evaluating whether to recommend (or direct) that clients custody their assets at a particular custodian, we take into account if the client was referred to us from a particular custodian and the availability of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely the nature, cost or quality of custody and brokerage services provided by a custodian. Clients should be aware that the receipt of such referrals and economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of custodian for custody and brokerage services. To address these potential conflicts of interest, we have developed and implemented a Compliance Program, which includes a review of the services and execution quality we receive from such custodians. In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of



broker-dealer services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for your account transactions.

Global Wealth Management, L.C. does not engage in directed brokerage or use soft dollars.

## **REVIEW OF ACCOUNTS**

Global Wealth Management, L.C. reviews all investment portfolio accounts on an ongoing basis. Mr. Heierli and Mr. Schnurrenberger are primarily responsible for noting changes and discussing possible portfolio changes on an ongoing basis.

Reports of all client funds and securities will be provided directly to clients by the custodian and/or Global Wealth Management, L.C. on a quarterly basis and upon a client request during the year. In addition, clients may contact Global Wealth Management, L.C. at any time during business hours to request such reports.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

Global Wealth Management, L.C. has entered into a solicitor/finder arrangement with Cité Gestion. This arrangement, and any similar arrangements, will be fully disclosed to affected clients and will be structured in accordance with Advisers Act Rule 206(4)-3. Additionally, clients referred to Global Wealth Management, L.C. will not be charged more than similarly situated clients who were not referred to Global Wealth Management, L.C. Our custodians may refer clients to us, which would cause a potential conflict of interest when we recommend a custodian (see discussion in Item 12 above). In addition, Global Wealth Management, L.C. has sub-advisory agreements with other Non-US-registered investment advisers.

## **CUSTODY**

Global Wealth Management, L.C. does not take custody of any of client's funds. Portfolio accounts are held by banks in Europe and the United States as custodians. Clients enter into a separate contract with the custodian bank, which is an independent agreement from the investment advisory mandate with Global Wealth Management, L.C.

Global Wealth Management, L.C. does not receive any fees from any custodian to whom we refer clients.

## **INVESTMENT DISCRETION**

In its discretionary role, Global Wealth Management, L.C. provides portfolio management services and has discretionary authority to manage the securities within the investment portfolios of our clients. A (discretionary) investment advisory agreement is signed before this authority is assumed by Global Wealth Management, L.C. Pursuant to the (discretionary)



investment advisory agreement, Global Wealth Management, L.C. has the authority without limitation to determine the types and amounts of securities to be bought or sold for clients. Global Wealth Management, L.C. also has the authority without limitation to determine the custodian to be used and the commission rates to be paid to such persons.

In its non-discretionary role, Global Wealth Management, L.C. provides investment advisory services, providing research, analysis and due diligence services to the client. A (non-discretionary) investment advisory agreement is signed that outlines the goals of the investment advisory services.

## **VOTING CUSTOMER SECURITIES**

Global Wealth Management, L.C. does not vote proxies for client portfolios. Customers will receive their proxies and other solicitations directly from their custodian or according to the notice instructions provided to the custodian related to such information. Customers may contact Global Wealth Management, L.C. with any questions regarding their proxy materials or solicitations.

## **FINANCIAL INFORMATION**

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

## **INVESTMENT ADVISER REPRESENTATIVES**

Global Wealth Management, L.C. requires that advisers involved in determining or giving investment advice to clients to have at least 5 years of portfolio management experience in international diversification and multi-currency portfolio management.

Our advisors have earned certifications and credentials that are required to be explained in more detail.

Global Wealth Management, L.C.'s Brochure Supplement, Form ADV, Part 2B, presents the education, business backgrounds and other important disclosures for the Investment Adviser Representatives of Global Wealth Management, L.C.