



**GLADSTONE INSTITUTIONAL ADVISORY, LLC  
DBA GLADSTONE WEALTH GROUP**

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**ADV PART 2A, APPENDIX 1  
WRAP FEE PROGRAM BROCHURE**

**July 28, 2021**

This wrap fee program brochure provides information about the qualifications and business practices of Gladstone Institutional Advisory (“GIA”). If you have any questions about the contents of this brochure, please contact us at (908)719-1313.

GIA is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). Registration of an investment adviser does not imply a certain level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about GIA is available on the SEC’s Investment Adviser Public Disclosure Website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2. Material Changes

We believe that communication and transparency are the foundation of our relationship with Clients and continually strive to provide our Clients with complete and accurate information. We encourage all current and prospective Clients to read our wrap fee program brochure and discuss any questions you may have with us.

The following material changes have been made to our wrap fee program brochure since our last annual update and distribution to Clients dated March 29, 2020.

### Item 4. Advisory Business

#### Types of Advisory Services

Included are descriptions of the following recently added wrap fee programs:

- a) Gladstone Capital Management Program (“GCM”) – Provides Clients with access to discretionary investment advisory services and Investment Strategies of Kessler Investment Group, LLC for management of the Client’s Account. Clients can choose TD Ameritrade, Charles Schwab & Co., Inc., or Fidelity Institutional as broker/custodian for their account.
- b) Fidelity Institutional Wealth Services Program (“Fidelity IWS”) - Provides Client with discretionary or non-discretionary investment advisory services provided by the IAR for individual management of the Client’s Account. Clients choose Fidelity Institutional as broker/custodian for their account.
- c) TD Ameritrade Service Program – Provides Client with discretionary or non-discretionary investment advisory services provided by the IAR for individual management of the Client’s Account. Clients choose TD Ameritrade as broker/custodian for their account.

### Item 5. Fees and Compensation

#### Payment of Fees

We have added language clarifying that the advisory agreement may be terminated by client or us at any time on thirty (30) days prior written notice.

For assets in the Schwab Adviser Services Program, if assets are deposited into or withdrawn from an account after inception of a billing period in an amount equal to or greater than \$10,000, the fee payable with respect to such assets will be prorated to reflect the change in portfolio value.

#### Item 10. Other Financial Industry Activities and Affiliations

##### GWP Holdings, LLC

We have included language to disclose that GIA is now a wholly owned subsidiary of GWP Holdings, LLC.

##### Kessler Investment Group, LLC

GIA has entered an arrangement with Kessler Investment Group, LLC (“KIG”), an SEC registered investment adviser, where KIG shares revenue with GIA and where KIG acts as asset manager to Investment Strategies offered under the GCM Program. This type of fee arrangement gives GIA a financial incentive to invest Client assets with KIG instead of with other asset managers that either share less or do not share revenue with GIA.

From time to time, we amend this wrap fee program brochure to reflect changes in our business practices, changes in regulations, and routine updates as required by securities regulators. Our complete wrap fee program brochure or a summary of material changes will be provided to you at least annually.

At any time, you may view our current wrap brochure online at the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching our Firm name or CRD #250787. You may also request a copy of our wrap brochure at any time by contacting us at (908) 719-1313.

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#### **Item 4. Service, Fees and Compensation**

Gladstone Institutional Advisory, (“GIA”, “the Firm”, “us”, “we”) offers nine (9) primary types of wrap fee programs for its advisory Clients (“you”, “your”).

Wrap fee programs charge a bundled, asset-based fee for investment advice, brokerage services, and administrative fees and expenses. The defining feature of a wrap fee program is that it offers bundled investment management and brokerage services for a fee based on a percentage of assets under management, rather than upon transactions in the account. Total fees you pay in a wrap fee program may be more or less than obtaining such services separately.

Other common fees that are charged to wrap fee programs include fees and costs embedded in the purchase of a product (such as a mutual fund, ETF, or variable annuity), fees associated with the use of a sub-adviser, and fees for transaction and execution costs related to trades being executed away from your primary broker/custodian (step-out trades) which can be embedded in the execution price of the security or charged under a separate ticket charge. These fees and expenses are in addition to the wrap fee a Client pays GIA. Clients are strongly encouraged to review the product prospectus and any applicable portfolio manager disclosure brochures to fully understand the fees and expenses they are paying.

The total fees a Client pays in a wrap fee program may be more or less than obtaining such services separately. The asset-based fee a Client pays does not vary based on the type of investments that are bought, sold or held in an account. Clients pay an asset-based fee even if their Investment Advisor Representative (“IAR”) does not buy or sell investments in their account.

For all the assets in its primary asset management programs, the Firm provides continuous and regular supervisory or management services (as defined by the SEC) based on the Client’s individual goals, objectives, risk tolerance, time horizon, liquidity needs, investment assets and income (“financial circumstances”) utilizing the investment strategy selected by the Client. IARs obtain a financial profile for each Client to aid in the construction of a portfolio that matches the Client’s specific situation. Many Clients maintain “household” accounts, in which multiple accounts for an individual or members of a family may be managed jointly to maximize efficiencies (the term “Client” includes such households, for purpose of this brochure.) For all

the different types of asset management programs, the IAR will assist Clients in assessing their goals, risk tolerance, income and tax situation and select an investment strategy and asset allocation that are appropriate for the Client's specific circumstances. However, GIA does not provide tax advice to Clients.

GIA offers the same suite of services to all its Clients; however, each IAR independently determines, based on his own investment strategies, methods of analysis, and preferences in conjunction with each Client's specific profile and financial circumstances, which services and products to recommend. Clients may impose reasonable restrictions on GIA regarding investing in certain securities or types of securities in accordance with their values or beliefs (or based on their employer's restrictions), except with certain third-party portfolio managers. However, if the restrictions prevent GIA from properly servicing the Client account, or if the restrictions would require the Firm to deviate from its standard platform of services, the Firm reserves the right to decline or terminate the relationship.

Clients can engage the Firm to manage all or a portion of their assets on a discretionary or non-discretionary basis by entering into one or more written agreements with the Firm. Clients are typically required to enter into additional written agreements with a broker/custodian and other parties not affiliated with GIA in connection with the management of their account. Clients are advised to promptly notify their IAR if there are changes in their financial circumstances or if they wish to impose any reasonable restrictions upon the Firm's investment management services.

All investments have risk and there is no guarantee that utilizing the asset management or financial planning services of GIA or its IARs will produce favorable results.

At the present time GIA offers its investment management services to Clients utilizing the wrap fee programs described below.

#### *1. Gladstone Capital Management Program ("GCM")*

The Gladstone Capital Management Program ("GCM") is a GIA sponsored Program that provides the Client with access to the Investment Strategies of Kessler Investment Group, LLC ("KIG", DBA "Gladstone Capital Management"), an independent manager and professional

portfolio management firm for the individual management of the Client's account<sup>1</sup>. Typically, equities, fixed income securities, mutual funds, and ETFs are utilized to execute the Investment Strategies. Clients have the ability impose restrictions on investing in certain securities or groups of securities by indicating preferences in the Agreement. A separate account will be established for each Investment Strategy selected and, each account will be managed independently of any other accounts of the Client.

When utilizing the GCM Program, Clients can select TD Ameritrade, Schwab, or Fidelity to serve as custodian and executing broker for assets in the account.

Clients should be aware that GIA provides LPL access to confidential Client information including personally identifiable information ("PII") and other information including financial information, transactions, and holdings for accounts custodied at TD Ameritrade, Schwab, or Fidelity for "oversight" in connection with everyday business purposes, even if the Client does not establish an account through LPL.

Minimum account values range from \$10,000 to \$100,000 depending in the Investment Strategy selected; however, in certain instances, the minimum account value may be lower or higher.

## *2. Strategic Wealth Management II Program ("SWM II")*

SWM II is a Program ("SWM II") where GIA, through its IARs, provides ongoing investment management of Client assets custodied at LPL. The IAR reviews the Client's financial circumstances and exercises discretion to determine the securities to be bought or sold in the Client's account, the amount of securities to be bought or sold and the timing of the purchases and sales of the securities. The types of securities used in this SWM II Program generally include equities, fixed income securities, options, mutual funds, and ETFs.

IARs provide investment management services tailored to the individual needs of the Client based on the investment objectives chosen by the Client. Clients may impose restrictions on investing in certain securities or groups of securities by indicating such restrictions in the Account Application.

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<sup>1</sup> Additional information about KIG is available on the SEC Investor Website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

There is no minimum required account value in the SWM II Program. Given the long-term nature of many SWM II strategies, an account may have little or no turnover during a given period. Clients should refer to their account application package for specific information on LPL's administrative fees. If structured products or annuities are utilized, the assets will be identified on the LPL account statements, but the actual securities are often held with and valued by the issuer of the security.

### *3. Manager Asset Select Program ("MAS")*

MAS is an LPL Financial Sponsored Advisory Program ("MAS") that provides Clients access to the investment advisory services of professional portfolio management firms for the individual management of Client accounts. The MAS Program offers two alternatives (i) the Separately Managed Account Platform ("SMA Platform"); and (ii) the Model Portfolio Platform ("MP Platform") (collectively "Platforms"). For both Platforms, the IAR will assist Client in selecting a third-party portfolio manager from a list of portfolio managers made available by LPL. The portfolio manager manages Client's assets on a discretionary basis. The IAR will provide initial and ongoing assistance regarding the portfolio manager selection process and serves as the point of contact between the Client and portfolio manager regarding changes in the Client's investment objective, financial circumstances and investment restrictions (if any).

#### *SMA Platform*

The SMA portfolio manager selected by the Client has ongoing investment discretion regarding the investment and reinvestment of account assets in accordance with the investment objective restrictions and guidelines set forth in the Investment Management Agreement and Account Application. The portfolio manager independently determines whether to accept the Client account based on the content of the Account Application, suitability and whatever other factors the portfolio manager has deemed appropriate. The portfolio manager has the sole authority to determine the securities to be purchased, sold, or exchanged and which portion, if any, of the assets shall be held uninvested. The portfolio manager has discretion to invest among a broad variety of security types, including equities, fixed income securities, options, mutual funds, and ETFs. The IAR does not play a role in the selection of securities to be purchased or sold. The IAR assists the Client to determine the Client's investment objectives and risk/return preferences, identify any investment restrictions on the management of the account, and select an

investment strategy and portfolio manager.

### *MP Platform*

Under the MP Platform, LPL provides ongoing discretionary investment advice regarding the investment and reinvestment of account assets in accordance with the Model Portfolio selected. LPL is expected to closely track the Model Portfolio, making modifications only to redress account issues, including tax loss harvesting, rebalancing, and to ensure that investment restrictions are being followed. The IAR does not play a role in the selection of securities to be purchased or sold. The IAR assists the client to determine the client's investment objectives and risk/return preferences, identify any investment restrictions on the management of the account, and select a model portfolio provided by LPL's Research Department or Model Advisor.

LPL selects and reviews SMA portfolio managers and MP Model Advisors based on quantitative, qualitative and infrastructure criteria. There are two types of these advisers, "Recommended" or "Participating". Portfolio managers and Model Advisors that are "Recommended" by LPL Research are subject to more rigorous selection and review process than those that are "Participating". Clients should speak to their IAR regarding whether the portfolio manager or Model Advisor being considered for selection, or that has been selected by the Client, is "Recommended" or "Participating."

A minimum account value of \$100,000 is required for the MAS Program; however, in certain instances, the minimum account size may be lower or higher. Clients should note that an account will not be invested until the applicable minimum for the investment strategy or Model Portfolio has been reached.

LPL acts as Custodian to MAS accounts. Clients direct portfolio managers and Model Advisers to execute transactions through LPL. In some instances, portfolio managers may choose to place some or all trades for accounts with broker-dealer firms other than LPL ("step-out") where the execution price to the Client may include a commission or other fee imposed by the broker-dealer in addition to the account fee. This increases the fees paid by the Client. GIA is unaffiliated with LPL and the portfolio managers utilized under the MAS Program. Clients should refer to their account application package and sub-adviser disclosure brochure for specific

information on LPL's management fees and fees imposed by third parties.

#### *4. Model Wealth Portfolios Program ("MWP")*

MWP is an LPL Financial Sponsored Advisory Program ("MWP") that offers Clients professionally managed mutual fund and ETF asset allocation models. The IAR will obtain the necessary financial data from the Client, assist the Client in determining the suitability of the MWP Program and assist the Client in setting an appropriate investment objective. The IAR will initiate the steps necessary to open an MWP account and select a model portfolio designed by LPL's Research Department consistent with the Client's stated investment objectives. LPL's Research Department or third-party Portfolio Strategists are responsible for selecting the mutual funds or ETFs within a model portfolio and for making changes to the mutual funds or ETFs selected. The Client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds and ETFs and to liquidate previously purchased securities. The Client will also authorize LPL to effect rebalancing for MWP accounts.

Portfolio Strategists are independent investment advisor firms. Portfolio Strategists provide LPL with a Portfolio that includes recommended asset allocations and funds. LPL enters into an agreement with the Portfolio Strategist for ongoing Portfolio allocation services. Portfolio Strategists do not have discretion from the Client to implement the Portfolio and do not provide individualized investment advice to specific MWP Program Clients. In certain cases, a Portfolio may consist only of mutual funds and/or ETFs within the same fund family or within affiliated fund families. In such a Portfolio, the Portfolio Strategist will select only those funds within the fund family or affiliated fund families, and a third-party Portfolio Strategist or its affiliates may earn two levels of fees with respect to the assets: a strategist fee, and fund-level fees, including fund management fees.

MWP requires a minimum asset value for an account to be managed. The minimums vary depending on the Portfolio(s) selected and the account's allocation amongst Portfolios. The lowest minimum Portfolio is \$25,000. In certain instances, a lower minimum for a Portfolio will be permitted. An account will not be invested according to a Portfolio or Portfolios until the applicable minimum for the Portfolio(s) and allocation has been reached. Clients should consult with their IAR to obtain more information about the applicable investment minimum based on the Portfolio(s) selected and the allocation amongst Portfolios.

LPL acts as Custodian to MWP accounts, provides brokerage and execution services as the broker-dealer on transactions, and performs administrative services, such as quarterly performance reporting to Clients. GIA is unaffiliated with LPL. Clients should refer to their account application package for specific information on LPL's management fees and fees imposed by third parties.

#### *5. Optimum Market Portfolios Program ("OMP")*

OMP is an LPL Financial Sponsored Advisory Program ("OMP") offering Clients the ability to participate in a professionally managed asset allocation program using Optimum Funds shares. Under the OMP Program, the Client authorizes LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the Client. The IAR will assist the Client in determining the suitability of the OMP Program for the Client and assist the Client in setting an appropriate investment objective. The IAR will select a mutual fund asset allocation portfolio designed by LPL consistent with the Client's investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the Client. LPL will also have the authority to rebalance the account.

A minimum account value of \$10,000 is required for the OMP Program. In certain instances, a lower minimum for the OMP Program will be permitted. LPL acts as Custodian to OMP accounts, provides brokerage and execution services, and performs administrative services, such as quarterly performance reporting to Clients. GIA is unaffiliated with LPL. Clients should refer to their account application package for specific information on LPL's management fees and fees imposed by third parties.

#### *6. Schwab Advisor Services Program*

Schwab Advisor Services is a Program where GIA, through its IARs, provides ongoing investment management to Client assets custodied at Charles Schwab & Co. ("Schwab"). The IAR reviews the Client's financial circumstances and exercises discretion to determine the securities to be bought or sold in the Client's account, the amount of securities to be bought or sold, and the timing of the purchases and sales of the securities. The securities used in the Program typically include equities, fixed income securities, options, mutual funds, and ETFs.

IARs provide investment management services tailored to the individual needs of the Client based on the investment objectives chosen by the Client. Clients may impose restrictions on investing in certain securities or groups of securities by indicating in the Agreement. Given the long-term nature of many individual strategies employed in the Program, an account may have little or no turnover during a given period.

Clients should be aware that GIA provides LPL access to confidential Client information including personally identifiable information (“PII”) and other information including financial information, transactions and holdings for accounts established through Schwab for “oversight” in connection with everyday business purposes, even if the Client does not establish an account through LPL.

There is no minimum required account value in the Schwab Adviser Services Program. Schwab is unaffiliated with GIA. Clients should refer to their account application package for specific information on Schwab’s administrative fees.

#### *7. Turnkey Asset Management Platform (“TAMP”)*

GIA may recommend or utilize other investment advisors through what is commonly referred to as a Turnkey Asset Management Platform (“TAMP”). Through one or more portfolio managers IARs provide ongoing investment advice to Clients that is tailored to the specific needs and objectives of those Clients. The IAR will obtain financial information from the Client to determine appropriate investment objectives, risk tolerance, and suitability of the portfolio Manager under consideration. Once a portfolio manager is selected, the IAR will assist in the account opening process that includes execution of account agreements and the delivery of other related documents. The TAMP provides a level of technology, administrative, operations and advisory support services that allows IARs to oversee Client portfolios.

In addition, the IAR may assist the Client in selecting a model portfolio of securities designed by the TAMP or select a portfolio manager to provide discretionary asset management services. In either instance, the portfolio manager (and not the IAR) has Client authority to purchase and sell securities on a discretionary basis pursuant to the underlying Investment Advisory Agreement between the parties. The selected portfolio manager’s Brochure will explain whether Clients may impose restrictions on investing in certain securities or types of securities. Currently, GIA

offers TAMP services through Envestnet Asset Management, Inc. (“Envestnet”) and its affiliated companies; however, others may be added from time to time.

Clients should be aware that GIA provides LPL access to confidential Client information including personally identifiable information (“PII”) and other information including financial information, transactions and holdings for Client accounts established in the TAMP Program for “oversight” in connection with everyday business purposes, even if the Client does not establish an account through LPL.

In most instances, the portfolio managers offered under the TAMP require a minimum asset value for an account to be managed. The minimums vary depending on the portfolio manager(s) selected and the account’s allocation amongst Portfolios. Account minimums are included in the TAMP and selected portfolio manager account opening documents.

Clients chose either Charles Schwab & Co. or Fidelity Institutional as custodian/broker-dealer for accounts in the TAMP Program. In some instances, portfolio managers may choose to place some or all trades for accounts with broker-dealer firms other than the one selected by the Client (i.e., “step-out”) where the execution price to the Client may include a commission or other fee imposed by the broker-dealer in addition to the fee the Client pays GIA. This increases the fees paid by the Client.

GIA is unaffiliated with Schwab, Fidelity, Envestnet and the portfolio managers utilized under the TAMP. Clients should refer to their account application package and disclosure brochures for specific information on TAMP and portfolio manager management fees and other fees imposed by third parties.

#### *8. TD Ameritrade Services Program*

TD Ameritrade Services is a Program where GIA, through its IARs, provides ongoing investment management on Client assets custodied at TD Ameritrade Institutional, a division of TD Ameritrade, Inc. (“TD Ameritrade”). Clients can elect to have discretionary or non-discretionary accounts. A discretionary account is an account that gives the IAR the authority to make individual trade without the consent of the Client. A non-discretionary account is an account where the client always decides whether or not to conduct a trade. The securities used in

the TD Ameritrade Services Program typically include equities, fixed income securities, mutual funds, and ETFs.

IARs provide investment management services tailored to the individual needs of the Client based on the investment objectives chosen by the Client. Clients may impose restrictions on investing in certain securities or groups of securities by indicating in the Agreement. Given the long-term nature of many individual strategies employed in the Program, an account may have little or no turnover during a given period.

Clients should be aware that GIA provides LPL access to confidential Client information including personally identifiable information (“PII”) and other information including financial information, transactions and holdings for accounts established through TD Ameritrade for “oversight” in connection with everyday business purposes, even if the Client does not establish an account through LPL.

There is no minimum required account value in the TD Ameritrade Program. TD Ameritrade is unaffiliated with GIA. Clients should refer to their account application package for specific information on TD Ameritrade’s administrative fees.

#### *9. Fidelity Institutional Wealth Services Program (“Fidelity IWS”)*

Fidelity IWS is a Program where GIA, through its IARs, provides ongoing investment management of Client assets custodied at Fidelity. The IAR reviews the Client’s financial circumstances and exercises discretion to determine the securities to be bought or sold in the Client account, the amount of securities to be bought or sold and the timing of the purchases and sales of the securities. IARs provide investment management services tailored to the individual needs of the Client based on the investment objectives chosen by the Client. Clients may impose restrictions on investing in certain securities or groups of securities by indicating in the Agreement. Given the long-term nature of many individual strategies employed in the Program, an account may have little or no turnover during a given period.

Clients should be aware that GIA provides LPL access to confidential Client information including personally identifiable information (“PII”) and other information including financial information, transactions and holdings for accounts established through Fidelity for “oversight”

in connection with everyday business purposes, even if the Client does not establish an account through LPL.

There is no minimum required account value in the Fidelity IWS Program. Fidelity is unaffiliated with GIA. Clients should refer to their account application package for specific information on Fidelity's administrative fees.

### *Fees and Compensation*

When a Client engages GIA to provide investment management services, the Client is charged a fee. IARs set their own asset-based fee for their services, so long as their asset-based fee does not exceed the Firm's maximum fee of 2.00% of account assets per year. IARs consider various factors in determining what fee to charge, which may include, among other things, the nature and size of the overall Client relationship. Clients may negotiate fees for the IAR's services. Account fees are structured utilizing a flat asset-based fee or on tiered fee basis, with a reduced percentage rate based on the account reaching certain thresholds. IARs receive a portion of the wrap fee for their services. This compensation may be more than what the IAR would receive if a Client paid separately for investment advice, brokerage, and other services. IARs therefore, may have a financial incentive to recommend the wrap fee program over other services.

Clients will incur charges imposed by third parties including, but not limited to, broker/custodian fees and internal expense and management fees in connection with transactions in certain types of securities such as mutual funds, exchange traded products, and direct investment products, which can vary considerably. These fees are in addition to the fee the Client pays GIA.

Clients with assets in the MAS, MWP, OMP and TAMP Programs will also pay fees to other third parties, such as a portfolio manager fee and platform fee which typically ranges from 0.15% to 1.00% of account assets per year. On occasion, a portfolio manager may agree not to receive a fee. Our broker/custodians will charge you a flat dollar amount as a "prime broker" or "step-out" fee for each trade that a portfolio manager executes by a different broker-dealer but where the securities bought or the funds from the securities sold are settled into your account. These fees are in addition to the fee the Client pays GIA. Clients are encouraged to review the disclosure brochures for selected third-parties for further information regarding additional fees and expenses.

Under the GCM Program Clients do not pay a separate portfolio manager or platform fees. IARs typically pay GIA an asset-based fee of 0.15 % of the IAR's total assets under management in the GCM Program for access to the Investment Strategies, technology, and professional asset management services offered by KIG. This type of fee arrangement gives IARs an incentive to charge clients a higher advisory fee to offset expenses when utilizing the GCM Program.

Since GIA began providing these services, it has had other fee structures in effect, which may have been lower or higher, as the case may be, than that described above. As new fee structures are put into effect, they are generally made applicable only to new Clients, and fees to existing Clients are generally not affected.

#### *Payment of Fees*

For accounts custodied at LPL, fees are due and payable in advance and are based upon the ending account values as of the close of business on the last day of the previous calendar quarter. Fees are calculated and deducted from the managed account by LPL, the qualified Custodian. Fees for the initial quarter are adjusted pro rata based upon the number of calendar days in the calendar quarter that the Investment Advisory Agreement goes into effect. If assets are deposited into or withdrawn from an account after inception of a billing period, the fee payable with respect to such assets is prorated to reflect the change in portfolio value. The advisory relationship may be terminated by the Client or by GIA in accordance with the provision of the Investment Management Agreement. The Client receives a pro rata refund of any prepaid unearned advisory fees. Clients receive an account statement from LPL at least quarterly. The statement includes the amount of any fees debited or credited from the Client's' account pursuant to written authorization.

For accounts in the Schwab Advisor Services Program, TD Ameritrade Service Program, or Fidelity Institutional Service Program, fees are due and payable in advance and are based upon the ending account values as of the close of business on the last day of the previous calendar quarter. Fees are calculated by GIA and deducted from the account by the qualified Custodian. Fees for the initial quarter are adjusted pro rata based upon the number of calendar days in the quarter that the Investment Advisory Agreement goes into effect. If assets are deposited into or withdrawn from an account after inception of a billing period in an amount equal to or greater

than \$10,000, the fee payable with respect to such assets is prorated to reflect the change in portfolio value. The advisory relationship may be terminated by the Client or GIA in accordance with the provisions of the Investment Management Agreement. The Client receives a pro rata refund of any prepaid unearned advisory fees. Clients receive an account statement from the qualified Custodian at least quarterly. The statement includes the amount of any fees debited or credited from the Client's account pursuant to written authorization.

For the Turnkey Asset Management Program ("TAMP"), fees are due and payable in advance and are based upon the ending account values as of the close of business on the last day of the previous calendar quarter. Fees are calculated by LibertyFi, LLC, a wealth management platform solution powered by Envestnet, and deducted from the managed account by the qualified Custodian. Fees for the initial quarter are adjusted pro rata based upon the number of calendar days in the quarter that the Investment Advisory Agreement goes into effect. If assets are deposited into or withdrawn from an account after inception of a billing period in an amount equal to or greater than \$10,000, the fee payable with respect to such assets is prorated to reflect the change in portfolio value. The advisory relationship may be terminated by the Client or GIA in accordance with the provisions of the Investment Management Agreement. The Client receives a pro rata refund of any prepaid unearned advisory fees. Clients receive an account statement from their qualified Custodian at least quarterly. The statement includes the amount of any fees debited or credited from the Client's account pursuant to written authorization.

Clients are advised to review the Investment Advisory Brochures and all applications, contracts and agreements with applicable third parties for complete information on how fees are charged by such parties because their processes for charging fees may change from time-to-time. If you have questions about a particular Program, Custodian, sub-adviser, or fees, please contact your IAR.

#### *Other Types of Fees and Expenses*

Clients are responsible for the payment of all fees to third parties such as administrative fees and expenses, mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from the prime broker/custodian ("step-out trades"), platform fees, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. The broker/custodian utilized by a third-party portfolio manager may impose other charges. These fees are not

included within the wrap fee Clients pay GIA. As noted throughout, Clients are encouraged to review all prospectuses and disclosure documents for full and current details regarding fees and expenses.

### *Internal Product Fees and Expenses*

All collective instruments, including mutual funds, exchange traded products, unit investment trusts and direct investments, such as structured products, alternative investments, and variable annuities have their own internal expenses and fees which are also disclosed in each product's offering documents and vary considerably. These internal charges often include 12b-1 fees, redemption fees, operating expenses, management fees, administrative fees, M&E&A fees, fees for additional riders on the contract, and other fees and expenses that increase the expense ratio of the investment. These fees are an additional layer of fees and in addition to the fees charged by GIA.

If Clients transfer in B or C share classes of mutual funds, and if such shares are liquidated after being transferred to GIA, those shares will incur a contingent deferred sales charge ("CDSC") from the mutual fund company if they are within the CDSC holding period.

GIA has available for purchase through its broker/custodians, mutual funds which are no-load or load-waived share classes and therefore not subject to any upfront sales charge (Platform Shares). Clients should be aware that load-waived funds charge 12b-1 fees, which typically range from 0.10% to 0.25%, but can be more or less. Clients should also be aware that IARs can select a more expensive share class available on the Custodian's Platform when a lower-cost share class is available for the same fund. All sales loads and 12b-1 fees are retained by the broker-dealer and not directly or indirectly paid to GIA or its IARs and are not credited to Client advisory accounts.

Most mutual funds available in GIA's advisory Programs may be purchased directly from the fund company. Therefore, Clients could generally avoid an additional layer of fees by not using the advisory services of GIA and by making their own decisions regarding the investment. GIA encourages all Clients to closely review the investment's prospectus or offering documents for all such investments with their IARs and to consider aggregate costs. Clients should contact their IAR with any questions about any particular product's fees and expenses.

Platform Shares in many cases will not be the least expensive share class that the mutual fund company makes available. Share classes are selected by broker-dealers to be available on their Platforms in most cases because the share class pays the broker-dealer compensation for the administrative and record keeping services the broker-dealer provides to the mutual fund. GIA or its IARs do not share directly or indirectly in compensation broker-dealers for these services.

While GIA endeavors to use the lowest-cost share class available and periodically reviews its holdings to convert higher cost shares to lower cost shares, the Firm cannot ensure that all Clients will hold the lowest cost shares available on the custodian's Platform at any given time. Further, some sub-advisers are more careful about utilizing the lowest cost share class than others.

#### *Cash Sweep Arrangements*

GIA makes available through unaffiliated broker-dealers for cash in an account to be automatically swept to an interest-bearing Federal Deposit Insurance Corporation (FDIC) insured deposit account and, for certain types of accounts, a money market fund. GIA does not receive a separate fee or other compensation for sweep arrangements. The broker/custodian that the Client selects typically receives a fee for its sweep program which reduces the interest rate paid of Client's cash funds. Clients should understand that interest rates available in these arrangements may be lower than interest rates available if the Client makes deposits directly with a bank or other depository institution outside of these arrangements or invests in a money market fund or other cash equivalent. Clients should compare terms, interest rates, required minimum amounts and other features of these arrangements with other types of accounts and investments for cash.

#### *Margin and Securities Backed Line of Credit ("SBLOC")*

If you enter into a margin loan, the broker/custodian will receive interest charged on your outstanding margin loan balance. The amount of interest paid to the broker /custodian will vary depending on the outstanding loan balance and other factors that will affect the interest rate charged to you for the margin loan. With an SBLOC, in certain instances the broker /custodian will be compensated by receiving payments from the lender based on the amount of your outstanding loan balance. The total amount of compensation received by the broker

/custodian can vary depending on the terms of each individual SBLOC including the interest rate charged to you by the lender. GIA is not affiliated with any lender or broker /custodian and does not receive compensation directly in connection with a margin loan or a SBLOC. Clients are strongly encouraged to review the lender's agreements and disclosure documents to understand the fees and expenses they are paying.

Your IAR has an incentive to recommend that you use a margin loan and/or SBLOC for liquidity purposes rather than liquidating your holdings or using other sources of liquidity. Your IAR will benefit from your margin loan or SBLOC because you do not have to liquidate assets in your account to pay for things with cash, which would diminish the assets held in the account and the potential fees and commissions that could be earned by your IAR from holding or engaging in future transactions with those assets. For example, by encouraging investors to take out a margin loan or an SBLOC to fund some purchase or financial need rather than liquidate securities, the firm and financial advisor will continue to earn fees on the full account value. However, your IAR receives no other compensation, fees, or incentives related to your decision to open up a margin loan or an SBLOC or maintain a loan balance through any of the Adviser's Investment Advisory Programs.

### *Roll Overs*

For Clients considering funding an IRA with roll over assets from a retirement account, Client should understand that their IAR will only provide education regarding the options available to transfer or roll assets to an IRA and will not recommend one option over the other.

A Client's decision to roll over assets to fund an IRA should be made with a complete understanding of the options available including: (i) remaining invested in the plan (subject to certain minimum assets); (ii) roll over plan assets to a plan of a new employer (if applicable); (iii) roll over assets to an IRA with a financial institution; or (iv) receive a cash distribution (which may be fully taxable).

If Client decides to roll over assets out of a plan into an IRA account, plan assets will no longer be subject to protections of ERISA or other applicable pension laws. Client should also be aware that their IAR has a financial incentive to invest those assets in the account because the IAR will be paid on those assets through advisory fees and such fees can be higher than those a participant

pays through a plan. Securities held in a retirement plan can often not be transferred into an IRA and commissions and sales charges will be charged by the plan's broker when liquidating such securities in the plan prior to the transfer of assets. These fees are in addition to commissions and sales charges previously paid on transactions in the plan.

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

GIA's Clients are primarily individuals, high net worth individuals, corporations, and businesses, pension and profit-sharing plans, and charitable organizations.

Our primary types of wrap fee program accounts have minimum account value ranges from \$1 to \$100,000, depending on the specific program or sub-adviser utilized as described in Item 4 above.

## **Item 6. Portfolio Manager Selection and Evaluation**

### *Methods of Analysis and Investment Strategies*

The principal investment advisory services we offer include wrap fee programs. Each wrap fee program account is managed by one or more IARs who serve as the primary point of contact between the Firm and the Client and who determine which other available Firm resources to utilize in connection with providing investment advice to Clients. Some IARs choose to incorporate more of the Firm's available resources in their provision of advisory services to their Clients than others do. IARs are under no obligation or requirement to utilize the same methods of analysis, investment strategies, portfolio managers, or buy or sell the same investments for all accounts, even when the investment strategy may be similar.

Given the number of IARs providing advice at GIA, the methods of analysis and investment strategies for selecting and replacing securities and/or Portfolio Managers can vary greatly based upon the individual IAR providing the advice. A number of tools and resources are available to IARs to conduct their own research and due diligence when making investment selections, including: (i) GIA's Chief Investment Officer; (ii) technical research materials prepared by third-parties; (iii) annual reports, prospectuses, and other filings with the Security Exchange Commission; (iv) ratings agencies, such as Moody's and Standard & Poor's; (v) company press releases; (vi) Morningstar; (vii) Riskalyze™; (viii) financial newspapers,

magazines, newsletters and other publications; and (ix) other sources to construct portfolios and research track records and fundamentals regarding investments considered. IARs may pay an additional fee for access to some of these resources.

IARs may act as Portfolio Manager for a wrap fee program account or select a third-party Portfolio Manager(s). IARs have access to asset management platforms that provide integrated portfolio management, administration, product selection, and reporting. These platforms typically offer asset allocation portfolios designed to meet different investment objectives and a broad array of third-party Portfolio Managers and are supported by investment specialists in asset allocation, portfolio construction and manager due diligence as well as technology platforms that facilitates custody, trading, and tax reporting.

IARs must meet certain selection and review criteria of the Firm prior to recommending investment advisory programs and managing Client assts. IARs are generally required to (i) have at least two years of advisory or brokerage-related experience; (ii) possess a FINRA Series 65 or 66 license or the receipt of certain professional designations, such as a CFA, CFP, ChFC, CIC, or PFS; and (iii) have no significant disclosures or disciplinary history. Since GIA was organized, it has had other IAR Portfolio Manager criteria in effect, which may have been less restrictive. As new criteria are put into effect, they are made applicable to new IARs, and existing IARs are generally not affected. For more information about the IAR managing your account you should refer to the Form ADV 2B, Brochure Supplement that was provided to you. GIA does not calculate the performance record of IARs; however, through its custodians, provides Clients with individual quarterly performance information on a time-weighted basis. Performance information is intended to inform Clients as to how their investments have performed for a given period, both on an absolute basis and compared to leading investment indices.

While GIA conducts due diligence on asset management platforms to validate their business models, costs, and ability to identify and access attractive third-party Portfolio Managers, GIA does not conduct due diligence on the individual third-party Portfolio Managers and the underlying investment strategies offered on the platform. These asset management platforms offer a wide spectrum of third-party Portfolio Managers with different investment strategies and risk exposures. GIA does not calculate performance for each Portfolio Manager available on the asset management platform and relies heavily on the due diligence conducted by the asset management platforms in conjunction with IARs conducting additional screenings and analysis

to identify third-party Portfolio Managers and investment strategies that are suitable for a particular Client's investment guidelines, risk tolerance, time horizon, particular financial goals and preferences. Investment strategies involve risks. There can be no assurance that any particular strategy will be successful in achieving the Client's investment goals and objectives. The material risk for an Investment Strategy is risk of loss of principal.

GIA conducts due diligence on Portfolio Managers and Investment Strategies offered under the GCM Program. While various sources of information may be used, primary sources of information include quantitative and qualitative criteria including but not limited to (i) performance; (ii) number of employees and accounts; (iii) years in the business; (iv) assets under management; (v) employed methods of analysis; (vi) investment philosophy; (vii) regulatory filings; (viii) internal policies and procedures; (ix) risk controls; and (x) legal, compliance and regulatory issues. As appropriate, GIA also reviews materials supplied by the investment managers including annual reports, factsheets, presentations, fund prospectus/offering memorandum, performance and related investment data, if available.

IARs tailor advisory services to the individual needs of clients and conduct additional reviews on Portfolio Managers, Investment Strategies, and securities they select and replace to reasonably ensure the selection is appropriate for a particular Client's investment guidelines, risk tolerance, time horizon, particular financial goals, and preferences. Each method of analysis an IAR undertakes requires subjective assessments and decision-making by experienced investment professionals. Investment Strategies involve risks. There can be no assurance that any particular strategy will be successful in achieving the Client's investment goals and objectives.

As of December 31, 2020, GIA had \$1,485,757,374 in regulatory assets under management, all of which was managed on a discretionary basis.

Clients are strongly encouraged to review the disclosure documents relating to the Portfolio Managers and securities held in their portfolios and contact their IAR with any questions.

### *General Risks of Loss*

Although IARs consider many risks before recommending a security or Portfolio Manager to Clients, or before investing on their behalf, there are a variety of circumstances that may cause

investments to lose value. An IAR's assessment of any Portfolio Manager or a security's likely future performance is inherently an assessment based on acts currently known to the IAR and it is subject to uncertainty and risk that future performance cannot be predicted on past facts and the outlook might prove wrong. A negative outcome can arise from a number of factors, such as an erroneous assessment of the value offered by the investment manager/security, a change in strategy by the selected manager, market changes, unanticipated changes to interest rates or the tax code, among others. There can be no assurance that any particular investment or strategy will be successful in achieving the Client's investment goals and objectives. There is a risk that any investment will decline in value below the amount invested.

GIA does not create, manufacture, or recommend any particular type of security. IARs invest in and recommend securities they believe to be appropriate for the Client based on an understanding of the Client's investment objectives, risk tolerance, time horizon, particular financial goals and preferences.

Summarized below are specific risks broadly relating to the types of securities GIA primarily invests in for Client accounts; however, securities may be the subject of additional risks specific to that security or issuer. Clients are strongly encouraged to review the prospectus, disclosures, and offering documents relating to the securities held in their portfolios if they have questions, as these documents discuss in more detail the risks relating to the particular product. Clients with additional questions regarding a particular security should contact their IAR.

#### *Specific Risks of Loss*

IARs and third-party Portfolio Managers invest in many different types of securities, including mutual funds, exchange traded products, equities, fixed income securities, closed end funds, and options. Investing in securities involves risk of loss of principal that Clients should be prepared to bear.

Money markets used are generally considered low risk but are not guaranteed and may be subject to loss and/or change in market value. Mutual funds and exchange traded products often provide diversification but may be concentrated in a particular asset category or class within a category. Investments in funds impose risk due to exposure to economic forces or factors for which the future is uncertain. Some of these risks are unique to individual funds, but many are common to

many funds. A fund's risk can depend on how closely its return is coupled with given indexes, the riskiness of each index and how closely the indexes tend to move together.

The level of overall investment market diversification will vary depending on the underlying exposure of the Account's securities. The risk is a function of the underlying asset classes and weighting of the securities. Further, all investment strategies involve risk and the investment performance and success of any strategy cannot be predicted or guaranteed. Past performance should not be used to forecast future results.

Equity portfolios are subject to risks such as (i) market risk (i.e., the risk that the value of the investment in the Account will decrease due to the change in value of the stock price, interest rates, foreign exchange rates, commodity prices or other market forces); (ii) economic risk (the possibility that an economic downturn will negatively impact an investment); (iii) business risk (the risk that a loss considered normal in a company's operations and environment, such as competition and poor economic conditions, that result in a company not having enough capital to meet operating expenses); (iv) political risk (the risk that an investment's returns could suffer as a result of political changes or instability in a country); and (v) currency risk (a form of risk that results from the change in price of one currency against another).

Small-cap equity portfolios are subject to certain risks such as market and investment style risk. Investments in small to medium-sized corporations are more vulnerable to financial risks and other risks than larger corporations and may involve a higher degree of price volatility than investments in the general equities markets.

Fixed income portfolios are subject to risks such as (i) interest rate risk (if interest rates rise, bond prices usually decline); (ii) credit risk (bonds carry the risk of default, which means the issuer is unable to make further income and principal payments); (iii) call risk (a callable bond has a provision that allows the issuer to call, or repay, the bond early. If this happens the bond holder's interest payments cease, and they receive their principal early. If the bond holder then reinvests the principal in bonds, [he/she] will likely have to accept a lower coupon rate, one that is more consistent with prevailing interest rates); (iv) inflationary risk (the risk that inflation will undermine an investment's returns through a decline in purchasing power); and (v) liquidity risk (the risk that an investor might be unable to convert an asset into cash without giving up principal and income due to a lack of buyers or an inefficient market).

When Clients invest in market-linked investments, and alternative investments, they receive offering documents which identify the specific risk factors associated with those securities and issuers. Some of these types of investments can be speculative in nature and may use leverage or other aggressive investment practices. In some instances, these investments have limited liquidity with no available market price and the underlying properties are valued infrequently. Clients are encouraged to review the specific issuer's disclosure documents for additional risk disclosures.

When Clients invest in mutual funds, exchange traded products, and unit investment trusts for example, they receive prospectuses or disclosure documents which identify the specific risk factors associated with those securities and issuers. Clients are encouraged to review such disclosure documents.

This list of specific risks is not exhaustive. Please contact your IAR if you have any questions about the specific risks related to your investments.

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

Neither GIA nor any of its Supervised Persons accept performance-based fees; nor does GIA engage in side-by-side management.

#### *Voting Client Securities*

GIA will not request or accept voting authority for Client securities. Clients will receive proxies directly from the issuer of the security or the Custodian. Clients should direct all proxy questions to the issuer of the security. For Client accounts managed by a third-party portfolio manager, Clients should refer to the separate agreement they entered into with the portfolio manager and that portfolio manager's specific proxy voting policies and procedures.

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

When a Client selects a third-party portfolio manager, GIA provides information about the Client to the Third-party manager and custodian. Such information generally includes (i) the investment advisory contract signed by the Client; (ii) current Client account holdings; (iii)

certain Client personally identifiable information (PII), such as name, address, and tax identification number. The Client's IAR will update this information with the third-party Portfolio Manager as needed.

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

Clients are encouraged to contact their IAR at any time with questions about their account. If a Client utilizes a third-party manager, the third-party manager may be contacted through the Client's IAR.

## **Item 9. Additional Information**

### *Disciplinary Information*

Not applicable. GIA has no legal or disciplinary events to disclose.

### *Other Financial Industry Activities and Affiliations*

#### *GWP Holdings, LLC*

GWP Holdings, LLC is a holding company that owns a controlling interest in its subsidiaries, Gladstone Institutional Advisory, LLC, Book of Brokers, LLC, Gladstone Coverage Group, LLC, Gladstone Curran, LLC, and IBPNJ, LLC.

#### *Book of Brokers, LLC (dba "Gladstone Insurance Group")*

Book of Brokers, LLC (dba Gladstone Insurance Group), is a wholly owned subsidiary of GWP Holdings, LLC. Gladstone Insurance Group is licensed as a non-resident producer agency with the New Jersey Department of Banking and Insurance to sell non-variable life, accident and health or sickness, property, and casualty insurance. A conflict of interest exists to the extent that GIA's Supervised Persons can place insurance through Gladstone Insurance Group where they receive commissions and other remuneration for their insurance activities. Clients of GIA are in no way required to purchase any product or service through any Supervised Person of GIA in their outside capacities.

### *Gladstone Coverage Group, LLC*

Gladstone Coverage Group, LLC is a wholly owned subsidiary of GWP Holdings, LLC. Gladstone Coverage Group is licensed as an insurance agency with the New Jersey Department of Banking and Insurance to sell property and casualty insurance. A conflict of interest exists to the extent that GIA's Supervised Persons can place insurance through Gladstone Coverage Group where they receive commissions and other remuneration for their insurance activities. Clients of GIA are in no way required to purchase any product or service through any Supervised Person of GIA in their outside capacities.

### *Gladstone Curran, LLC*

Gladstone Curran, LLC is partially owned subsidiary of GWP Holdings, LLC. Gladstone Curran, LLC is a Certified Public Accounting firm which provides a variety of accounting services to individuals and business in the state of New Jersey. IARs are not directly or indirectly compensated for referring Clients to Gladstone Curran, LLC. Clients of GIA are in no way required to utilize the services of Gladstone Curran, LLC.

### *Azella Advisors, LLC*

Azella Advisors, LLC is a partially owned subsidiary of GWP Holdings, LLC. Azella Advisors, LLC is a strategic marketing and brand shaping firm geared towards serving financial advisors. IARs are not directly or indirectly compensated for referring financial advisors or clients to Azella Advisors, LLC. Clients and financial advisors are in no way required to utilize the services of Azella Advisors, LLC.

### *IBPNJ, LLC*

IBPNJ, LLC is a wholly owned subsidiary of GWP Holdings, LLC. IBPNJ, LLC is an operating company managing, among other things, office space, employee payroll and benefits for GWP Holdings, LLC and its subsidiaries.

### *Kessler Investment Group, LLC ("KIG")*

GIA has entered an arrangement with Kessler Investment Group, LLC ("KIG"), an SEC registered investment adviser (CRD#: 153696/SEC#: 801-71393), where KIG shares revenue with GIA and where KIG acts as asset manager to Investment Strategies offered

under the GCM Program. This type of fee arrangement gives GIA a financial incentive to invest Client assets with KIG instead of with other asset managers that either share less or do not share revenue with GIA. This conflict of interest affects the ability for GIA to provide clients with unbiased, objective investment advice concerning the selection of asset managers. This could mean that other asset managers may be more appropriate for an account than KIG. GIA does not share revenue sharing payments with IARs and does not compensate IARs differently when a recommendation is made to invest Client assets in the GCM Program.

#### *LPL Financial*

In most instances, the Firm's Supervised Persons are also registered with LPL Financial (CRD#: 6413/SEC#: 801-10970, 8-17668) as FINRA broker-dealer registered representatives. A conflict of interest exists to the extent that Supervised Persons of GIA, in their individual capacities as registered representatives of LPL, recommend Clients utilize the brokerage services of LPL where Supervised Persons receive commissions, concessions, sales charges and/or other transaction fees for brokerage and/or insurance services provided. GIA is a separate entity and is not affiliated with LPL. Clients are in no way required to purchase any product or service through any Supervised Person of GIA in their outside capacities as an LPL registered representative.

As discussed throughout, LPL may have access to certain confidential information (e.g., financial information, investment objectives, transactions, and holdings) about GIA's Clients, even if the Client does not establish any account through LPL. Clients can obtain additional copies of GIA's Privacy Notice or a copy of LPL's Privacy Notice from their IAR or by calling (908)719-1313.

#### *Other Insurance Brokerage Services*

Most of GIA's Supervised Persons can place insurance as brokers through many insurance companies through agencies unaffiliated with GIA where they receive commissions and other remuneration for their insurance activities. Clients of GIA are in no way required to purchase any product or service through any Supervised Person of GIA in their outside capacities.

*Financial Resources Group Investment Services, LLC (“FRGIS”)*

GIA outsources its Chief Compliance Officer and Supervisors from Financial Resources Group Investment Services FRGIS, a separate entity and office of supervisory jurisdiction of LPL Financial. GIA pays a fee for these services to FRGIS in which FRGIS assists with the implementation and oversight of GIA’s compliance program and performs supervision and oversight of branch offices from a centralized location.

*Private Portfolio Partners, LLC (“PPP”)*

GIA outsources its Chief Risk Officer to Private Portfolio Partners, LLC (“PPP”), an SEC registered investment adviser (CRD#: 615616/SEC#: 801-81108), to serve as Chief Compliance Officer and assist with the implementation and oversight of PPP’s compliance program. GIA receives a fee from PPP in connection with providing these services.

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

GIA has adopted a Code of Ethics that emphasizes the high standards of conduct the Firm seeks to observe. GIA personnel are required to conduct themselves with integrity and follow the principles and policies detailed in the Firm’s Code of Ethics. A copy of the code of ethics is available to clients or prospective clients upon request and is available by contacting the Firm at (908)719-1313.

GIA’s Code of Ethics addresses conflicts of interest the Firm has identified or that could likely arise specific to its business model. The Firm’s personnel are required to follow guidelines in areas such as personal trading practices, prohibitions on trading on material nonpublic information, gifts and business entertainment, outside business activities, and adherence to applicable securities laws.

GIA’s Code of Ethics requires “access persons” (as defined by the SEC) to periodically report their personal securities transactions and holdings to the Firm for review.

GIA does not maintain “restricted lists”, implement “blackout periods” or require prior written approval (“pre-clearance”) for personal securities transactions other than initial public offerings

(“IPOs”) and private placements. GIA does not hold or trade securities for its own accounts, although from time to time, IARs may trade in securities for their own accounts that they also trade in Client accounts, and they also trade in different securities that they do not feel are appropriate for certain Clients. The conflict presented in this practice could lead to an IAR purchasing or selling a security and receiving a better price than the Client.

As described under Brokerage Practices below, IARs may aggregate transactions for a client with other clients to improve the quality of execution. Clients should be aware that the IAR’s personal accounts (including related accounts, such as those of family members) can be included in such a block order. Although the same average price would be applied to client accounts and their IAR’s personal accounts, the inclusion of an IAR’s personal account in a block order can present a conflict of interest. It is possible that the inclusion of the personal account could negatively impact the price of the security or result in the client being allocated less of an order. If a partially filled order is allocated on a random basis, the inclusion of the personal account could make it less probable that a client account is randomly selected and the IAR’s personal account could be randomly selected instead of a client account. GIA addresses this conflict by disclosing it to you. Please ask your IAR if you would like more information on the IARs practices in this respect.

GIA’s Chief Investment Officer, Craig Kessler, is a dually registered investment advisory representative of GIA and KIG. KIG is sub-adviser to accounts in the GCM program. SWM II Accounts that are in whole or in part managed by Craig Kessler are independently managed and may or may not include the same securities or allocations as GCM Investment Strategies. Clients are advised that in instances where the same securities are purchased or sold in SWM II accounts as those in GCM accounts, SWM II account transactions will occur after KIG trades the GCM model accounts. It is possible that trading the same securities SWM II accounts after KIG trades the GCM accounts can negatively impact the price of the securities traded in SWM II accounts.

### *Custodians and Brokers*

GIA does not maintain custody of Client assets that it manages, although we are deemed to have custody of Client assets when you give us authority to withdraw assets from your account or facilitate a standing letter of authorization to instruct a custodian to move assets to a third-party

with your written authorization (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian”. We recommend that our Clients use LPL, Schwab, Fidelity, or TD Ameritrade as executing broker and qualified custodian.

We are independently owned and operated and are not affiliated with any broker/custodian. The broker/custodian will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we may recommend you use a particular broker/custodian, you will decide whether to do so and will open your account with the custodian by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client Referrals and Other Compensation).

We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with one of our recommended broker/custodians, then we cannot manage your account. Even though your account is maintained at one of these broker/custodians, and we anticipate that most trades will be executed through the broker/custodian you choose, other brokers may be used to execute trades for account as described below (see “Your Brokerage and Custody Costs”).

#### *Asset-Based Pricing*

Clients should be aware that IARs pay a flat fee (“asset-based fee” aka “asset-based pricing”) to GIA which is passed to the custodian to cover transaction and execution costs (commissions) on a calculation based on the IAR’s aggregate assets under management. IARs pay an asset-based fee regardless of how much or little they trade Client Accounts. We believe that a flat asset-based fee structure reduces potential conflicts of interest that may arise with individual ticket/transaction charges that can influence an IAR’s decision whether or not to trade an account.

Investment advisory Programs custodied at Schwab, Fidelity, TD Ameritrade offer IARs no transaction fee mutual funds and exchange traded funds (“NTF funds”) that are excluded from an IAR’s aggregate assets under management for asset-based pricing purposes. This presents a conflict because there is an economic benefit for the IAR to place Client assets in NTF funds over other funds available on the custodian’s platform. To mitigate this conflict, IARs must pay a minimum fee per account regardless of fund type selected. We believe that this fee structure reduces potential conflicts of interest which may arise that can influence an IAR’s fund selection.

### *Brokerage and Custody Costs*

In most circumstances, our broker/custodians do not charge you separately for custody and transaction and execution services but are compensated by charging us an asset-based fee. Each of our broker/custodian's asset-based fee arrangements are negotiated and based on the condition that our clients collectively maintain a minimum dollar amount of assets in accounts at the broker/custodian. Broker/custodians are also compensated by earning interest on the uninvested cash in your account (see Item 5 – Cash Sweep Arrangements).

Our custodians will charge you a flat dollar amount as a “prime broker” or “step-out” fee for each trade that is executed by a different broker-dealer but where the securities bought or the funds from the securities sold are settled into your account. These fees are in addition to the fees you pay us.

### *Aggregation of Trades*

Purchases, sales, and other transactions made for the Client's Account may be aggregated with purchase, sales, and other transactions in the same or similar investments for other clients. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the Account will be deemed to have purchased or sold its proportionate share of the investments involved at such an average price. Occasionally, an aggregated order may only be partially filled. Under such circumstances, the investments are allocated, to the extent feasible, among the applicable clients on a pro rata basis. Clients are encouraged to refer to the agreements they enter into as well as the disclosure brochure for any third-party manager utilized for more information on trade aggregation practices.

### *Cross Transactions*

GIA does not execute cross transactions involving Program accounts.

### *Allocation of Investments*

IARs engage in an investment advisory business apart from managing your Account. This creates a conflict of interest with the IAR's time devoted to managing your Account and the allocation of time and investment opportunities among other client accounts managed by the

IAR. The IAR will attempt to resolve such conflicts in a manner that is fair to all clients. IARs may give advice and take action with respect to any other clients that may differ from advice given or the timing or nature of action taken with respect to the Client over a period of time. IARs are not obligated to purchase or sell any security that the IAR may acquire for their own account or for the account of any other client, if in the absolute discretion of the IAR, it is not practical or desirable to acquire a position in such security for the Account. Please refer to Item 11 above for more information on the Firm's allocation of investments procedures.

### *Principal Transactions*

GIA does not execute trades on a principal basis in Program accounts.

### *Best Execution*

GIA's best execution review of broker/custodians includes quantitative and qualitative review of broker/custodian (i) commissions (if any [refer to Asset-Based Pricing under Brokerage Practices above]); (ii) reputation; (iii) research; (iv) access to products and services; (v) administrative efficiencies; (vi) trading platforms; and (vii) other service-oriented tasks considered in the selection of a broker/custodian. These reviews are done periodically to ensure the services provided by the broker/custodian remain competitive and are in the best interest of the Firm's Clients.

### *Third-Party Manager Step-out Trades*

Third-party Portfolio Managers not affiliated with GIA may choose to place trades through a broker-dealer associated with the Client's selected broker/custodian, or through other broker-dealers if the third-party manager determines that such other broker-dealer is providing best execution considering applicable circumstances. If a third-party Portfolio Manager executes trades through a broker-dealer other than the Client's selected broker/custodian, there will most likely be a commission or mark-up on the trade in addition to the account fee. Clients are encouraged to review the disclosure brochure for the independent third-party Portfolio Manager selected for more information regarding their step-out trade practices.

### *Soft Dollar Arrangements*

GIA does not receive soft dollars from executing broker-dealers (i.e., there is no corresponding

commitment made by GIA to transact any specific amount or percentage of order flow in any securities in exchange for access to products or services as a result of an arrangement with an executing broker-dealer). However, GIA receives certain economic benefits from utilizing broker/custodians based on a minimum aggregate dollar value maintained at the broker-dealer/custodian. Clients do not pay more for services because of these arrangements.

### *Executing Broker-Dealer Economic Benefits*

Clients select LPL, Schwab, Fidelity, or TD Ameritrade to maintain custody and to act as broker to execute trades for assets in their accounts. Broker/custodians provide GIA with investment research and access to products and services that assist in investment the management process. Receipt of research and access to research, products, and services poses a conflict of interest because GIA does not have to produce or pay for these services.

Broker/custodians provide GIA with access to institutional trading and custody services, which are typically not directly available to retail investors. These services are generally available to independent investment advisors at no charge. Services include brokerage services related to the execution of securities transactions, custody, research, analyses and reports, and access to mutual funds and other investment products typically available only to institutional investors or would require a significantly higher minimum initial investment.

Broker/custodians make available other products and services that benefit the Firm but may not benefit its Clients' accounts. These benefits include occasional educational and business entertainment events. Other benefits assist the Firm in managing and administering Clients' accounts. These include software and other technology and training that provide access and assistance with Client account data, trade execution, research, market data, payment of advisory fees, recordkeeping and Client reporting services. Many of these services may be used to service all or some substantial number of the Firm's accounts.

Broker/custodians make available other services intended to help the GIA manage and further develop its business enterprise. These services 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, and insurance and marketing.

These support services are provided based on the overall relationship between GIA and the broker/custodian. It is not the result of soft dollar arrangements or any other express arrangements that involves execution of transactions as a condition to the receipt of products and services. Services are based on a minimum aggregate dollar value of assets GIA maintains at the broker-dealer/custodian and GIA will continue to receive the services from its broker/custodians regardless of order flow. Clients do not pay more for services as a result of these arrangements.

An IAR's recommendation that a Client utilize a particular broker/custodian may be based on preference, including the availability of some of the foregoing research, products, and services and not solely on the nature, cost or quality of custody and brokerage services provided by the broker/custodian. The receipt of these benefits creates a conflict of interest or other material effects on advice and other services the benefits may cause.

#### *LPL Financial Transition Assistance*

Most IARs associated with GIA are also Dually Registered Persons with LPL Financial. As registered representatives of LPL, Dually Registered Persons often receive an initial loan and/or transition payment from LPL to assist with the costs associated with transitioning brokerage business to LPL's custodial platform ("Transition Assistance"). Transition Assistance is not provided by LPL to Dually Registered Persons or GIA in connection with GIA's investment advisory assets under management.

#### *Oversight Fee to LPL for Assets Held Away*

As stated previously, most IARs associated with GIA are Dually Registered Persons of LPL Financial. As a result of this licensing relationship, LPL Financial is responsible for "oversight" of certain activities of GIA to the extent GIA manages assets at a broker/custodian other than LPL Financial. LPL Financial charges GIA a fee for this oversight. This presents a conflict of interest in that GIA has a financial incentive to recommend that you maintain your account with LPL Financial rather than another

custodian to avoid the oversight fee. To the extent GIA recommends that Clients use any broker/custodian, it is because GIA believes that it is in a Client's best interest to do so.

#### *Envestnet Financial Technologies, Inc.*

GIA has a business relationship with Envestnet Financial Technologies, Inc. ("Envestnet") that engages certain operational and back-office service support including access to one or more service providers. By utilizing such service providers, GIA receives preferred (lower) pricing on transition support, technology, and other related operational and consulting services. GIA believes that the scope and nature of these services best service the interests and needs of its Clients. However, because Envestnet is paid by GIA and its Clients for such services, the relationship presents certain conflicts of interest. Accordingly, GIA seeks to ensure that material conflicts of interest are fully disclosed and managed in a way that protects Clients' best interest. GIA does not receive any portion of fees paid directly to Envestnet. GIA periodically reviews its business relationship with Envestnet, including any service providers engaged through Envestnet, so that Clients are receiving competitive pricing for the quality and scope of services utilized.

#### *Broker Selection and Directed Brokerage*

Clients are required to use the broker/custodian of their choice providing the broker/custodian is approved by GIA. GIA does not permit Clients to direct brokerage transactions. Clients should be aware that certain third-party Portfolio Managers utilized under these Programs execute trades away from the broker/custodian (i.e., step-out trades). When this occurs, the Client will be assessed a commission charge or ticket charge. This charge is passed entirely to the broker-dealer and is in addition to the fee the Client pays GIA.

#### *Trade Errors*

In the event of a trade error attributable to GIA, the Firm's policy is to place the Client in the position [he/she] would have been in absent the error unless otherwise directed by the Client. In such cases, the Firm will own any profit or loss resulting from the reversing transactions.

#### *Review of Accounts*

IARs review Client accounts on an ongoing basis and complete a review of each Client account at least annually to have a reasonable basis to believe that the advisory account continues to be in the Client's best interest. An IAR's underlying premise of suitability for an advisory account is based on the totality of services provided, not on any single service or component of the overall fee. GIA is not a broker-dealer and does not offer brokerage account only options to Clients.

IARs meet with Clients to review such items as quarterly custodial account statements, quarterly performance information, fees and other information or data related to the Client's account and investment objectives. Additional reviews may be triggered by material market, economic, or political events, or by changes in Client's financial circumstances, such as retirement, change in employment or marital status, physical move, inheritance, or other life events.

Each Client will receive written reports directly from the broker/custodian that detail the Client's positions and activity. Many IARs also provide their Client with periodic performance reports, which may show performance across multiple accounts within a household. Clients are advised to always compare those reports to the ones provided by the qualified custodians, which are the official records of the accounts.

For financial planning, the Client agreement terminates upon delivery of the plan; however, Clients are encouraged to update their financial plans annually. Such annual reviews are conducted at the election of the Client and a new agreement for services between GIA, the Client and the IAR will be required. The review may consist of a new personal financial plan if the Client's circumstances and/or goals have changed. Alternatively, the review may be a comparison of the Client's current assets and goals as stated in the personal financial plan.

### *Custody*

Client assets are housed in unaffiliated and nationally recognized brokerage firms, otherwise known as custodians. GIA does not take custody except under the following two conditions which are considered by the Securities and Exchange Commission to be custody because of the Firm's ability to transfer funds:

1. GIA has the authority to ask the custodian to pay investment adviser fees from Client's Account and give payment directly to GIA (direct debit), and therefore is deemed to have limited custody. Client will be sent monthly and/or quarterly written summary account

statements directly from the custodian that holds and maintains their assets at least quarterly. Any funds being deposited for investment must be payable to the custodian where the account is held, not GIA or one of its IARs. Custodial statements will reflect the account holdings, transactions for the period reported, and any additions and withdrawals from the account, including the custodian's withdrawal of GIA's adviser fees. Clients are urged to carefully review the custodian's statements and compare these official custodial records to any performance reports that the Client's IAR provide. An IAR's reports may vary from the custodial statements based on systems, accounting procedures, reporting dates, or valuation methodologies of certain assets. Clients should notify their IAR of any report discrepancies as soon as possible.

2. GIA is deemed to have custody when a client establishes a standing letter of authorization ("SLOA") to direct GIA to transfer funds or securities from the client's account to a specified third party. The client's SLOA gives GIA the authorization to change the timing and/or the amount of the transfer; however, not the ability to change the third-party recipient without the client's written authorization.

You will receive account statements directly from the custodian at least quarterly. Statements will be sent to the email or postal mailing address you provided to the custodian. You should carefully review those statements promptly when you receive them. You should also compare your custodial account statements with periodic reports you may receive from us and immediately report any discrepancies.

### *Investment Discretion*

GIA typically receives discretionary authority from the Client at the outset of the advisory relationship. This authority allows an IAR, to determine the securities bought or sold, and amount of securities bought or sold without having to get the Client's consent for each transaction. For non-discretionary accounts, a Client will be consulted with to obtain authorization prior to each transaction.

When selecting securities and determining amounts, IARs observe the Client's investment guidelines. Clients can place limitations on an IARs discretionary authority including, for example, restrictions on investing in certain securities, industries, security types, issuers, securities with certain credit ratings or limitations on the percentage of cash held at any one time.

Clients should be aware that Client restrictions can affect the account's performance and that it may differ from and be less successful than that of other accounts that have not limited discretion.

When making decisions regarding the purchase and sale of securities, GIA consistently follows allocation procedures as described in the Brokerage Practices section of this Brochure, to ensure that all clients have equal access to investment opportunities.

### *Client Referrals*

In some cases, GIA acts as a cash solicitor on behalf of a third-party manager and receives a referral fee from a third-party asset manager. Third-party asset managers actively manage Client assets on a continuous basis and have discretion to buy, sell and trade securities in accordance with the program selected by the Client. IARs will provide consultative services to assets in third-party manager programs and may recommend periodic rebalancing among third-party manager offerings. Clients are advised to review the investment advisory brochure for any recommended third-party asset manager. The primary third-party asset manager program offered by GIA is AssetMark Inc. (formerly Genworth Financial Asset Management). GIA and its Supervised Persons have an incentive to refer Clients to third-party managers because a portion of the Client fee received by the third-party asset manager is paid to GIA and the Supervised Person. GIA addresses this conflict by providing the Client with a disclosure statement explaining the role of GIA, IAR, third-party manager and discloses the fee paid to GIA for Client referrals.

GIA has arrangements with and compensates unaffiliated third parties for Client referrals to GIA pursuant to a written agreement between GIA and each third party ("Solicitor Agreement"). The Solicitor Agreement requires the solicitor to deliver to each solicited Client a copy of GIA's then current Brochure, as well as a separate disclosure statement which sets forth the terms of the relationship between GIA and the solicitor. The solicitor will generally be compensated by receiving a portion of the Client fee received by GIA.

GIA and its IARs may offer advisory services on the premises of unaffiliated financial institutions, such as banks. GIA has entered into agreements with the financial institutions pursuant to which GIA shares compensation, including a portion of the advisory fee, with the financial institution for the use of the financial institution's facilities and for client referrals. GIA

pays a fee to the financial institution for the opportunity to conduct business on its premises and with the financial institution's clients. This is a conflict of interest in that GIA has an incentive to charge a higher fee to a client to offset these expenses.

#### *Other Compensation*

GIA receives economic benefit from its broker/custodians in the form of the support products and services they make available to us (see Item 12 Brokerage Practices for more information).

GIA receives economic benefit from Kessler Investment Group, LLC ("KIG"), an SEC registered investment adviser, where KIG shares revenue with GIA and where KIG acts as asset manager to Investment Strategies offered under the GCM Program. This type of fee arrangement gives IARs who hold equity in GIA's parent company, GWP Holdings, LLC, an indirect benefit to have clients invest in the GCM Program, where KIG is asset manager, instead of with other asset managers that either share less or do not share revenue with GIA. This conflict of interest affects the ability of IARs, who are shareholders, to provide clients with unbiased, objective investment advice concerning the selection of asset managers. This could mean that other asset managers may be more appropriate for an account than KIG.

IARs receive additional compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation includes such items as gifts with a de minimis value, an occasional dinner or ticket to an entertainment event, or reimbursement in connection with an educational meeting with the IAR, client workshops or events, marketing events or advertising initiatives. Product sponsors also pay for, or reimburse GIA for the costs associated with, education or training events that are attended by GIA employees and IARs and for GIA-sponsored conferences and events.

Dually Registered Persons receive an economic benefit from LPL primarily in the forms of support services, product offerings, and Transition Assistance (see Item 12 Brokerage Practices for more information).

#### *Financial Information*

Not applicable. GIA does not require or solicit Clients to prepay fees of more than \$1,200 six months or more in advance.

### *Additional Information*

For additional information, clients are encouraged to review all of GIA's disclosure documents including the Firm's ADV Part 3, Customer Relationship Summary (Form CRS) at <https://www.investor.gov/CRS>.