

## 1. Cover Page



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This brochure provides information about the qualifications and business practices of Guild Investment Management, Inc. (Guild or The Company) and its principals. If you have any questions about the contents of this brochure, please contact us at 310-826-8600 or email [guild@guildinvestment.com](mailto:guild@guildinvestment.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Guild Investment Management, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information which may be used to determine to hire or retain an adviser.

Additional information about Guild Investment Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **2. Material Changes and New Disclosures**

The material changes contained in this brochure compared to the last annual update of the brochure on March 29, 2020. These changes are summarized below.

***Guild moved its offices to a new suite in the building at 12400 Wilshire Boulevard in Los Angeles, CA.***

Guild's new offices and mailing address are located at:  
12400 Wilshire Blvd., Suite 820  
Los Angeles, CA 90025

***Guild Investment Management no longer manages Global Aggressive Growth portfolios that utilize borrowings, leverage, short sales, and that have fee structures that incorporated Incentive Fees based on investment performance.***

Guild Investment Management has managed client portfolios in different investment styles based on individual clients' investment goals and objectives, such as appreciation, growth, income, and/or for short-term trading gains. The styles not only differ in portfolio management and asset allocation, the styles/strategies also differed in the use of leverage or borrowing, short sales, and differed in how management fees were charged.

Among the investment styles was a style referred to as Global Aggressive Growth. Guild has ceased offering and managing accounts in the Global Aggressive Growth style, which had a performance/incentive fee structure, had the flexibility to utilize short sales, and utilize margin or leverage. None of Guild's current managed account programs utilize short selling, borrowings, or leverage in their portfolio management.

***Guild's Investment Committee and Portfolio Management Responsibilities.***

Guild's Investment Committee members include Montague Guild, Jr., Anthony Danaher, and Rudolph von Abele. The primary portfolio manager for client portfolios is Anthony Danaher. The Committee meets regularly to decide portfolio allocations, including the countries, industries, and securities Guild should invest in. In addition, the Committee discusses market strategy, market timing, and the appropriate exposure several times per week. The portfolio positioning and trading is based on the research and decisions made by the Investment Committee. Mr. Danaher oversees the day-to-day portfolio management process and executes the majority of the trades in client portfolios.

Mr. Guild continues to perform global macro research and analysis, manage portfolios, execute trades, and speak with clients from time to time about their portfolios. Mr. Guild and Mr. Danaher discuss market strategy and appropriate portfolio asset allocation several times per week. As disclosed in 2019 and 2020, Montague Guild, Jr., the founder of Guild Investment Management, Inc. (the "Company" or "Guild"), underwent successful treatment for previously disclosed squamous cell throat cancer during 2019. Mr. Guild's subsequent cancer scans have found no remaining cancerous cells.

***Guild can accommodate clients who request or suggest portfolio positions in their managed accounts.***

In addition to managing accounts for clients on a fully discretionary basis, certain clients desire to have some input on the positions in their portfolios. Guild will buy and sell the shares the client selects upon instructions from the client, and those positions can remain in the same portfolio account as the positions Guild has selected.

### ***Financial Planning Services***

Guild does not charge a fee for providing financial plans to our investment advisory clients; however, our services can include using financial planning software tools to periodically give clients a holistic view of their financial health. Financial planning reports are available upon request.

### ***CARES Act Paycheck Protection Plan Loan***

During the early weeks of the COVID-19 pandemic, Guild took steps to ensure there would be no disruption of services to our clients, and also took precautions to protect staff and their positions. As part of these preparations, Guild applied for (and received) \$99,300 in loans under the U.S. Small Business Administration's (SBA) Paycheck Protection Plan under the CARES Act. Guild complied with the terms of the program. In January 2021, Guild received notice from the SBA that the loan was forgiven in full.

*Copies of this brochure may be requested free of charge by contacting Anthony Danaher or Aubrey Ford at 310-826-8600 or by email to [guild@guildinvestment.com](mailto:guild@guildinvestment.com). The Company's brochure is also available on its website <http://www.guildinvestment.com>, also free of charge. Additional information about the Company is also available through the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with the Company, who are registered, or are required to be registered, as investment adviser representatives of the Company.*

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## **4. Advisory Business**

### ***About Our Investment Advisory Business***

Guild Investment Management, Inc., sometimes referred to as “Guild” or the “Company,” renders investment advisory and portfolio management services related to a broad range of primarily publicly traded securities including: U.S. and foreign equities, exchange traded funds (ETFs), commodity related shares, debt, royalty trusts, master limited partnerships, closed-end mutual funds, and other financial derivatives, and currencies.

Guild’s portfolio management services are provided to clients on a discretionary basis under different arrangements, which are distinguishable by type of account, the management fees, and the custodial and brokerage relationship selected by the client. See Item 5 for additional details.

Guild managed 177 accounts totaling approximately \$141.94 million in assets on a discretionary basis as of December 31, 2020. As of December 31, 2020, Guild did not manage any assets on a non-discretionary basis.

### ***Financial Planning***

Guild does not charge a fee for providing financial plans to our investment advisory clients; however, our services can include using financial planning software tools to periodically give clients a holistic view of their financial health. Financial planning reports are available upon request.

### ***Types of Clients***

Guild clients generally consist of U.S. and non-U.S. individuals, high net worth individuals, profit sharing and pension plans, personal trusts, corporations, charitable institutions, foundations, and investment partnerships or other investment companies.

Guild’s investment advisory and portfolio management services are tailored to clients’ goals and objectives. Guild has one or more consultations with each client in an effort to determine the individual account investment goals and objectives with respect to seeking capital preservation, growth through capital gains, current income, or a combination thereof, as well as the risk tolerance level, tax considerations, willingness for the account to be actively traded, and other considerations.

Guild manages portfolios categorized by style and objective, and the style (or type of account) are often referred to as: Global Growth, Income/Total Return, Wealth Builder Dividend Income, and Hybrid portfolios.

Guild typically does not render advice on other investments such as real estate and insurance, which may constitute part of a client's total investment portfolio. Also, Guild does not generally invest in securities of certain companies that derive a significant portion of their revenues from activities that may be considered socially objectionable. See Item 8 for additional information on Guild's method of analysis and the risks involved in Guild's management strategies.

Clients may impose restrictions on the kind of investments made by Guild for their accounts. For example, clients may desire to have certain industries or companies excluded from their portfolio. Investment guidelines and restrictions must be provided to Guild in writing. Subject to such restrictions, if any, for discretionary accounts under management, Guild has authority, without obtaining the advance consent of the client, to determine which securities are to be bought or sold, the total amount of securities bought or sold, and the brokerage commission rates to be paid.

In addition to restrictions placed by clients, clients may also request or suggest that Guild buy or sell positions in their accounts managed by Guild. Guild will act on clients' instructions to buy or sell positions. Those positions selected by the clients can remain in the same portfolio account as the positions selected by Guild.

With respect to broker selection, in cases where the client has selected the broker through whom trades will be placed, Guild may not have discretion to determine the brokerage commissions. Additionally, where Guild is managing a client's portfolio under a "dual contract" program (i.e., a program where the client has a management agreement with Guild and a separately negotiated agreement with the broker providing that the broker will receive a percentage of the assets under management as a fee to cover the brokerage commissions), Guild may not have discretion to determine brokerage commissions. See Item 12--Brokerage Practices.

### ***History and Personnel***

Guild Investment Management, Inc. was incorporated in January 1978. Guild Investment Management, Inc. is a California subchapter S corporation formed in February 1978. Guild's offices are located at 12400 Wilshire, Blvd., Suite 820, Los Angeles, CA 90025.

Montague Guild, Jr. is the Founder of the firm and currently owns 14% of the equity in Guild. Anthony Danaher is the President of Guild Investment Management, owns 51% of the equity in Guild, and has been employed by Guild since July 1990. Bronwyn von Abele, Mr. Guild's daughter, owns 25% of the equity of Guild and has been an employee of the Company since 2005. Rudi von Abele, the Senior Research Analyst owns 10% of the equity in Guild and has been a full-time employee of the Company since August 2013.

Guild's Investment Committee members include Montague Guild, Jr., Anthony Danaher, and Rudolph von Abele. The primary portfolio manager for client portfolios is Anthony Danaher. The Committee meets regularly to decide portfolio allocations, including the countries, industries, and securities Guild should invest. In addition, the committee discusses market strategy, market timing, and the appropriate exposure several times per week. The portfolio positioning and trading is based on the research and decisions made by the Investment

Committee. Mr. Danaher oversees the day-to-day portfolio management process and executes the majority of the trades in client portfolios.

Mr. Guild continues to perform global macro research and analysis, manage portfolios, executes trades, and speaks with clients from time to time about their portfolios. Mr. Guild and Mr. Danaher discuss market strategy and appropriate portfolio asset allocation several times per week. As disclosed in 2019 and 2020, Montague Guild, Jr., the founder of Guild Investment Management, Inc. (the “Company” or “Guild”), underwent successful treatment for previously disclosed squamous cell throat cancer during 2019. Mr. Guild’s subsequent cancer scans have found no remaining cancerous cells.

**Montague Guild, Jr.** Mr. Guild was born in 1942. He graduated from the University of California at Santa Barbara with a B.A. in Economics in 1964 and received his M.B.A. in Finance from California State University, Long Beach in 1968. In the years since founding Guild Investment Management, he has become a widely recognized and quoted author, speaker, and commentator on international investing economics and has been interviewed many times in leading business and financial media, including *Barrons*, *The Wall Street Journal*, *Bloomberg*, *Investment News*, CNBC, and Fox Business News. Mr. Guild conducts global macro research and analysis, serves on the Investment Committee, and speaks with clients from time to time about their portfolios.

**Anthony Danaher.** Mr. Danaher was born in 1967. He attended Kansas State University from 1985 to 1986, and graduated in 1990 from Maharishi International University in Fairfield, Iowa with a B.A. in Business Administration, with an emphasis in Accounting. Mr. Danaher received his M.B.A. from Pepperdine University in 1999. Mr. Danaher is President of Guild. He joined the Company in 1990. In addition to portfolio management, Mr. Danaher oversees client services, compliance, accounting, and administrative operations in the company. Mr. Danaher has also been interviewed many times in leading business and financial media.

**Bronwyn von Abele.** Ms. von Abele serves as Vice President at the Company. She received her bachelor’s degree from Goddard College in Vermont in 2010. Ms. von Abele has worked in various administrative capacities for the Company since 2005. In addition to her real estate property management responsibilities for the Guild family’s real estate investment portfolio, she handles many client relations, marketing communications, and business development projects for the Company.

**Rudolph von Abele.** Mr. von Abele was born in 1968 and studied economics at the University of St Andrews and at the American University in Washington, DC. He holds a B.A. in liberal arts from Goddard College and a licentiate in theology from the Orthodox Church. He joined Guild in 2013. Mr. von Abele conducts fundamental macro research and securities analysis for the Investment Committee and participates in portfolio management decisions. Mr. von Abele also co-authors and edits Guild’s Market Commentary.

## **5. Fees and Compensation**

Guild earns investment management fees based on a percentage of the net assets in the managed accounts. The asset-based fees typically range from 0.50% of assets under management annually to 1.5% of the assets under management annually.

Fee arrangements can be negotiated. One of the factors that determines the fee schedule is the type of portfolio management services provided. Guild classifies its accounts by the following portfolio management styles:

- Global Growth
- Income / Total Return
- Hybrid (combination of Growth and Income)
- Wealth Builder Dividend Income

Other factors that can affect the fees are the custodial arrangements and the total assets under management from related accounts.

Before clients enter into an investment management agreement with Guild, they are provided with a fee schedule showing the proposed fee for their account. Management fees are payable either quarterly or annually in advance and asset-based fees are based on the net asset value of the account at the start of a particular billing period.

Services may be terminated by the client by written notice to Guild. In the event of termination during the billing period, management and administrative fees are prorated and the client receives a refund on the unearned portion of the fee applicable to the days remaining between the termination date and the end of the billing period.

Clients may elect to be billed directly for fees or authorize Guild to debit fees from clients' accounts.

Guild's management fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. For example, clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by other managers, custodial fees, deferred sales charges, transfer taxes, wire transfer fees, electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Guild may at times invest client funds in mutual funds and exchange traded funds, which also charge internal management fees. Such charges, fees and commissions are paid by clients in addition to Guild's fee. Guild does not receive any portion of these third-party commissions, fees, and costs. Brokerage costs are described more fully in Item 12.

The following examples summarize the typical investment management and fee arrangements based on the type of account:



### ***Typical Global Growth managed account***

For clients that prioritize growth and appreciation for their portfolio, Guild manages Global Growth accounts. Guild employs strategies including concentrating investments from time to time, investing in U.S. and foreign equity and debt securities including securities of companies in developing or emerging markets, acquiring precious metals securities, currency trading, and short selling; however, for the Global Growth accounts, Guild typically does not utilize leverage or borrowing, nor does Guild typically engage in options trading.

Global Growth annual management fees can be tiered, such as 1.50% per annum on the first \$1,000,000 of net asset value, and then 1.00% on the amounts exceeding the first \$1,000,000 of portfolio value, or they can be a fixed percent. The typical minimum annual fee for this type of account is \$5,000.

For this management style, some clients are referred to Guild by an affiliate of a large foreign bank who serves as custodian for such clients' accounts, and in that case Guild's management fees are based on the total Guild assets domiciled with such custodian, rather than the size of each individual account managed by Guild. Clients using that custodian pay an asset-based fee to the custodian, rather than paying commissions on each securities trade. Guild's fees for such accounts are 1.5% of the first million dollars of assets domiciled with this custodian and 1% of total assets in excess of one million dollars.

The annual management fee in the Guild Global Growth accounts will be billed in four installments based on the net asset value of the portfolio. The initial management fee will be based on the initial asset value of the account and will cover the fee the period from the initial valuation date to the last day of the third full month after Guild commences management of the account. Subsequent management fee billings will occur each three-month period thereafter based on the net asset value on the last day of the prior billing period.

Prorated rebates of unearned fees will be calculated and returned to the client if the client terminates the account before the end of a fiscal year or billing period. If there are additions to the account or withdrawals from the account during a billing period, time weighted calculations will be made to determine if there are any additional administrative fees due to Guild (in the case of additions to the account), or rebates from Guild to the client (in the case of significant withdrawals from the account).

### ***Typical Hybrid managed account***

For clients who want some growth and appreciation in addition to income, Guild manages Hybrid accounts. For Hybrid accounts, Guild employs a management style that blends income-paying securities with growth-related securities. The Hybrid account strategies in some respects are the same as for Guild's Global Growth accounts, and in some respects the same as for Guild's Global Income accounts, including investing in securities that Guild believes offer growth opportunities and investing in income generating securities (i.e., securities that pay dividends or interest). There is no predetermined percentage of growth and income assets and Guild has broad discretion to determine the asset mix. Other activities in Hybrid accounts

include investing in U.S. and foreign equity and debt securities including securities of companies in developing or emerging markets, acquiring precious metals securities, and currency trading. For the Hybrid accounts, Guild typically does not utilize leverage or borrowing, short-selling, or options trading.

The typical management fee is 1% of the value of the account per annum. The typical minimum annual fee for this type of account is \$5,000.

The annual management fee in the Guild Hybrid accounts will be billed in four installments based on the net asset value of the portfolio. The initial management fee will be based on the initial asset value of the account and will cover the fee for the period from the initial valuation date to the last day of the third full month after Guild commences management of the account. Subsequent management fee billings will occur each three-month period thereafter based on the net asset value on the last day of the prior billing period.

Prorated rebates of unearned fees will be calculated and returned to the client if the client terminates the account before the end of a fiscal year or billing period. If there are additions to the account or withdrawals from the account during a billing period, time weighted calculations will be made to determine if there are any additional administrative fees due to Guild (in the case of additions to the account), or rebates from Guild to the client (in the case of significant withdrawals from the account).

### ***Typical Income / Total Return (Income) managed account***

For clients who have identified that they want to prioritize income in an actively managed portfolio, Guild's Income / Total Return style focuses on investments in instruments that Guild believes have attractive longer term fundamentals and that have the potential to earn current income, and seeks to supplement the current income with capital appreciation. Guild will typically seek opportunities in equities, exchange traded funds, U.S. and foreign government bonds, income royalty trusts (trust instruments that may, for example, pay oil and gas royalties), master limited partnerships (publicly held limited partnerships that make periodic distributions of income), real estate investment trusts (REITs that periodically make distributions of income), preferred shares, bonds and other instruments.

The typical annual management fee for the Income accounts is billed quarterly and is based on the asset value of the account. The typical management fee ranges from 0.75% to 0.90% of the account's net asset value per annum. The typical minimum annual fee for this type of account is \$5,000.

The annual management fee in the Guild Income accounts will be billed in four installments based on the net asset value of the portfolio. The initial management fee will be based on the initial asset value of the account and will cover the fee for the period from the initial valuation date to the last day of the third full month after Guild commences management of the account. Subsequent management fee billings will occur each three-month period thereafter based on the net asset value on the last day of the prior billing period.

Prorated rebates of unearned fees will be calculated and returned to client if the client terminates the account before the end of a fiscal year or billing period. If there are significant additions to the account or withdrawals from the account during a billing period, time weighted calculations will be made to determine if there are any additional administrative fees due to Guild (in the case of additions to the account), or rebates from Guild to the client (in the case of significant withdrawals from the account).

### ***Typical Wealth Builder Guild Dividend Income managed account***

In 2016, Guild began managing the Wealth Builder Dividend Income portfolios. This style focuses on earning current income from investments that pay regular dividends to shareholders. Guild selects investments for these portfolios that Guild believes have attractive longer-term fundamentals, and that have the potential to pay income to shareholders on an ongoing basis. The Dividend Income portfolios typically have a lower portfolio turnover than Guild's other portfolio management styles.

In the Dividend Income portfolios, Guild will typically seek income opportunities in dividend-paying equities, exchange traded funds, royalty trusts (trust instruments that may, for example, pay oil and gas royalties), master limited partnerships (publicly held limited partnerships that make periodic distributions of income), real estate investment trusts (REITs that periodically make distributions of income), preferred shares, and other instruments.

The typical annual management fee for the Income accounts is billed quarterly and is based on the asset value of the account. The typical management fee ranges from 0.75% to 0.90% of the account's net asset value per annum. The typical minimum annual fee for this type of account is \$5,000.

The annual management fee in the Dividend Income accounts will be billed in four installments based on the net asset value of the portfolio. The initial management fee will be based on the initial asset value of the account and will cover the fee for the period from the initial valuation date to the last day of the third full month after Guild commences management of the account. Subsequent management fee billings will occur each three-month period thereafter based on the net asset value on the last day of the prior billing period.

Prorated rebates of unearned fees will be calculated and returned to client if the client terminates the account before the end of a fiscal year or billing period. If there are significant additions to the account or withdrawals from the account during a billing period, time weighted calculations will be made to determine if there are any additional administrative fees due to Guild (in the case of additions to the account), or rebates from Guild to the client (in the case of significant withdrawals from the account).

## 6. Trading and Side-By-Side Management

Guild manages this conflict of interest in part through its trading policies and systems. When effecting a trade for its managed accounts, Guild will typically enter block orders for the total combined number of shares, bonds, contracts or other investment units to be traded and settled at each custodian. Guild will then utilize the “average price system” for those investments where its use is authorized. Under the average price system, when multiple price executions are received by the broker on a combined order for several accounts, the prices will be averaged and confirmed to each account on the averaged basis, which will be computed by multiplying the execution prices by the quantities at those prices, divided by the total quantities. An account might not participate in a combined order if there are restrictions on the trading in that account or where Guild determines the trade is too risky or otherwise inappropriate for the account. When Guild and its principals take positions for their personal accounts on the same days as their clients, efforts are made to ensure that clients receive the same average price or a better price than Guild or its principals. **Despite the efforts to ensure compliance with this equal to or better price for the clients, there are some occasions where an account of Guild or a principal may receive an execution price that is better than a client receives on a particular day to day due to some brokers’ inability to deliver trades with the better execution to a particular custodian where clients’ accounts may be held.** Guild believes this method of allocation is both fair and impartial.

In addition, to manage this conflict of interest, Guild has agreed that it will not knowingly or deliberately favor any other of its customer accounts or funds over that of others; however, please note that it would be difficult for clients to determine whether any such favoritism had occurred.

When Guild’s principals trade for their accounts and on occasion when Guild trades for its account, it raises similar conflict of interest issues of Guild or such principals potentially favoring their own accounts. Guild also seeks to manage this conflict of interest through its trading policies and systems. As mentioned above, when Guild or its principals take positions for their personal accounts on the same days as their clients, efforts are made to see that clients receive the same average price or a better price than Guild or its principals. Guild believes this method of allocation is both fair and impartial. **Despite the efforts to ensure compliance with this equal to or better price for the clients, there are some occasions where an account of Guild or a principal may receive an execution price that is better than a client receives on a particular day to day due to some brokers inability to deliver trades with the better execution to a particular custodian where clients’ accounts may be held.**

## 7. Types of Clients

Guild clients generally consist of high net worth individuals, profit sharing and pension plans, personal trusts, corporations, charitable institutions, foundations, and investment partnerships or other investment companies.

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

Client portfolios are actively managed to take advantage of changing investment opportunities and to control risk. Guild's principal investment strategies to achieve its objectives are:

- Maintain a global perspective and seek to profit principally from U.S. and foreign equity securities, currencies, exchange traded funds (ETFs), and other publicly traded instruments.
- Actively manage portfolio exposure, allocating assets based on a continuous review of global market conditions, and seek attractive reward/risk ratios (this may result in more active trading, and it may result in Guild's Global Aggressive Growth accounts at times being up to 200% invested, and at other times not being invested in securities at all).
- Concentrate in certain countries, sectors, and/or industries that have more attractive fundamentals, while avoiding those with poor fundamentals. For example, Guild may concentrate investments in the natural resource sectors such as energy or precious metals, or in countries that are beneficiaries of global economic growth or rising inflation, while avoiding countries or industries with poor reward/risk ratios.

### ***Top Down/Bottom Up Investment Analysis***

In making investments for its clients, Guild uses a top down/bottom up approach. Guild first considers macro political, economic, social, and technological factors around the world that Guild considers to be favorable for long or short-term investments (top down approach). Thereafter, in the purchase of equities, the bottom up analysis focuses on a detailed review of each investment's fundamental values to find the more favorable investments within the markets and sectors previously identified. In the purchase of currencies, Guild applies a macro view of domestic and international developments and may use technical trading analysis to determine entry and exit points.

Guild often concentrates account portfolios in investments favored by Guild. Guild will also not maintain a fixed asset allocation (unless instructed to do so) but will vary holdings to reflect Guild's beliefs about changing market trends. Account portfolios are not diversified and as a result, it may be deemed to have a greater degree of risk than would otherwise be present with accounts having a more diversified portfolio.

Guild may purchase U.S. and foreign equity and fixed income securities; foreign currencies; put and call options; closed-end mutual funds (including funds investing in foreign securities); exchange traded funds; U.S. and other government securities; as well as financial derivatives; certificates of deposit; bankers' acceptances; other bank instruments; and money market instruments.

### ***Risk of Loss***

Guild actively manages all portfolios in a discretionary manner. The principal risks of utilizing Guild's investment management services are that:

- Guild may not properly time when to buy or sell a security or enter or exit an industry, sector, or country,
- Guild is not prohibited from concentrating its investments in particular industries, sectors, or countries and Guild may determine to concentrate investments in a manner that does not perform as expected, and Guild may miss industries, sectors, or countries that perform very well,
- there are increased risks associated with the foreign investments that Guild may make,
- frequent portfolio turnover increases brokerage costs and results in the realization of short-term gains and losses on securities positions. This can increase the costs for a portfolio compared to when a money manager tends to hold positions for the long-term, and where realized gains might be taxed at a lower long-term capital gain rate. Guild's active portfolio management has caused annual turnover of investments to exceed 500%, which is higher than average and will result in correspondingly greater transaction costs, and
- there are specific risks associated with particular types of investments that may be made by Guild, as described below.

### ***Concentration of Positions in Portfolios***

Significant concentration of assets in certain sectors, industries, countries, and/or investments can increase both the risk and potential rewards to accounts.

### ***Financial Derivatives***

Guild occasionally uses forward contracts, options, warrants, or other derivative instruments in its investing. Derivatives are contracts whose value is tied to the value of underlying assets such as currencies, stock indexes or interest rate instruments. Among the risks in trading financial derivatives is that no secondary market may exist for some derivative investments, and when markets do exist, transaction costs may exceed those of more traditional investments. Assignment and/or transfer of some positions to other parties may also be difficult or impossible, making the investment illiquid.

### ***Foreign Securities***

Trading in foreign securities carries the additional risks, such as:

- any variance in the foreign exchange rate between the time the order is placed and the time the transaction is effected, as well as exchange rate fluctuations between the time of purchase and sale can affect the trading profits or increase the losses;
- there is often less publicly available information on which to make investment decisions than for U.S. securities;
- there are typically more volatile and/or less liquid securities markets;
- there is a possibility of foreign expropriation, confiscatory taxation, or political, economic, or social instability;
- foreign companies are not subject to the same uniform accounting, auditing and financial reporting standards as are U.S. companies;

- there may be less government supervision and regulation of foreign stock exchanges, brokers, and companies; and
- it may be more difficult to obtain and enforce a judgment against a foreign issuer should that be necessary.

### ***Trading in Options or Warrants***

The leverage offered by trading in options may cause an account's value to fluctuate more than would be the case if Guild did not invest in options for that account. Whereas the purchase of an option can result only in the loss of the option premium paid to acquire the option, the losses from writing an option, where the writer must deliver the asset on exercise of the option, can be unlimited. Option trading is speculative and highly leveraged. In addition, the assessment of near-term market volatility, which is directly reflected in the price of outstanding options, can be of much greater significance in trading options than it is in many long-term future strategies. The use of options can be extremely expensive if market volatility is incorrectly predicted.

### ***Foreign Currency Forwards***

Certain Guild accounts may trade forward contracts in foreign currencies. A forward contract is contract between two parties to buy or sell an asset, in this case a foreign currency, at a specified future time at a price agreed today (this is in contrast to a spot contract, which is an agreement to buy or sell an asset today). Such forward contracts are typically traded through a dealer market, which is dominated by major money center banks and is not regulated by any government agency. Thus, investors do not receive the protection of legal regulations or statutes in connection with this trading activity. In addition, there is a greater risk than in a typical securities transaction conducted on a securities exchange of non-performance by the counterparty (the other party to the transaction) to the forward contracts and such non-performance may cause some or all of an account's gain to be unrealized. A forward currency contract is not guaranteed by an exchange or clearinghouse, so a default on the contract would typically force the account to cover its commitments on such contracts at the then current market price. The foreign currency market is generally more volatile in periods of economic and political uncertainties or when there are international crises.

### ***Efforts to Control Risk***

Investment accounts are actively managed by Guild to control risk. Guild may, from time to time, take defensive positions (e.g., holding large amounts of cash or cash equivalents) in an effort to respond to adverse market, economic, political, or other conditions. Such defensive measures may also be inconsistent with Guild achieving its growth objectives during the period the defensive measures are utilized. Guild has a "go to cash" orientation when it believes such defensive measures are necessary, and at times Guild accounts may be invested solely in U.S. or other government securities, or other cash equivalents, foreign currencies, or short-term foreign government bonds, where Guild believes the account may benefit from increases in the value of a foreign currency in relation to the U.S. dollar.

To enable Guild to more quickly be able to liquidate investments and reduce market exposure, Guild typically will not purchase (for all of its portfolios combined) an amount exceeding one-day's average trading value for the security.

## **9. Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any disciplinary events or proceedings that would be material to your evaluation of Guild or the integrity of Guild's management. Guild has not been involved in any disciplinary events or proceedings.

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

### ***Other Business Activities***

Except for its weekly market commentary, described below, Guild does not engage in any business or profession other than acting as an investment advisor.

Guild currently writes a weekly global market commentary that is free via email to investors. In addition, since January 2012 Guild writes a weekly Premium Global Market Commentary that contains more information and recommendations than does the free commentary. Guild's Premium Global Market Commentary is provided to its investment management clients without charge. Guild charges a subscription fee to non-clients for its premium commentary. Mr. Guild, Rudolph von Abele, and Mr. Danaher contribute to the analysis in the investment newsletters.

### ***Other Securities Industry Activities or Affiliations***

Guild is not registered, and does not have an application pending to register, as a broker or dealer.

Guild was the General Partner and sponsor of Meteoric, L.P. ("Meteoric"), a California limited partnership, and Rosebury, L.P. ("Rosebury"), an Iowa limited partnership. Both these partnerships have closed. These two funds were liquidated, and the proceeds were distributed to the partners of Meteoric and Rosebury in 2019. These partnerships were operated as open ended, non-diversified, private (not publicly traded) investment companies.

## **11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading / Conflict of Interests**

### ***Code of Ethics***

Guild has adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to its clients. The Code of Ethics includes



provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Guild must acknowledge the terms of the Code of Ethics annually, or as amended.

Guild anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Guild has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Guild, its affiliates and/or clients, directly or indirectly, have a position of interest. Guild's employees and persons associated with Guild are required to follow Guild's Code of Ethics in these situations. Subject to satisfying this policy and applicable laws, officers, directors and employees of Guild and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Guild's clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Guild will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Guild's clients. In addition, the Code requires pre-clearance of many transactions, and can restrict trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, in an effort to reasonably prevent conflicts of interest between Guild and its clients.

Certain accounts affiliated with Guild may trade in the same securities with client accounts on an aggregated basis when consistent with Guild's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Guild will retain records of the trade orders (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis.

Guild's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Guild Investment Management by phone (310) 826-8600 or email [guild@guildinvestment.com](mailto:guild@guildinvestment.com)

### ***Participation or Interest in Client Transactions***

Guild, as principal, does not sell securities or other assets to, or buy securities or other assets from, its clients. Guild does not effect securities or other transactions for compensation as

broker or agent for clients; and does not recommend to clients that they buy or sell securities or other investment products in which Guild or a related person has some financial interests.

Previously, Guild was the general partner of Meteoric, L.P. and Rosebury, L.P. and acted as those funds' investment advisor. In the past Guild solicited client investments in the Meteoric and Rosebury partnerships pursuant to private placement memorandums disclosing Guild's participation as a general partner and the risks and conflicts of interest involved in these partnership investments. The Meteoric and Rosebury partnership assets were liquidated in 2019 so Guild will no longer solicit clients to invest in these partnerships. It is Guild's policy that it will not effect any principal or agency cross securities transactions for client accounts. Guild will also not cross (effect) trades between client accounts.

### ***Investment in the Same or Related Securities that Guild Recommends to Its Clients***

Guild and its principals may invest in the same or similar securities that Guild recommends to clients. When Guild or its principals take positions for their personal accounts on the same days as their clients or close in time to the clients, there is a conflict of interest since Guild or its principals could purchase securities before purchasing the securities for client accounts or could sell securities before selling the same or similar securities for client accounts (Guild or its principals thereby benefit from potentially trading at more favorable prices). Guild addresses this conflict in part through its trading system whereby the clients will receive the same average price or a better price than Guild or its principals where trades occur on the same day.

### ***Conflict of Interests Related to Newsletter Recommendations***

From time to time Guild's investing goals on behalf of its investment advisory clients or the personal investing goals of Guild's principals and their risk tolerance may be different from those discussed in the newsletter, and the investment decisions made by Guild for its advisory clients, or the investment decisions of Guild's principals, may vary from (and may even be contrary to) the advice and recommendations in the commentary or newsletter.

Guild's clients or principals may benefit if newsletter subscribers purchase assets recommended by Guild since it could increase the value of the assets already held by Guild's investment advisory clients or its principals. On the other hand, Guild's principals and clients may suffer a detriment if they seek to acquire new shares or additional shares in securities that have been recommended in the newsletter and the price of the securities has increased as a result of purchases by newsletter subscribers.

To help mitigate these conflicts, Guild seeks to avoid recommending in its newsletters the securities of individual companies where Guild or its principals have an ownership position and where the issuer is small, or its securities are thinly traded; that way additional purchases by Guild for its clients would not likely be at a price that was increased as a result of the purchases of the securities by newsletter subscribers. Guild has also disclosed to its newsletter subscribers that Guild has a fiduciary relationship with its investment advisory clients and, for the benefit of its advisory clients, Guild cannot agree on behalf of such clients to refrain from purchases or

sales of a security mentioned in the newsletter for a period of time before or after recommendations for purchases or sales are made to its newsletter subscribers.

In addition, where Guild recommends the same securities in the newsletter in which Guild, Guild managed accounts, or Guild's principals have an ownership position, Guild includes in the newsletter a summary of the purchases, sales, and positions in such securities of Guild, Guild managed accounts and Guild principals.

## **12. Brokerage Practices**

### ***Broker Selection***

When Guild selects a broker to execute trades for accounts it manages, commissions are generally negotiated to achieve significant discounts; however, broker selection by Guild is not just based on obtaining the lowest commissions. It is also a function of service, market research, and the broker's competence in rendering brokerage with respect to execution, efficient settlement, and record keeping. It should be noted that because Guild does not select brokers based solely on the discounts they offer in their commissions, clients of Guild who do not direct Guild to use a discount brokerage firm may pay more in commissions than clients of Guild who determine to use a discount brokerage firm not providing Guild with other significant research and execution services.

In certain instances where the client has selected the broker who will place all orders entered by Guild, the arrangement may not be to the client's advantage. Guild would likely have a greater ability to negotiate volume commission discounts, and clients selecting the broker may be paying more in commissions than other clients of Guild, especially if the broker selected by the client is a full-service retail broker-dealer and not a discount brokerage firm.

Clients participating in a "dual contract" program (i.e., where the broker is paid a fixed percentage of the assets under management to cover all brokerage commissions) may have reduced commissions (as compared to clients not in such a program) as a result of the higher than average turnover of Guild's active portfolio management.

Clients selecting their broker may not be obtaining the best execution in certain transactions. In addition, there is a conflict of interest inherent in an arrangement where the client selects the broker through whom all orders entered by Guild will be placed or where brokers used by Guild recommend Guild's services. The arrangement creates an incentive for Guild to engage in trading activities in the client's account as a possible inducement to the brokerage firm to refer additional business to Guild or as an inducement to obtain the concurrence of the broker in the trading and investing practices or policies of Guild. There may also be a conflict of interest by virtue of any close relationship between Guild and the broker. Guild recognizes its fiduciary obligations to clients to engage in investment and trading activities in the client's best interest.

Additionally, Guild receives products and services from brokers in exchange for directing trades to various brokers (see the description below with respect to the "soft dollar" arrangements).

The receipt of these products and intangibles may result in Guild paying a higher commission on a given trade than would be available through a discount brokerage firm offering no research or having a lower quality of performance in execution and record keeping.

### ***Soft Dollar Arrangements***

Guild keeps track of the commissions paid to various brokers and has “soft dollar” agreements with certain brokers pursuant to which the brokers provide products or services to Guild in exchange for specified amounts of commissions. Research received by Guild from brokers is used to service all Guild accounts. An analyst changing employment from one broker to another and availability of analysts to inquiries may also affect brokerage selection.

Guild has entered into agreements with brokers pursuant to which it receives certain products and services other than execution from the brokerage firms involved (referred to as soft dollar benefits). In the past year, Guild received the following research products and services in exchange for brokerage fees: real-time market data and quotations from NYSE, AMEX, NASDAQ, Toronto Stock Exchange, and other U.S. and international exchanges; and subscriptions to various research services and financial literature, including The Institutional Strategist’s Market Intelligence Report, Emerging Advisor Group Research, and John Hook Analytics Reports. In addition, Guild receives further research tools and instruments, such as Bloomberg software and workstations, which provide Guild access to global stock quotations, market information, securities analysis data, research reports, historical charts, company historical and projected financial results, and the DTC/OMGEO trade confirmation access service.

Under two soft dollar arrangements, Guild received products and services (Advent software and T-1 phone lines) used in part for research to benefit clients’ accounts and in part for Guild’s client administration and quarterly accounting to clients or its non-research phone usage. The Advent software is the portfolio management software for Guild, and is used extensively on a daily basis for portfolio management research and used on a quarterly basis to produce accounting statements for clients. Similarly, the T-1 lines are used continuously and are essential in Guild’s business for obtaining research data from Bloomberg and other market data and research services used by Guild, and have a secondary use in reducing the cost of Guild’s general telephone consumption.

Where a product or service is obtained with soft dollars has a mixed use (a use in research to benefit clients and a use to defray Guild’s general overhead or accounting), as is the case with the Advent software and T-1 phone lines, Guild contributes to the cost of the software or T-1 lines with hard dollars.

The products and services received by Guild in exchange for brokerage business have a value in hard dollars, and to obtain those products and services for soft dollars, Guild provides commissions to the brokers from 1.4 to 1.6 times the hard dollar cost. Guild thereby earns soft dollar credits by providing commission business to the various brokers, and products and services are received by Guild in exchange for specified amounts of commission dollars.

### ***Other Brokerage Conflicts of Interest***

It should be noted that Guild has a conflict of interest when choosing whether to use a broker that will provide soft dollar credits, which can offset research expenditures that would otherwise have to be paid by Guild, or using a broker that would not provide such credits but would then provide lower commissions for clients. In selecting brokers who charge higher commissions in exchange for soft dollars, clients will pay commissions that are greater than would otherwise be the case. Soft dollar benefits are used by Guild to service all clients of Guild rather than Guild trying to allocate soft dollar benefits in some way proportional to the soft dollar credits the accounts generate, which Guild believes would not be practicable in view of the research nature of most products and services paid for with soft dollars.

Guild also has a conflict of interest in obtaining mixed use product and services and allocating the cost of the product or service between commission dollars and Guild's own funds. Guild believes that the allocation of hard dollars paid by Guild and soft dollars paid from brokerage commissions in connection with mixed use products and services is fair (soft dollars are used to pay 75% of the cost of the Advent software and 50% of the T-1 costs based on the extensive use in client research and the secondary use to cover Guild's normal overhead items).

In some cases, brokers used by Guild also recommend Guild's investment management services. There is a conflict of interest inherent in an arrangement where brokers used by Guild recommend its services to potential clients. The arrangement creates an incentive for Guild to engage in trading activities in the client's account through that broker as a possible inducement to the brokerage firm to refer additional business to Guild.

As an example, RBC Wealth Management brokers (an affiliate of Royal Bank of Canada) have referred and continue to refer investment management clients to Guild. Guild may allocate a portion of the brokerage commissions paid by such referred accounts to RBC Wealth Management, provided that RBC Wealth Management's trading meets Guild's execution criteria and can offer substantially the same significant brokerage discounts that are offered by other brokers Guild utilizes. In this regard, Guild recognizes its fiduciary obligation to its clients to engage in trading and investment activities in the clients' best interests.

## **13. Review of Accounts**

Accounts are continuously reviewed and actively managed on a daily basis by members of the Investment Committee in order to keep the accounts' exposure to market opportunities and risks in line with changes in recommendations and market conditions. This review is performed by Anthony Danaher and/or Montague Guild, Jr.

Guild reconciles its transaction and position records to those of the custodian regularly. The custodial bank or broker holding client's funds and securities will provide clients with monthly holdings and activity statements of their accounts. Guild also provides quarterly holdings and activity reports to clients in specific investment management programs with accounts at certain custodians.

## **14. Client Referrals and Other Compensation**

Guild from time to time enters into agreements whereby Guild will compensate independent contractor solicitors based on new account openings and pays such persons a percentage of the management fees collected and earned over the duration of the account. The percentage fee sharing by such solicitors varies depending on the account, but is typically from 5% to 25% of the management fees collected and earned by Guild. If such fees are to be paid, Guild discloses such fees to its clients in advance of commencing trading for the clients and Guild complies with investment adviser regulations in this area in its disclosures.

In addition, Guild compensates certain employees based on new account openings. One employee receives a percentage of the management fees collected and earned on most new accounts introduced to Guild. The percentage fee sharing with the employees will vary depending on the account, but will typically be 15% of the management fees collected and earned by Guild in the account's first year, and 10% of the management fees collected and earned in subsequent years.

## **15. Custody**

Clients typically receive monthly statements from the broker dealer, bank, or other qualified custodian that holds and maintains the client's investment assets. Clients also have the ability to view holdings and activity in their account through a secure internet connection provided by their custodian or broker. Guild's custodians include Charles Schwab & Co., Inc.; Citi Private Bank; and RBC Wealth Management, a division of RBC Capital Markets, LLC (a subsidiary of Royal Bank of Canada).

At the end of each calendar quarter, Guild provides managed account clients (with the exception of clients in the RBC Wealth Management program where the broker/custodian provides all reports) statements and reports that include the account value, holdings, income and expenses, and realized gains and losses for that year to date. Guild also provides managed account clients (with the exception of clients in the RBC Wealth Management program) with an annual summary statement with a recapitulation of the client's account activity for the preceding year.

Guild's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Guild urges clients to carefully review such statements and compare the custodial statements and records to the account statements that Guild may provide.

## **16. Investment Discretion**

Guild typically receives discretionary authority from the clients at the outset of an investment advisory relationship to select the identity and amount of securities to be bought or sold. Guild receives the discretionary authority by the client executing an Investment Management Contract and Power of Attorney with Guild. In all cases, however, such discretion is to be exercised in a

manner consistent with the stated investment objectives for the particular client account. For example, clients may desire to have certain industries or companies excluded from their portfolio, or clients may request an allocation of foreign currencies for their cash balances. Investment guidelines and restrictions must be provided to Guild in writing.

When selecting securities and determining allocation amounts, Guild observes the written investment policies, limitations, and restrictions of its clients. Guild typically does not invest in securities of certain companies that derive a significant portion of their revenues from activities that may be considered socially objectionable.

## **17. Voting Client Securities**

In cases where clients give Guild permission to vote proxies and participate in corporate actions, Guild typically votes in favor of management's suggestions as Guild generally will not own a stock if it does not agree with management's direction. Clients giving Guild permission to vote will not be able to direct Guild's voting. On request, clients may obtain information on how Guild voted the shares. If Guild does not have authority to vote clients securities, the client will receive the proxies or voting solicitations directly from their custodian. Clients may contact Guild by email or phone with questions about a particular vote or proxy solicitation.

## **18. Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about Guild's financial condition. Guild has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy or other insolvency proceeding.

Included on the next page is a copy of Guild's December 31, 2020 unaudited balance sheet.

# GUILD INVESTMENT MANAGEMENT, INC.

## BALANCE SHEET (Unaudited)

DECEMBER 31, 2020

### ASSETS

#### Current Assets

Cash	\$	23,612
Loans receivable - shareholders		85,000
Prepaid and other current assets		<u>10,666</u>
		119,278

#### Other Assets

Property and Equipment, net		3,328
Deposits		<u>5,324</u>

**Total Assets \$ 127,930**

### LIABILITIES AND EQUITY

#### Current Liabilities

Accrued expenses	\$	2,078
Contract Liabilities (Deferred Revenue)		30,184

#### Other Liabilities

SBA EIDL Loan		6,000
SBA Loan under 2020 CARES Act Paycheck Protection Program (PPP)		
(Note: In January 2021, Guild was informed that this loan was forgiven)		<u>93,300</u>

**Total Liabilities 131,562**

#### Equity/(Deficit)

Common stock, no par value; 100,000 shares authorized;		
(2,000 shares issued; 100 treasury shares, and 1,900 outstanding)		2,000
Additional paid-in capital		8,367
Accumulated deficit		<u>(13,999)</u>
		<u>(3,632)</u>

**Total Liabilities and Equity \$ 127,930**