

## **Brochure**

### **Form ADV Part 2A**

#### **Item 1 - Cover Page**

### **Gwynn Management Co** **CRD# 105295**

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**March 19, 2023**

This brochure provides information about the qualifications and business practices of Gwynn Management Co. If you have any questions about the contents of this brochure, please contact us at (404) 233-4031 or [gwynnmgmt@bellsouth.net](mailto:gwynnmgmt@bellsouth.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Gwynn Management Co is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Gwynn Management Co also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

#### **Item 2 - Material Changes**

This Brochure is prepared in the revised format required beginning in 2011. Registered Investment Advisers are required to use this format to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. The Brochure requirements include providing a Summary of Material Changes (the "Summary") reflecting any material changes to our policies, practices, or conflicts of interest made since our last required "annual update" filing. In the event of any material changes, such Summary is provided to all clients within 120 days of our fiscal year-end. The complete Brochure is available to clients at any time upon request.

Material changes since our last annual update was filed on March 14, 2022:

- None.

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#### ***Item 4 - Advisory Business***

##### General Information

Gwynn Management Co (“Gwynn Management”) was formed in 1990, and provides portfolio management services to its clients.

Nowland B. Gwynn II and David Fields are the principal owners of Gwynn Management. Please see ***Brochure Supplement(s)***, Exhibit A, for more information on the individuals who formulate investment advice and have direct contact with clients or have discretionary authority over client accounts.

As of December 31, 2022, Gwynn Management managed \$262,453,168 on a discretionary basis and no assets on a non-discretionary basis.

#### **SERVICES PROVIDED**

At the outset of each client relationship, Gwynn Management spends time with the client, asking questions, discussing the client’s investment experience and financial circumstances, and reviewing options for the client. Based on its reviews, Gwynn Management generally develops a customized Investment Policy Statement (“IPS”) with each client. This document is designed to suit the client’s individual needs and includes, without limitation:

- Determination of an appropriate asset mix
- Criteria for the selection of no-load mutual funds as equity vehicles and the level of participation they have in the equity portfolio
- Criteria for the purchase of exchange traded funds (ETFs) and individual stocks and the level of participation they have in the portfolio
- Criteria for the purchase of appropriate taxable or tax-exempt bonds based on an agreed upon staggered maturity schedule; and
- Criteria for inclusion of bond funds, if appropriate

The IPS is crafted by Gwynn Management in conjunction with the client and serves as a blueprint for the management of the portfolio.

##### Portfolio Management

As described above, at the beginning of a client relationship, Gwynn Management meets with the client, gathers information, and performs research and analysis as necessary to develop the client’s IPS. The IPS will be updated from time to time when requested by the client, or when determined to be necessary or advisable by Gwynn Management based on updates to the client’s financial or other circumstances.

To implement the client’s IPS, Gwynn Management will manage the client’s investment portfolio on a discretionary basis. As a discretionary investment adviser, Gwynn Management will have the authority to supervise and direct the portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain written restrictions on Gwynn Management in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client’s investment portfolio. Each client should also note that his or her

investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ, and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of Gwynn Management.

### ***Item 5 - Fees and Compensation***

#### General Fee Information

Fees paid to Gwynn Management are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third-party consultants. Please see ***Item 12 - Brokerage Practices*** for additional information. Fees paid to Gwynn Management are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, Gwynn Management and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

#### Portfolio Management Fees

The annual fee schedule, based on a percentage of assets under management, is as follows:

<u>Portfolio Value</u>	<u>Annual Fee Amount</u>
First \$1,000,000	0.75%
Next \$1,000,000	0.65%
Next \$3,000,000	0.55%
Amounts above \$5,000,000	0.45%

Gwynn Management may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where Gwynn Management deems it appropriate based on general hardships, family and friends, and under other circumstances. Gwynn Management reserves the right to institute a minimum and/or flat dollar fee instead of the asset-based fee schedule above.

Portfolio management fees are payable quarterly, in arrears. If management begins after the start of a quarter, fees will be prorated accordingly. With client authorization, and unless other arrangements are made, fees are normally debited directly from client account(s) by the custodian.

Either Gwynn Management or the client may terminate their Investment Advisory Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any fees due to Gwynn Management from the client will be invoiced or deducted from the client's account prior to termination.

### ***Item 6 - Performance-Based Fees and Side-By-Side Management***

Gwynn Management does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Gwynn Management has no performance-based fee accounts, it has no side-by-side management.

### ***Item 7 - Types of Clients***

Gwynn Management serves individuals, high net worth individuals, trusts, pension and profit-sharing plans, corporations, and charitable organizations. Gwynn Management does not generally impose a minimum portfolio value for conventional investment advisory services or a minimum fee. However, under certain circumstances, Gwynn Management may impose such minimums.

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

#### **Methods of Analysis**

In accordance with the IPS, Gwynn Management will primarily invest in mutual funds, ETFs, common stock, bonds, etc.

In making selections of individual stocks for client portfolios, Gwynn Management may use any of the following types of analysis:

**Fundamental Analysis** – involves review of the business and financial information about an issuer. Without limitation, the following factors generally will be considered:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios

Gwynn Management will incorporate other methods of analysis, such as:

**Charting Analysis** – involves gathering and processing price and volume information for a particular security. Gwynn Management's charting analysis includes, without limitation:

- mathematical analysis;
- graphing charts; and estimations of future price movements based on perceived patterns and trends.

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, portfolio turnover and composition, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. Gwynn Management may evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

Both long-term and short-term investments in various combinations over time may be employed for a given client, depending upon the client's individual circumstances and/or market conditions.

**Long-Term Purchases** – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short-Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Investment Strategies:

Gwynn Management's strategic approach is to invest each portfolio in accordance with the IPS that has been developed specifically for each client. In the majority of cases, portfolios will consist of a mix of equity and fixed-income investments, resulting in a balanced stance. The ratio of equities to fixed income will vary from client to client depending upon the client's tolerance for risk and need for current income.

For the equity segment of the portfolio, we place heavy emphasis on the inclusion of index and managed no-load mutual funds as well as ETFs in our portfolios. The end result is typically an equity portfolio that is invested in both domestic and international markets. Allocations are made to both developed and emerging markets around the world, capturing a wide array of industry sectors and style categories.

Roughly one-half of the mutual fund commitment will be indexed to various domestic equity styles as measured by market capitalization – large, mid and small cap, as well as a fund that tracks a broad-based foreign index. Index funds that track a specific style, such as large-cap growth or value, may also be included. The remaining one-half of the mutual fund portfolio is placed in a blend of managed funds that complement the index component. The managed blend is more extensive and generally will include managed growth and value funds from the small-, mid- and large-cap arenas. Managed foreign funds are included which are representative not only of different styles (large or small capitalization) but also of different areas of the world such as China or the emerging markets. Sector funds, such as science and technology and healthcare, are also usually part of the mix. Finally, the ETFs that we use are often thematic, such as biotechnology or alternative energy, or used to increase a sector weighting such as technology or healthcare.

We generally, though not always (as based on each client's IPS), have the latitude to incorporate individual stocks into the equity mix. These are generally large-capitalization issues that we perceive as offering fundamental and relative value in the market. It should be noted that sometimes the selection criteria emphasizes the generation of dividend income. In such cases, we attempt to invest in companies with a stable and potentially increasing payout.

When structuring a bond portfolio, we generally prefer investing in individual bonds over the use of mutual funds. In taxable portfolios, tax-exempt municipal bonds are most often used for the fixed income allocation. In tax-exempt or tax-deferred accounts, corporate and government bonds are preferred. Preferred stocks can also be used as part of a client's bond portfolio.

With some exception, we advocate laddering investment-grade bonds generally in the one- to fifteen-year range. The initial step is to ascertain a client's tax status which dictates the use of taxable or tax-exempt securities. Often, this is a given in the case of a foundation or a pension plan; however, in some cases with individuals, the client's tax advisor must be consulted. We feel that the laddered approach somewhat mitigates interest rate risk as bonds are maturing periodically, with the proceeds being reinvested at prevailing rates. It should be noted that we feel that bonds serve the purpose of generating income and adding stability to the overall portfolio. Thus, our bond portfolios tend to have a low level of turnover other than to improve yield to maturity, capture a tax loss or take a profit.

In some circumstances, the bond representation will be in the form of an index bond fund that tracks the Barclays Aggregate Bond Index. The Barclays Aggregate Index is a diversified index that is representative of the domestic investment grade taxable bond market and is suitable for taxable fixed income portfolios. At times, we have placed client funds in other taxable or tax-exempt bond funds. Examples include, but are not limited to, funds that invest in high-yield bonds, foreign and emerging market bonds, variable-rate bank loans, and funds that are unconstrained as to types of securities permitted to hold. This means that the strategies discussed may be used in varying combinations over time for a given client, depending upon the client's individual circumstances.

Readjusting the ratio of equities to fixed income (rebalancing) occurs at least on an annual basis. Changes in the price levels of markets can trigger a rebalancing exercise more frequently than that. Similarly, within the equity portion of portfolios, geographic and industry sector allocations are monitored on at least a quarterly basis and rebalanced if necessary relative to targeted weightings.

#### Risk of Loss

Consistent with each client's IPS, Gwynn Management seeks to diversify investment portfolios across various asset classes in an effort to reduce risk of loss; however, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While Gwynn Management manages client investment portfolios based on Gwynn Management's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that Gwynn Management allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that Gwynn Management's specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, Gwynn Management may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Equity Market Risks.* Gwynn Management will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* Gwynn Management may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* Gwynn Management may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

### ***Item 9 - Disciplinary Information***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Gwynn Management or the integrity of Gwynn Management's management. Gwynn Management has no disciplinary events to report.

### ***Item 10 - Other Financial Industry Activities and Affiliations***

Neither Gwynn Management nor its Management Person(s) have any other financial industry activities or affiliations to report.

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

#### **Code of Ethics and Personal Trading**

Gwynn Management has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. Gwynn Management's Code has several goals. First, the Code is designed to assist Gwynn Management in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, Gwynn Management owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with Gwynn Management (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Gwynn Management's associated persons. Under the Code's Professional Standards, Gwynn Management expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Gwynn Management associated persons are not to take inappropriate advantage of their positions in relation to Gwynn Management clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time Gwynn Management's associated persons may



invest in the same securities recommended to clients. Under its Code, Gwynn Management has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Participation or Interest in Client Transactions

Gwynn Management maintains policies regarding participation in initial public offerings (IPOs) and private placements to comply with applicable laws and avoid conflicts with client transactions. If a Gwynn Management associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with Gwynn Management's written policy.

### ***Item 12 - Brokerage Practices***

#### Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, Gwynn Management seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, Gwynn Management may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third-party research (or any combination) and may be used in servicing any or all of Gwynn Management's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

Gwynn Management may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of clients' assets. Gwynn Management may also effect trades for client accounts at Schwab, or may in some instances, consistent with Gwynn Management's duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although Gwynn Management may recommend that clients establish accounts at Schwab, it is ultimately the client's decision to custody assets with Schwab. Gwynn Management is independently owned and operated and is not affiliated with Schwab.

Schwab Advisor Services provides Gwynn Management with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of those services help Gwynn Management manage or administer our clients' accounts while others help Gwynn Management manage and grow our business. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. These services are not soft dollar arrangements but are part of the institutional platform offered by Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Gwynn Management client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to Gwynn Management other products and services that benefit Gwynn Management but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Gwynn Management accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist Gwynn Management in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide pricing and other market data; (iv) facilitate payment of Gwynn Management's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help Gwynn Management manage and further develop its business enterprise. These services may include: (i) technology compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Gwynn Management. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Gwynn Management. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of Gwynn Management personnel. In evaluating whether to recommend that clients custody their assets at Schwab, Gwynn Management may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### Directed Brokerage

Clients may direct Gwynn Management to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that Gwynn Management has with Schwab is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing Gwynn Management to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with Gwynn Management that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

#### Aggregated Trade Policy

Gwynn Management may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This method permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. It allows Gwynn Management to execute trades in a timely, equitable manner, and may reduce overall costs to clients.

Gwynn Management will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients, and is consistent with the terms of Gwynn Management's Investment Advisory Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all Gwynn Management's transactions in a given security on a given business day. Transaction costs for participating accounts will be assessed at the custodian's commission rate applicable to each account; therefore, transaction costs may vary among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

Gwynn Management will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata, based on the Allocation Statement, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of Gwynn Management. Gwynn Management's books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash or securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and Gwynn Management will receive no additional

compensation or remuneration of any kind as a result of the proposed aggregation.

### ***Item 13 - Review of Accounts***

Managed portfolios are reviewed at least quarterly but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by Gwynn Management. These factors may include, but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. Gwynn Management's Portfolio Managers review all accounts.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. In addition, Gwynn Management provides a quarterly report for each managed portfolio. This written report normally includes a summary of portfolio holdings and performance results. Gwynn Management will provide additional written reports as needed or requested by the client.

### ***Item 14 - Client Referrals and Other Compensation***

As noted above, Gwynn Management may receive an economic benefit from Schwab in the form of support products and services it makes available to Gwynn Management and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described in ***Item 12 - Brokerage Practices***. The availability of Schwab's products and services to Gwynn Management is based solely on our participation in the programs and not in the provision of any particular investment advice. Neither Schwab nor any other party is paid to refer clients to Gwynn Management.

### ***Item 15 - Custody***

Schwab is the custodian of nearly all client accounts at Gwynn Management. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify Gwynn Management of any questions or concerns. Clients are also asked to promptly notify Gwynn Management if the custodian fails to provide statements on each account held.

From time to time and in accordance with Gwynn Management's agreement with clients, Gwynn Management will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

Some clients may execute limited powers of attorney or other standing letters of authorization that permit the firm to transfer money from their account with the client's independent qualified Custodian to third-parties. This authorization to direct the Custodian may be deemed to cause our firm to exercise limited custody over your funds or securities and for regulatory reporting purposes, we are required to keep track of the number of clients and accounts for which we may have this ability. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate any transfers that may have taken place

within your account(s) each billing period. You should carefully review account statements for accuracy.

#### ***Item 16 - Investment Discretion***

As described above under ***Item 4 - Advisory Business***, Gwynn Management manages portfolios on a discretionary basis. This means that after an IPS is developed for the client's investment portfolio, Gwynn Management will execute that plan without specific consent from the client for each transaction. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving Gwynn Management the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. Gwynn Management then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with Gwynn Management and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between Gwynn Management and the client.

#### ***Item 17 - Voting Client Securities***

As a policy and in accordance with Gwynn Management's client agreement, Gwynn Management does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact Gwynn Management with questions relating to proxy procedures and proposals; however, Gwynn Management generally does not research particular proxy proposals.

#### ***Item 18 - Financial Information***

Gwynn Management would be required to disclose additional financial information if it were to charge fees in advance. However, it clearly states in the "Fees and Compensation" section of this brochure that we do not charge fees in advance. It is further stated that Gwynn Management only charges fees in arrears at the end of each calendar quarter – March 31, June 30, September 30 and December 31. Therefore, Gwynn Management has no disclosure with respect to this item.