

## **Globescan Capital, Inc. d/b/a GCI Investors**

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This brochure provides information about the qualifications and business practices of Globescan Capital, Inc. d/b/a GCI Investors. If you have any questions about the contents of this brochure, please contact us at (713) 789-2100 and/or shaumo@globescancapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Globescan Capital, Inc. d/b/a GCI Investors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Part 2A of Form ADV: Firm Brochure Globescan Capital, Inc. d/b/a GCI Investors

## **Material Changes**

There are the following material changes in this brochure from the last annual updating amendment of Globescan Capital, Inc. on 03/06/2023. Material changes relate to Globescan Capital, Inc.'s policies, practices or conflicts of interests.

Globescan Capital, Inc. has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.

Maya Sadhukhan is now the firm's chief compliance officer.

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## **ADVISORY BUSINESS**

### **Advisory Firm Description**

Globescan Capital, Inc. d/b/a GCI Investors ("Globescan", the "Firm", or "GCI") has been in business since January 1996. The principal owner is Pasupati Sadhukhan.

### **Types of Advisory Services**

Globescan provides direct investment services for individual clients, corporate clients, 401k plans, and other registered investment advisors (RIAs) on a sub advisory basis. The Firm places trades in portfolios/ models as appropriate, reviewing investments on a continuous basis in light of current market conditions, and confers with clients periodically to ensure that investment objectives, financial situation or risk tolerances have not changed. Please see "Investment Strategies" section for more information.

On occasion, a client may engage Globescan for a particular project (analyzing a business, consultation on matters other than investment advice, review of a portfolio not under Globescan's management) on an hourly basis.

### **Tailored Advisory Services**

Each client's portfolio is customized to meet the unique investment objective, risk characteristics and income needs of that client. Clients may place restrictions on the Firm's discretion in writing.

### **Client Assets Under Management**

At December 31st, 2022, the Firm had \$ 105,166,808 in discretionary assets under management.

## **FEES AND COMPENSATION**

For its wealth management services, the Firm charges up to 1.25% (annual) on assets, based upon the custodian's valuation of the assets in the account(s) at close of market on the last business day of the quarter. Fees include accrued interest and pending trades and are charged quarterly after the quarter ends at the rate of one quarter of the annual percentage rate.

If assets were added during the quarter, a fee will be charged on a pro rata basis starting from the day assets are added until the end of that quarter. If assets were withdrawn during the quarter, fee will be charged on a pro rata basis from the first day of the quarter until the date the assets were withdrawn.

Fees are deducted from each client's account. Fees may be negotiable, depending on asset mix, portfolio complexity, portfolio size. Therefore, clients receiving the same service from the Firm may be paying different fees.

The asset management fees Globescan charges are separate from transaction, exchange, wire transfer, margin interest or account fees charged by the custodian. When Globescan recommends a mutual fund for a client's account, three separate fees may be charged to the client, either directly or indirectly. The first fee is Globescan's investment management fee where the fund is included in the asset base for the quarterly fee calculation. The second is the set of internal fees charged by the investment company for the fund's investment management, marketing, administration and marketing assistance. These internal expenses are disclosed in each fund's prospectus which is provided to each client by the custodian (this set of fees also applies to any money market fund purchased in the client's account). The third fee may be a transaction fee which is assessed by the custodian for its service of providing access to a universe

of mutual fund families through one account. To avoid such fees a client would be required to open a separate account with each individual mutual fund company instead of using the custodian recommended by Globescan, which would also negatively affect Globescan's ability to deliver its services efficiently. Not all mutual fund trades enacted by Globescan incur this transaction fee. When recommending mutual funds for client portfolios, Globescan only recommends no-load funds. Please see the section "Brokerage Practices" for more detailed information on the Firm's trading practices and selection of custodians and brokers.

### **Termination**

The Investment Advisory Agreement allows for termination by either party immediately upon receipt of written notice. The Agreement provides that the client may terminate the agreement within five business days of its effective date without paying any fees or penalties to the Firm. If termination occurs after the first five days of the Agreement, the client will owe Globescan for its management services for the number of days in the quarter the portfolio was under management.

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Globescan does not charge any performance-based fees or engage in side-by-side management.

### **TYPES OF CLIENTS**

Globescan provides investment advisory services to individuals, families corporate clients, 401k plans and other registered investment advisors (RIAs).

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Globescan directly manages assets for clients with a number of investment objectives and risk tolerances. The Firm seeks to minimize investment risk by diversification according to asset class, individual stock, sector, market capitalization and investment style.

The Firm may invest its clients' funds in equities, fixed income securities, REITs, alternatives, cash, derivatives, preferred stock and any other listed security which The Firm deems appropriate. The Firm conducts its own analysis of each security prior to purchase.

Globescan does not guarantee the future performance of the account or any specific level of performance, the success of any investment decision or strategy that the Firm may use, or the success of the Firm's overall management of the account. The client understands that investment decisions made for the client's account by the Firm are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. The client is reminded that investing in any security entails risk of loss.

### **DISCIPLINARY INFORMATION**

There have been no disciplinary actions against Globescan or Mr. Sadhukhan.

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

Guy Davis, the portfolio manager and managing director for GCI, has also been the manager of GCIG since its inception in 2021.

## **CODE OF ETHICS AND PROFESSIONAL STANDARDS**

Globescan Capital and all of its employees adhere to the code of ethics and professional standards as set by the CFA Society, the industry's leading global standard.

### **I. PROFESSIONALISM**

A. Knowledge of the Law. Employees must understand and comply with all applicable laws, rules, and regulations (including the CFA Institute Code of Ethics and Standards of Professional Conduct) of any government, regulatory organization, licensing agency, or professional association governing their professional activities. In the event of conflict, Employees must comply with the more strict law, rule, or regulation. Employees must not knowingly participate or assist in and must dissociate from any violation of such laws, rules, or regulations.

B. Independence and Objectivity. Employees must use reasonable care and judgment to achieve and maintain independence and objectivity in their professional activities. Employees must not offer, solicit, or accept any gift, benefit, compensation, or consideration that reasonably could be expected to compromise their own or another's independence and objectivity.

C. Misrepresentation. Employees must not knowingly make any misrepresentations relating to investment analysis, recommendations, actions, or other professional activities.

D. Misconduct. Employees must not engage in any professional conduct involving dishonesty, fraud, or deceit or commit any act that reflects adversely on their professional reputation, integrity, or competence.

### **II. INTEGRITY OF CAPITAL MARKETS**

A. Material Nonpublic Information. Employees who possess material nonpublic information that could affect the value of an investment must not act or cause others to act on the information.

B. Market Manipulation. Employees must not engage in practices that distort prices or artificially inflate trading volume with the intent to mislead market participants.

### **III. DUTIES TO CLIENTS**

A. Loyalty, Prudence, and Care. Employees have a duty of loyalty to their clients and must act with reasonable care and exercise prudent judgment. Employees must act for the benefit of their clients and place their clients' interests before their employer's or their own interests.

B. Fair Dealing. Employees must deal fairly and objectively with all clients when providing investment analysis, making investment recommendations, taking investment action, or engaging in other professional activities.

C. Suitability. 1. When Employees are in an advisory relationship with a client, they must: a. Make a reasonable inquiry into a client's or prospective client's investment experience, risk and return objectives, and financial constraints prior to making any investment recommendation or taking investment action and must reassess and update this information regularly. b. Determine that an investment is suitable to the client's financial situation and consistent with the client's written objectives, mandates, and constraints before making an investment recommendation or taking investment action. c. Judge the suitability of investments in the context of the client's total portfolio. 2. When Employees are responsible for managing a portfolio to a specific mandate, strategy, or style, they must make only investment recommendations or take only investment actions that are consistent with the stated objectives and constraints of the portfolio.

D. Performance Presentation. When communicating investment performance information, Employees must make reasonable efforts to ensure that it is fair, accurate, and complete.

E. Preservation of Confidentiality. Employees must keep information about current, former, and prospective clients confidential unless: 1. The information concerns illegal activities on the part of the client or prospective client, 2. Disclosure is required by law, or 3. The client or prospective client permits disclosure of the information.

#### **IV. DUTIES TO EMPLOYERS**

A. Loyalty. In matters related to their employment, Employees must act for the benefit of their employer and not deprive their employer of the advantage of their skills and abilities, divulge confidential information, or otherwise cause harm to their employer.

B. Additional Compensation Arrangements. Employees must not accept gifts, benefits, compensation, or consideration that competes with or might reasonably be expected to create a conflict of interest with their employer's interest unless they obtain written consent from all parties involved.

C. Responsibilities of Supervisors. Employees must make reasonable efforts to ensure that anyone subject to their supervision or authority complies with applicable laws, rules, regulations, and the Code and Standards.

#### **V. INVESTMENT ANALYSIS, RECOMMENDATIONS, AND ACTIONS**

A. Diligence and Reasonable Basis. Employees must: 1. Exercise diligence, independence, and thoroughness in analyzing investments, making investment recommendations, and taking investment actions. 2. Have a reasonable and adequate basis, supported by appropriate research and investigation, for any investment analysis, recommendation, or action.

B. Communication with Clients and Prospective Clients. Employees must: 1. Disclose to clients and prospective clients the basic format and general principles of the investment processes they use to analyze investments, select securities, and construct portfolios and must promptly disclose any changes that might materially affect those processes. 2. Disclose to clients and prospective clients significant limitations and risks associated with the investment process. 3. Use reasonable judgment in identifying which factors are important to their investment analyses, recommendations, or actions and include those factors in communications with clients and prospective clients. 4. Distinguish between fact and opinion in the presentation of investment analysis and recommendations.

C. Record Retention. Employees must develop and maintain appropriate records to support their investment analyses, recommendations, actions, and other investment-related communications with clients and prospective clients.

#### **VI. CONFLICTS OF INTEREST**

A. Disclosure of Conflicts. Employees must make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to their clients, prospective clients, and employer. Employees must ensure that such disclosures are prominent, are delivered in plain language, and communicate the relevant information effectively.

B. Priority of Transactions. Investment transactions for clients and employers must have priority over investment transactions in which a Member or Candidate is the beneficial owner.

C. Referral Fees. Employees must disclose to their employer, clients, and prospective clients, as appropriate, any compensation, consideration, or benefit received from or paid to others for the recommendation of products or services.

#### **BROKERAGE PRACTICES**

Although the Firm may recommend a broker-dealer to serve as custodian for its clients' accounts, each client must sign a separate agreement with the custodian. In recommending a custodian, Globescan Capital, Inc. considers:

- the range and quality of the products the custodian offers,
- the technical and research support provided,

- execution quality,
- commission rates, and
- the financial responsibility and responsiveness of the custodian to both the Firm and its clients.

The Firm has predominantly used TD Ameritrade as its primary custodian because of its discounted commission structure, its ease of reporting, trading desk, trade executions, and other services provided to investment advisors and their clients. Globescan executes most trades through the account custodian to avoid extra “trade away” charges. This use of a primary broker/dealer may slightly compromise Globescan’s duty as a fiduciary to attain best execution on a trade by trade basis, but the Firm views all services a custodian broker/dealer provides as execution quality. Globescan continues to monitor other broker/dealers to ensure that its clients are receiving competitive commission rates and high quality trade execution.

Where necessary and in the best interest of clients, Globescan can and will use alternative custody and dealing services.

#### **Research and Other Soft-Dollar Benefits**

Globescan currently has no formal soft-dollar arrangements, where specific products or services are paid for with soft dollars generated by individual trades the Firm places in client accounts. TD Ameritrade provides Globescan with the following:

- Services that allow the firm to operate more efficiently, such as electronic availability of client account information and trade confirmations, electronic trading platforms and access to specialized customer service personnel.
- Access to certain custodians’ proprietary account management and data transmission services(VEO) to enable Globescan to trade clients’ accounts electronically, and
- A security pricing service, and
- Access to written materials, webinars and conferences concerning the market, practice management and compliance.

Globescan enjoys increased administrative ease and, hence, profitability when provided with these services. Because of the volume of assets that Globescan clients have in custody at TD Ameritrade, the custodian makes certain products and services available to Globescan at reduced or waived fees.

#### **Brokerage for Client Referrals**

The Firm does not receive referrals from a broker-dealer or any third party providing service to Globescan.

#### **Directed Brokerage**

Globescan directs its clients to open accounts with whichever broker dealer/ custodian offers the best overall service to that individual client. Not all advisers require clients to use a particular custodian or broker/dealer. The fact that Globescan receives services from a particular custodian/ broker dealer may create a conflict of interest with its clients, although Globescan believes its clients benefit overall in terms of services offered by the selected custodian/ broker dealer.



### **Order Aggregation**

Globescan will where applicable aggregate brokerage orders for clients and allocate the securities purchased or sold among the participating accounts, with each account receiving the same price. The proportion in which participating accounts will share transactions will be determined by the portfolio manager on the basis of investment objectives, cash availability, expected cash and liquidity needs and other relevant factors. The overarching principle for that allocation is that no client is intentionally favored over another client that is similarly situated.

### **REVIEW OF ACCOUNTS**

Reviews are conducted as a matter of course on a regular and frequent basis, although additional reviews may be triggered by events such as:

- change in a client's risk tolerance, financial position or investment objective,
- change in a company or fund's management,
- a client meeting,
- unusual market or economic circumstances or
- any other unforeseen event.

Globescan does not provide reports for clients' accounts unless requested. TD Ameritrade can provide automated quarterly statements if required. Clients often meet with Globescan face to face to review their accounts.

### **CLIENT REFERRALS AND OTHER COMPENSATION**

Globescan does not pay outside individuals or entities for referring clients.

### **CUSTODY**

The payment of Globescan's fee directly from the client's account is deemed a form of custody by the Securities and Exchange Commission, although all investments and funds are held by an outside qualified custodian. Globescan may direct the movement of funds from one account in the client's name to another account in the client's name, but has no access to funds or securities except for the deduction of management fees.

This limited access is monitored by the client through receipt of account statements directly from the custodian. These statements all show the deduction of the management fee from the account and also list all securities priced as of period-end.

When a client receives their statements from the account custodian, clients should carefully review those statements and take the time to compare them with those they may have received from Globescan. If the client finds significant discrepancies, the custodian and Globescan should be notified.

### **INVESTMENT DISCRETION**

Globescan has full trading authority under a limited power of attorney assigned to the Firm in the investment advisory agreement and through the brokerage account application. As a result, Globescan will determine both the investments and how much of each, should be purchased or sold on each client's behalf without receiving permission from the client prior to each trade.

Globescan does not manage assets on a non-discretionary basis.

### **VOTING CLIENT SECURITIES**

Globescan does not vote client securities for its clients. Clients receive proxy material directly from their account custodian by either email or U.S. mail. Clients may address questions concerning a proxy matter to Globescan personnel by email or by telephone.

### **FINANCIAL INFORMATION**

Globescan has no financial condition that might affect its ability to provide services to its clients.