

# TransGlobal Advisory LLC

## Wrap Fee Program Brochure

### Form ADV Part 2A – Appendix 1

*This wrap fee program brochure provides information about the qualifications and business practices of TransGlobal Advisory LLC. If you have any questions about the contents of this brochure, please contact us at (626) 447-7888 or by email at: [info@transglobaladvisory.com](mailto:info@transglobaladvisory.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 TransGlobal Advisory LLC is also available on the SEC's website at <https://transglobaladvisory.com>. TransGlobal Advisory LLC's CRD number is:168709.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

Version Date: 09/26/2023

## **General**

### **Item 2: Material Changes**

The material changes in this wrap brochure from the last amendment of TransGlobal Advisory LLC on March 16, 2022, are listed below. Material changes relate to TransGlobal Advisory LLC's policies, practices, or conflicts of interests.

- TGA recommends wrap fee program clients use Morgan Stanley as custodian. (Item 9)
- TGA has added a private fund. (Items 5 and 9)
- TGA has now made Yong Wang the chief compliance officer.
- TGA generally charges an annual fee of 0.25% for accounts strictly invested in fixed income securities. (Item 4)

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

TransGlobal Advisory LLC (hereinafter “TGA”) provides portfolio management to clients under this wrap fee program as sponsor and portfolio manager.

Total Assets Under Management	Annual Fee
\$100,000 - \$499,999	1.85%
\$500,000 - \$999,999	1.60%
\$1,000,000 - \$9,999,999	1.35%
\$10,000,000 - AND UP	1.10%

These fees are generally negotiable and the final fee schedule will be memorialized in the client’s advisory agreement. Lower fees for comparable services may be available from other sources.

For accounts strictly invested in fixed income securities, TGA generally charges an annual fee of 0.25%. This fee is negotiable and creates a conflict of interest because TGA has an incentive to not recommend fixed income securities because of the decreased compensation.

Portfolio management fees are withdrawn directly from the client’s accounts with client’s written authorization, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. In some instances, TGA’s discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to TGA. TGA may use margin accounts. TGA won’t use margin to buy additional securities, and fee will be based on the net value of the account, not the value of the assets under management.

Fees are paid in arrears. TGA uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

Clients may terminate the agreement without penalty, for full refund of TGA’s fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days written notice.

## Performance-Based Fees for Portfolio Management

Total Assets	Annual Management Fee (On all assets managed)	Annual Performance Fee (On capital appreciation)
All Assets	1.00%	20%

Qualified Clients will pay an annual fee of 1.00% of assets under management along with a 20% performance fee based on capital appreciation. If the portfolio rises in value, then the client will pay 20% on that increase in value, but if the portfolio drops in value, then the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a “high water mark.”

The performance fee is also contingent upon returns for the applicable client account(s) exceeding a certain threshold; this is known as a hurdle rate. Specifically, performance fees are only assessed on returns (capital appreciation, including dividends and interest, but net of TGA’s advisory fee) greater than 6% per year. Custodial fees, transaction fees, and certain other third-party fees are assessed to the client and are not a reduction of returns for the purposes of the hurdle rate. The hurdle is otherwise pre-tax.

In general, a “Qualified Client” is:

- 1) a natural person or company who at the time of entering into such agreement has at least \$1,100,000 under the management of the investment adviser;
- 2) a natural person or company who the adviser reasonably believes at the time of entering into the contract: (A) has a net worth of jointly with his or her spouse of more than \$2,200,000 excluding the value of the client’s primary residence; or (B) is a qualified purchaser as defined in the Investment Company Act of 1940, §2(a)(51)(A) (15 U.S.C. 80a-2(51)(A)); or
- 3) a natural person who at the time of entering into the contract is: (A) An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or (B) An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser), who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar function or duties for or on behalf of another company for at least 12 months.

Performance fees will only be charged in accordance with the provisions of California Code of Regulations Section 260.234.

When fees are withdrawn from client’s account at client custodian that TGA will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.

(B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.

(B) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

For Virginia clients, in accordance with 13.1-503C of the Virginia Securities Act, an investment advisor may enter into, extend, or renew any investment advisory contract to provide for compensation to the investment advisor on the basis of a share of the capital gains upon or the capital appreciation of the funds or any portion of the funds of a client, provided that the following conditions are satisfied.

Nature of the client:

1. a. The client entering into the contract subject to this section must be a natural person or a company, as defined in subdivision 2 of this subsection and in the definition of "company" in subsection E of this section, who immediately after entering into the contract has at least \$1 million under the management of the investment advisor; or

b. A person who the registered investment advisor (and any person acting on his behalf) entering into the contract reasonably believes, immediately prior to entering into the contract, is a natural person or a company, as defined in subdivision 2 of this subsection and in the definition of "company" in subsection E of this section, whose net worth at the time the contract is entered into exceeds \$2 million. (The net worth of a natural person may include assets held jointly with such person's spouse.)

2. The term "company" as used in subdivision 1 of this subsection does not include:

a. A private investment company, as defined in subsection E of this section;

b. An investment company registered under the Investment Company Act of 1940; or

c. A business development company, as defined in § 202(a)(22) of the Investment Advisers Act of 1940 (15 USC § 80b-2(a)(22))

TGA manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and may as well manage accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because TGA and/or its supervised persons have an incentive to favor accounts for which TGA receives a performance-based fee. TGA addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. TGA seeks best execution and upholds its fiduciary duty for all clients. Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier

investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Specifically, if the client's portfolio rises in value, then the client will pay a portion on that increase in value; however, if the portfolio drops in value, then the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark." The high water mark will be the highest value of the client's account on the last day of any previous quarter, after accounting for the client's deposits or withdrawals for each billing period.

## **B. Contribution Cost Factors**

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client's account, the adviser's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

## **C. Additional Fees**

TGA will wrap third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) for wrap fee portfolio management accounts. TGA will charge clients one fee, and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that TGA has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, fees associated with "step out" transactions if the account uses different custodians or broker-dealers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

## **D. Compensation of Client Participation**

Neither TGA, nor any representatives of TGA receive any additional compensation beyond advisory fees for the participation of clients in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, TGA may have a financial incentive to recommend the wrap fee program to clients.

## **Item 5: Types of Clients**

TGA generally offers advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pooled Investment Vehicles
- ❖ Pension and Profit Sharing Plans
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities

There is an account minimum of \$100,000, which may be waived by TGA in its discretion.

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

### **A. Selecting/Reviewing Portfolio Managers**

TGA will not select outside portfolio managers for management of this wrap fee program. TGA will be the sole portfolio manager for this wrap fee program.

TGA will use industry standards to calculate portfolio manager performance.

A third party reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed by the third party advisor.

### **B. Related Persons**

TGA and its personnel serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses TGA's management of the wrap fee program. However, TGA addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

### **C. Advisory Business**

TGA offers ongoing wrap fee portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. TGA creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:



- Determine investment strategy
- Asset allocation
- Assessment of risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

TGA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon.

TGA will require discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Portfolio management accounts participating in the wrap fee program will not have to pay for transaction or trading fees. TGA will charge clients one fee, and pay transaction fees using the advisory fee collected from the client. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that TGA has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs. To address this conflict, TGA will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

### ***Services Limited to Specific Types of Investments***

TGA generally limits its investment advice to fixed income securities, ETFs, REITs, insurance products including annuities, and private placements. TGA may use other securities as well to help diversify a portfolio when applicable.

### ***Written Acknowledgement of Fiduciary Status***

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;

- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### ***Client Tailored Services and Client Imposed Restrictions***

TGA offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client's current situation (income, tax levels, and risk tolerance levels). Clients are not permitted to impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

### ***Wrap Fee Programs***

As discussed herein, TGA sponsors and acts as portfolio manager for this wrap fee program. TGA manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts. The fees paid to the wrap account program will be given to TGA as a management fee.

### ***TPS Structured Alpha 2x***

The strategy uses the diversified portfolio of asset classes as collateral seeking to harvest the spread between implied and realized volatility through actively selling options on S&P 500 Index (SPX) with 2x leverage. To aim to mitigate the risk, the strategy will temporarily exit the market to avoid possible volatility spikes utilizing a proprietary timing signal. A Performance Based Fee will be charged to this strategy and is only available for qualified clients (a separate questionnaire will be provided to identify)

### ***Amounts Under Management***

TGA has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$18071558	\$0	December 2022

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

TGA manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and may also manage accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because TGA and/or its supervised persons have an incentive to favor accounts for which TGA receives a performance-based fee. TGA addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. TGA seeks best

execution and upholds its fiduciary duty for all clients.

Performance fees will only be charged in accordance with the provisions of California Code of Regulations Section 260.234.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

## ***Methods of Analysis and Investment Strategies***

### **Methods of Analysis**

TGA's methods of analysis include fundamental analysis, technical analysis, cyclical analysis, quantitative analysis, and modern portfolio theory.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various assets.

### **Investment Strategies**

TGA uses long term trading, short term trading, and options trading (including covered options, uncovered options, or spreading strategies).

*Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

## ***Material Risks Involved***

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### **Methods of Analysis**

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in

stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### **Investment Strategies**

TGA's use of short sales, margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term investing** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long term investing risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

*Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

### ***Risks of Specific Securities Utilized***

TGA's use of margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Because ETFs use "authorized participants" (APs) as agents to facilitate creations or redemptions (primary market), there is a risk that an AP decides to no longer participate for a particular ETF; however, that risk is mitigated by the fact that other APs can step in to fill the vacancy of the withdrawing AP [an ETF typically has multiple APs] and ETF transactions predominantly

take place in the secondary market without need for an AP. Like other liquid securities, ETF pricing changes throughout the trading day and there can be no guarantee that an ETF is purchased at the optimal time in terms of market movements. Moreover, due to market fluctuations, ETF brokerage costs, differing demand and characteristics of underlying securities, and other factors, the price of an ETF can be lower than the aggregate market price of its cash and component individual securities (net asset value – NAV). An ETF is subject to the same market risks as those of its underlying individual securities, and also has internal expenses that can lower investment returns.

**Annuities** are retirement products for those who may have the ability to pay a premium now and want to guarantee they receive certain payments or a return on investment in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

*Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

### ***Voting Client Securities (Proxy Voting)***

TGA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

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

All client information material to managing the portfolio (including basic information, risk tolerance, sophistication level, and income level) is provided to the portfolio manager. The portfolio manager will also have access to that information as it changes and is updated.

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

TGA does not restrict clients from contacting portfolio managers. TGA's representatives can be contacted during regular business hours using the information on the Form ADV Part 2B cover page.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

#### ***Criminal or Civil Actions***

There are no criminal or civil actions to report.

#### ***Administrative Proceedings***

There are no administrative proceedings to report.

#### ***Self-Regulatory Organization (SRO) Proceedings***

There are no self-regulatory organization proceedings to report.

#### ***Registration as a Broker/Dealer or Broker/Dealer Representative***

As registered representatives of Globalink Securities, Inc., Pay-Min Irene Chang, Philip Chengkuo Hu, Susan Jen, Shiou-Ing Diane Liou, Bill Jianting Liao, Sichen Li, Xin Guo, Erhwei Huang, Joseph Hsioh Lee, Chuanbing Rong, Yangli Wu, Yong Wang, Cecilia Hong Li, Changxi Li and Chongfen Zhang, Shu Hsin Hsieh, Qi Fang, Paul Chang, Rongxia Zhu, Yu Tang, Stewart Yuan accept compensation for the sale of securities.

#### ***Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor***

Neither TGA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or

Commodity Trading Advisor or an associated person of the foregoing entities.

### ***Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests***

Many TGA Advisors are registered representatives of Globalink Securities, Inc. and from time to time will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. TGA always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are free to obtain these services or products through another provider and always have the right to utilize or decline the services of any TGA representative in such individual's outside capacity.

Many TGA Advisors are independent licensed insurance agents and from time to time may offer clients advice or products from those activities. Clients should be aware that these services may involve a conflict of interest; however, TGA always acts in the best interest of the client. Clients are free to obtain these services or products through another provider and always have the right to utilize or decline the services of any TGA representative in such individual's outside capacity.

Philip Chengkuo Hu, Shiou-Ing Diane Liou, Paymin Irene Chang, Sichen Li, Bill Jianting Liao acts as a real estate broker or dealer and from time to time may offer clients advice or products from those activities. Clients should be aware that these services may involve a conflict of interest; however, TGA always acts in the best interest of the client. Clients are free to obtain these services or products through another provider and always have the right to utilize or decline the services of any TGA representative in such individual's outside capacity.

Philip Chengkuo Hu is General Partner and Bill Jianting Liao is real estate and mortgage licensed under Golden Star d.b.a. Transglobal lending, a loan service company. Golden Star d.b.a. Transglobal lending is a broker for mortgage and commercial loan and is a servicing company for private lending (peer to peer lending) where they act as the middleman and recommend clients to Golden Star d.b.a. Transglobal lending. This presents a conflict of interest in that TGA or its related persons may receive more compensation from investment in the fund than from other investments. Nevertheless, TGA acts in the best interest of the client consistent with its fiduciary duties and clients are not required to invest if they do not wish to do so.

Golden Star, Inc. dba Transglobal Lending is a related company under common control with TGA. Golden Star provides lending services, however, these lending services are not offered to advisory clients of TGA.

Transglobal Advisory LLC is a manager of Typhos Structured Alpha LP, a private fund. TGA will recommend investments in this private fund to those clients for which investment in the fund is suitable. This presents a conflict of interest in that TGA or its



related persons may receive more compensation from investment in the fund than from other investments. Nevertheless, TGA acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in the private fund if they do not wish to do so.

ChihHan Chen is a managing member at Typhos Investment Management LLC.

Qi Fang is the CEO of Q & Q Life Insurance Agency.

Shu Hsin Hsieh is a president at Faye Financial Inc..

Philip C. Hu is the President of Transglobal Retirement Services Inc. He spends approximately 10 hours per month on this activity.

Philip C. Hu is the President of Transglobal Private Lending. He spends approximately 5 hours per month on this activity.

Philip C. Hu is the President of Transglobal Payroll Services Inc. He spends approximately 5 hours per month on this activity.

Philip C. Hu is the Manager of Transglobal Tax Services LLC. He spends approximately 10 hours per month on this activity.

Philip C. Hu is the President of Transglobal Education Group. He spends approximately 5 hours per month on this activity.

All material conflicts of interest under Section 260.238 (k) of the California Corporations Code are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

### ***Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections***

TGA does not select third-party investment advisers.

## **B. Code of Ethics, Client Referrals, and Financial Information**

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

TGA has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual

Review, and Sanctions. TGA's Code of Ethics is available free upon request to any client or prospective client.

### ***Recommendations Involving Material Financial Interests***

Transglobal Advisory LLC is a manager of Typhos Structured Alpha LP, a private fund. TGA will recommend investments in this private fund to those clients for which investment in the fund is suitable. This presents a conflict of interest in that TGA or its related persons may receive more compensation from investment in the fund than from other investments. Nevertheless, TGA acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in the private fund if they do not wish to do so.

### ***Investing Personal Money in the Same Securities as Clients***

From time to time, representatives of TGA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of TGA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. TGA will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### ***Trading Securities At/Around the Same Time as Clients' Securities***

From time to time, representatives of TGA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of TGA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, TGA will never engage in trading that operates to the client's disadvantage if representatives of TGA buy or sell securities at or around the same time as clients.

### ***Frequency and Nature of Periodic Reviews***

Accounts are reviewed at least quarterly by Yong Wang, CCO, with regard to clients' respective investment policies and risk tolerance levels.

### ***Factors That Will Trigger a Non-Periodic Review of Client Accounts***

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### ***Content and Frequency of Regular Reports Provided to Clients***

Each client will receive a quarterly account statement from the custodian.

## ***Economic Benefits Provided by Third Parties for Advice Rendered to Clients***

TGA receives the economic benefits described below from Charles Schwab & Co., Inc. However, these benefits do not apply to wrap fee program clients, as TGA recommends wrap fee program clients use Morgan Stanley as custodian. In connection with its wrap fee program, TGA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to TGA clients.

TGA receives access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Services provided by Charles Schwab & Co., Inc. Advisor Services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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 TGA client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to TGA other products and services that benefit TGA but may not benefit its clients' accounts. These benefits may include national, regional or TGA specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of TGA by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist TGA in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of TGA's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of TGA's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to TGA other services intended to help TGA manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to TGA by independent

third parties. Charles Schwab & Co., Inc. 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 TGA. TGA is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

### ***Compensation to Non – Advisory Personnel for Client Referrals***

TGA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### ***Balance Sheet***

TGA neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### ***Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients***

TGA does not have any financial condition that would impair its ability to meet contractual commitments to clients.

### ***Bankruptcy Petitions in Previous Ten Years***

TGA has not been the subject of a bankruptcy petition.

## **Item 10: Requirements For State Registered Advisers**

Please see the “*Recommendations Involving Material Financial Interests*” and “*Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests*” sections above.