

# GBM Wealth Management, Inc.

## Firm Brochure Part 2A of Form ADV

*This Brochure provides information about the qualifications and business practices of GBM Wealth Management, Inc. If you have any questions about the contents of this Brochure, please contact us at (281) 745-9100 or via email at [compliance@gbms.com](mailto:compliance@gbms.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 GBM Wealth Management, Inc. is also available on the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The firm's CRD number is: 145049*

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## **ITEM 2: MATERIAL CHANGES**

This item discusses only specific material changes that are made to the Brochure since the Firm's last annual update. It will also reference the date of the last update of the brochure. Since the Firm's last update dated October 21, 2024, the Firm has had no material changes.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year, which is December 31. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

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## **ITEM 4: ADVISORY BUSINESS**

### **A. Firm Description**

GBM Wealth Management Inc. (“GBM Wealth” or “the Firm”) was formed as a Delaware Corporation on May 19, 2006 and is 100% owned by Portfolio Investments, Inc. The Firm is registered as an Investment Advisor with the Securities Exchange Commission (“SEC”) effective March 29, 2024. GBM Wealth and its affiliates, Illac Advisors, LLC and GBM International, (“GBMI”) are also under common indirect ownership with GBM Casa de Bolsa, a Mexican registered securities broker/dealer; ultimate beneficial owner for all is Corporativo GBM SAB de CV, a publicly traded company.

### **B. Types of Advisory Services**

GBM Wealth provides investment advisory services to individuals, investment companies, trusts, corporations and other business entities. GBM Wealth offers continuous investment advice and portfolio management services, including asset allocation across various asset classes such as cash, equity mutual funds, and fixed income. By selecting specific securities, the firm aims to diversify investments, manage risk, and help clients achieve their stated investment goals.

The team at GBM Wealth conducts comprehensive analyses of securities, including fixed income, equity, funds, and other investment instruments, tailoring portfolios to each client's unique needs. They have developed flexible models and strategies for selecting securities that accommodate a variety of investing styles, such as conservative, moderate, aggressive, ETF-focused, UCITS focused and quantitative approaches, allowing them to adapt to different client requirements.

GBM Wealth may suggest models or strategies to clients that include recommendations from unaffiliated third-party asset managers regarding buying or selling securities. For discretionary accounts, the firm retains the discretion to invest clients' assets based partially or wholly on these third-party models or strategies.

GBM Wealth maintains a Limited Power of Attorney for all discretionary accounts for the purposes of directing and or otherwise effecting investments on behalf of the managed account, for the direct payment of the Firm's fees and/or the payment of commissions, custodial fees and or other charges incurred by the managed account. The Firm also maintains non-discretionary accounts.

The Firm, may also oversee client accounts that contain private funds or private investments, purchased by the client separately and, based upon the respective advisory agreement, become subject to the Firm's oversight.

The relationship between the parties may be terminated by either party upon 30 days written notice. Notwithstanding the above, if the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering any written or oral advisory contract with this investment adviser, then the client has the right to terminate the relationship, without penalty, within five business days after entering the contract.

GBM Wealth's advisory services are made available to clients primarily through its investment professionals - individuals associated with the firm as Investment Advisor Representatives (“Advisor Representatives”). Each advisory relationship at GBM Wealth is managed by one or more Advisor Representatives registered with the firm, who serve as the primary point of contact between GBM Wealth and the client. Advisor Representatives collect financial profile information from clients and recommend specific advisory services or programs to clients as deemed appropriate for their individual situation, financial circumstances, goals and objectives.

GBM Wealth enters certain of its orders through GBMI an affiliated broker-dealer that maintains a custodial arrangement with Pershing, LLC whereby GBMI clears securities transactions on a fully disclosed basis. The Firm also executes transactions and maintains custodial arrangements with JP Morgan, Morgan Stanley and Interactive Brokers via BCP Global (“BCP”).

The Firm maintains custody with both discretionary and non-discretionary accounts at Pershing, JP Morgan, Morgan Stanley and Interactive Brokers via BCP. The Firm will also maintain and custody accounts with Interactive Brokers directly without BCP Global as the sub advisor. Accounts opened can be opened online by the client.

GBM Wealth offers proprietary model portfolios for U.S. and non-U.S. residents. The models are comprised of ETF's and/or UCITS which can be similar to a number of common equity and bond indices.

Accounts in which a model portfolio is selected are established at the respective custodian. Smaller accounts are established through BCP and custodied at Interactive Brokers. High net worth clients are established with either Pershing, Morgan Stanley, JP Morgan, or Interactive Brokers.

### **Sub-Advisors and Selling Agreements**

The Firm maintains selling agreements with Blackstone REIT, Blackstone Private Credit Fund, and a Model Portfolio Agreement with Blackrock. The Firm has not utilized any of the agreements to date.

The Firm maintains a sub-advisory agreement with BCP. GBM Wealth uses the services of BCP to sub advise client accounts in relation to the portfolios offered and managed by GBM Wealth. BCP is also managing GBM's proprietary model portfolios for the accounts in which it is selected.

The Firm also offers investment advisory services utilizing the services of third-party Portfolio Managers (“Sub-Advisors”). Upon consultation with the Client and the Firm, these Sub-Advisors

will place clients in a model strategy that they believe best fits the client's investment objectives. These Sub-Advisors will use discretion in managing the investment within each model portfolio (i.e., select which securities to purchase or sell), but cannot change the model portfolio utilized for the client without the client's specific written authorization. Should a client decide to utilize the services of a Sub-Advisor, the client agrees to use the custodian recommended by the Sub-Advisor. If the client utilizes the services of a Sub-Advisor, the client will receive a copy of the Sub-Advisor's ADV Part 2A.

### **Client Responsibilities**

GBM Wealth's advisory services depend and rely upon the information received from clients. The adviser cannot adequately perform its obligations and fiduciary duties to the client unless the client discloses an accurate and complete representation of their financial position and investment needs, timely remits requested data or paperwork, provides updates promptly upon changes, and otherwise fulfills their responsibilities under their Agreement. Advisor Representatives will rely upon the accuracy of information furnished by the client or on their behalf without further investigation. GBM Wealth will not be required to verify the information obtained from clients or other professional advisors, such as accountants or attorneys.

Clients will acknowledge and agree to their obligation to promptly notify GBM Wealth in writing if any information material to the advisory services to be provided changes, information previously provided that might affect how their account should be managed occurs, or if previously disclosed data becomes inaccurate. The client or their successor shall also promptly notify us in writing of the client's dissolution, termination, merger, or bankruptcy if the client is other than a natural person and the occurrence of any other event that might affect the validity of their Agreement or our authority thereunder.

GBM Wealth reserves the right to terminate any client engagement where a client has willfully concealed or has refused to provide pertinent information about information material to the advisory services to be provided or individual/financial situations when necessary and appropriate; in its judgment, provide proper financial advice.

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

GBM Wealth tailors its advisory services to each individual client based upon the client's financial and risk profile. Clients may impose guidelines or restrictions on certain types of securities or investments but such restrictions must be provided in writing. In addition, the firm obtains an "Investment Advisory Mandate" for each client, which outlines the acceptable parameters for each type of investment in the respective client account(s).

### **D. Wrap Fee Programs**

GBM Wealth does not sponsor or manage a wrap fee program.

## **E. Amounts of Assets Under Management**

As of March 15, 2025, the Firm had assets under management of \$217,668,173 of which \$27,693,999.68 is managed on a non-discretionary basis.

## **ITEM 5: FEES, COMPENSATION AND TERMINATION OF SERVICES**

### **A. Description of Compensation and Basic Fee Schedule**

The Advisory Fees payable to GBM Wealth for services rendered pursuant to a sub-advisory agreement shall typically equal a yearly 1% (one percent), but the Firm's fees range from .25% to 1.5% on an annual basis. The specific fee the client will be charged will be outlined in the client's specific advisory agreement. These fees are payable monthly in arrears, calculated as described below. It should be noted that all advisory fees are negotiable

To the extent affiliated funds, equities or corporate bonds are selected to fill overall components of the objective strategy, the amounts invested in these products will be excluded when calculating the advisory fee payable to GBM Wealth. Fees are calculated daily using the Net Asset Value of the Account at the end of each day. The calculation of the aforementioned Advisory Fee shall be based upon a 365-day year. The amounts to be paid will be the result of adding up the daily fees from the days in the billing period. Fees for weekends and other non-business days shall be calculated based on the net asset value of the managed accounts on the immediately previous business day. This number is then divided by 365 and then multiplied by 1% or the agreed upon rate and then by the number of days in the billing period. Accounts opened in mid-month will be assessed a pro-rated management fee. Fees for the initial month will be adjusted pro-rata based upon the number of calendar days in the calendar month that the Agreement goes into effect. It should be noted that the fee charged on cash or equivalent assets may be greater than the annualized yield on such assets.

Accounts held at BCP will be charged fees as follows: The advisory fee is automatically calculated by Interactive Brokers. The calculation is made daily based on the ending market value ("EMV") of the assets managed by the Advisor the previous month. To make the daily calculation Interactive Brokers applies the annual tiered rate to the EMV and then divides it by 252 business days for the year. The fee charged is the sum of the daily fee calculation at the end of the month

For certain clients, fees may be subject to change with thirty (30) days prior written notice. If the client does not want to be bound by the new fee schedule, they should notify the Firm to discuss the available options. Notwithstanding the above, certain clients of the Firm with pre-existing relationships may initially be charged fees which are less than those set out above. With regard to employee related accounts and certain other accounts, the fees may be less, depending upon a number of factors, including portfolio size, length of employment and relationship to the employee.

GBM Wealth maintains a Limited Power of Attorney for all discretionary accounts managed by GBM Wealth for the purposes of directing and/or otherwise effecting investments on behalf of the managed account, for the direct payment of the Firm's fees and or the payment of commissions, custodial fees and or other charges incurred by the managed account.

The above fee-schedule is inclusive of the fees paid to GBM Wealth and the respective sub-advisor and is subject to negotiation on a client-by-client basis at GBM Wealth's discretion.

## **B. Payment of Fees**

Fees are payable monthly, in arrears and such fees may be deducted from client's account(s) monthly following the end of the calendar month. Payment of advisory fees of a de minimis nature can be waived at GBM Wealth's discretion.

## **C. Other Fees**

To the extent mutual funds are selected to fill components of the overall investment strategy, the annual advisory fee set forth above does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including Rule 12b-1 fees and expenses. The client is advised that, in addition to the annual advisory fee set forth above, each mutual fund in which assets are invested will incur non-investment advisory fees and other expenses for which client will bear a proportionate share.

Specific fees that could be incurred by the customer, as applicable, include, but are not necessarily limited to:

Transaction fees

Exchange fees

Custodial fees

Wire transfer and electronic fund processing fees

Foreign Account Fees

Asset movement fees

The Firm's affiliate, GBMI currently receives a portion of the wire transfer fees charged to the client. Beginning in 2025, GBMI may also receive a portion of the foreign fees charged to clients. GBM Wealth does not receive any portion of these fees noted above.

The Firm also has clients that participate in a loan advance program and are charged a fee for this service. The Firm affiliated broker-dealer, GBMI does share in a portion of such fees.

Clients will be charged a fee for margin interest if their account purchases securities on margin. Client may also be charged fees for various non-trade activities such as account maintenance fees, wire transfer fees and other additional services that incur a pass-through fee. For accounts that are not maintained at an affiliated broker dealer, it is expected that the client may pay a commission for trades executed in their accounts.

#### **D. Prepayment of Fees**

The Firm does not charge advisory fees in advance; therefore, if a client terminates an advisory contract, the Firm will not return any previously paid advisory fees.

#### **E. Other Compensation**

The Firm does not accept any other compensation for its services other than the fees disclosed in this Brochure.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

GBM Wealth does not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **ITEM 7: TYPES OF CLIENTS**

GBM Wealth provides investment advisory services to individuals, investment companies, trusts, corporations and other business entities. In general, we require a minimum of \$10,000 to open and maintain an advisory account on an electronic platform and we require a minimum of \$250,000 to open an account on other platforms. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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

GBM Wealth does not utilize a single methodology in determining investment strategies for its clients. After gathering appropriate suitability and financial information on a client, the Firm will construct a portfolio that is designed to meet the client's needs and objectives. The analysis will be mostly fundamental in nature as GBM Wealth takes a long-term view and does not anticipate actively trading accounts. A key goal of the Firm is to provide its clients with a well-diversified portfolio that performs well over the long term. The portfolios may consist of equities, fixed income, mutual funds, ETFs, UCITS and other instruments and may be handled directly by GBM Wealth or through one or more third party money managers that the Firm may choose to utilize. Clients should be aware that investing in securities involves risk of loss that they should be prepared to bear.

### **B. Material Risks**

All strategies, to varying degrees, contain risks inherent to the investments utilized. GBM Wealth's investment strategies may be subject to the certain risks based upon the securities utilized in managing the strategies. Many of the principal investment risks inherent in the strategies are discussed under Item 8 C below.

### **C. Certain Risk Factors**

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon clients' predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

#### **Tax Considerations**

Tax efficiency may be a part of the overall strategy that we focus on for clients. However, regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually

selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of the Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

**Bonds:** Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

**Limited Partnerships:** A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst-case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

Investing in Alternative Investments is highly speculative and is suitable only for those who (a) understand and are willing to assume the economic, legal and other risks involved, and (b) are financially able to assume significant losses. Alternative Investments may not be an appropriate investment for retirement funds. Before deciding to invest in Alternative Investments you should carefully consider your investment objectives, level of experience, and risk appetite. The possibility exists that you could sustain a loss of some or all of your initial investment and therefore you should not invest money that you cannot afford to lose. You should be aware of all the risks associated with Alternative Investments and seek advice from your advisor if you have any doubts.

Securities used by GBM Wealth's investment strategies may be subject to the following principal investment risks due to the variety of investments utilized in each strategy:

**Credit Risks** – The risk that the portfolio could lose money if the issuer or guarantor of a fixed-income security, or the counter-party to a derivative contract, is unable or unwilling to meet its financial obligations.

**Counter-Party Risks** – A portfolio may incur a loss if the other party to an investment contract, such as a derivative, fails to fulfill its contractual obligation.

**Currency Risks** – The risk that foreign currencies will decline in value relative to the US dollar and affect a portfolio's investments in foreign (non-US currencies or in securities that trade in and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

**Debt Securities Risks** – The issuer of a debt security may fail to pay interest of principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the portfolio's returns.

**Emerging-Market Risk** – Foreign investment risks are typically greater for securities in emerging markets, which can be more vulnerable to recessions, currency volatility, inflation and market failure.

**Equity Risks** – The risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

**ETF Risks** –Portfolio will be exposed indirectly to all of the risks of securities held by an ETF.

**Foreign Investment Risk** – Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.

**General Economic and Market Conditions Risk**- Global and local economic growth, interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of clients' investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations), and more recently in 2020, a pandemic (i.e. coronavirus) may affect the level and volatility of the prices and the liquidity of clients' investments. Volatility or illiquidity could impair clients' profitability or result in losses.

**High-Yield Securities Risk** – High-yield securities have a much greater risk of default or of not returning principal and tend to be more volatile than high-rated securities of similar maturity.

**Interest Rate Risk** – The risk that fixed income securities will decline in value because of an increase in interest rates.

**Issuer Risk** – The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

**Issuer Non-Diversification Risk** – The risks of focusing investments in a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

**Liquidity Risk** – A security may not be able to be sold at the time desired or without adversely affecting the price.

**Market Risk** – The market price of securities held by a portfolio may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

**Mortgage and Asset-Backed Securities Risk** – These securities may decline in value when defaults on the underlying mortgage or assets occur and may exhibit additional volatility in

periods of changing interest rates. When interest rates decline, the prepayment of mortgages or assets underlying such securities may require the reinvestment of money at lower prevailing interest rates, resulting in reduced returns.

## **ITEM 9: DISCIPLINARY INFORMATION**

The Firm and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the firm or its personnel.

However, an affiliate of the Firm, GBMI, which is a FINRA member broker/dealer, was subject to a fine and censure in connection with certain anti-money laundering requirements. A full description of this action may be found on the FINRA BrokerCheck Web site at <https://brokercheck.finra.org/firm/summary/28684>.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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

GBM Wealth maintains a relationship with GBMI, a related broker/dealer. GBM Wealth is registered with the Securities and Exchange Commission and “Notice files” with various state jurisdictions and GBMI is a member firm of FINRA. This affiliation creates a conflict in that GBMI will be used to execute portfolio transactions for investment advisory clients of GBM Wealth. In order to mitigate this conflict, GBM Wealth and GBMI will conduct these transactions subject to proper, and customary, disclosure regarding the two firms’ affiliation. GBMI executes all equity trades on an Agency basis and all fixed income trades (corporate, and government bonds of both US and foreign entities) on a “Riskless Principal” basis with neither GBMI nor the Firm receiving any compensation (in the form of commissions or markup/markdowns) for executing trades on either an Agency or “Riskless Principal” basis with the Firm’s clients. In addition, GBMI will pass through the charges from its clearing broker. This compensation is addressed below. If GBM Wealth utilizes a broker/dealer designated by the client other than GBMI to execute brokerage transactions, GBM Wealth may not have the authority to negotiate commissions or obtain volume discounts, thus best execution may not be achieved. If the client does utilize GBMI, they will not be charged commissions, which may result in higher execution costs being charged by other executing broker-dealers. Additionally, while GBM Wealth will seek to obtain the best combination of price and execution for such transactions, lower transaction costs or better execution may be available elsewhere, for example, by the execution of the transaction through a so-called “discount broker.” However, GBM Wealth strives to seek the best combination of price and execution for transactions.

If an investment advisory client utilizes GBMI as the broker/dealer, GBM Wealth’s selection of money-market mutual funds or comparable investments in which to hold cash reserves in the client's account is limited to certain investments. The selection includes money-market, and government money-market funds, and the issuers of funds pay GBMI a distribution fee in its capacity as a broker/dealer. GBMI may also receive additional compensation based on client account balances being held in the money-market funds. Additionally, cash balances arising from the sales of securities, redemption of debt securities, dividend and interest payments and funds received from clients are so invested automatically on a daily basis. When securities are sold, client funds will be available on the settlement date of the trade(s). Funds placed in a client's account by personal check usually will not be invested until the respective custodian determines that the funds are in good order. Due to the foregoing practices, GBMI may obtain federal funds prior to the date that deposits are credited to client accounts and thus may realize some economic benefit because of the delay in investing these funds. Where an unaffiliated broker/dealer or other entity acts as custodian of the client's account assets, GBM Wealth has no control over the manner in which the cash reserves will be handled. The client and/or custodian will make that determination.

Based upon the similarity of investments among client accounts having similar investment objectives and the fact that GBM Wealth may direct the purchase of securities for more than one account simultaneously, and the possible appearance of similarity in the treatment of clients, all client accounts are handled under the following basic conditions designed to prevent pooling of assets and/or the management of accounts on a de facto pooled basis resulting in the existence of an investment company. The custody of accounts held by the custodian on behalf of GBM Wealth is structured such that each client's securities are held in nominee name only for ministerial purposes and each client's account is maintained as a separate account. The client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities in the account.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator or a Commodity Trading Adviser**

Neither the Firm nor its employees are registered or have an application pending to register as a futures commission merchant, commodity pool operator or commodity trading adviser.

### **C. Registration Relationships Material to This Advisory Business and Conflicts of Interest**

Other than the items noted in Section 10-A above, and including Corporativo GBM SAB de CV and Illac Advisors, LLC, neither GBMI, nor its advisors, have any registration relationships material to its business; or that pose a potential conflict of interest.

### **D. Selection of Other Advisors of Managers and How This Adviser is Compensated for Those Selections**

On occasion, and as appropriate, GBM Wealth may recommend the use of other third-party advisors, such as BCP Advisors, LLC (CRD # 157973) to act as the Client's Portfolio Manager. If such is recommended, the Client will receive a copy of the recommended third-party advisors Form ADV Part 2A and Part 2B, as applicable.

In these instances, the Firm will receive a portion of the advisory fee charged to the client accounts.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. Code of Ethics**

GBM Wealth has adopted a Code of Ethics to ensure that securities transactions by GBM Wealth employees are consistent with the Firm's fiduciary duty to its clients and to ensure compliance with legal requirements and GBM Wealth's standards of business conduct. The Compliance Manual and Code of Ethics require that all trades made by employees or related persons of GBM Wealth, who make recommendations or participate in the determination of which recommendation shall be made, be reviewed by the designated person responsible (except transactions in investment company securities and/or other exempt transactions). GBM Wealth will also maintain account statements for all applicable personal securities transactions. Further, the Compliance Manual and Code of Ethics impose certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by any officer, partner, or associated person of GBM Wealth. A written copy of the GBM Wealth's Code of Ethics is available upon request.

No security may be bought or sold by a principal or employee of GBM Wealth before GBM Wealth clients' accounts have had the opportunity to make such transactions as appropriate. Principals and employees will not receive a more favorable execution price on a particular day than those received by GBM Wealth's investment advisory clients.

To mitigate conflicts of interest, all employees of GBM Wealth must comply with the Firm's Supervisory Procedures and Code of Ethics, which impose restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

### **B. Recommendations Involving Material Financial Interests**

The Firm does not recommend to clients any securities in which the Firm or its personnel has a material financial interest. The Firm may invest a portion of its client assets in investments of affiliated entities. The investments offered by GBM Wealth affiliates include mutual funds, fixed income instruments and other similar vehicles.

### **C. Investing in the Same Securities as Clients**

GBM Wealth's employees and persons associated with GBM Wealth are required to follow GBM Wealth's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of GBM Wealth and its affiliates may trade or invest for their own accounts in securities which are recommended to and or purchased for GBM Wealth's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of GBM Wealth will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts because the Code of Ethics, in some circumstances, would permit

employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored by the Firm to mitigate trading conflicts of interest between GBM Wealth and its clients.

**D. Trading the Same Securities as Clients' Securities**

Please see response to Item 11.C. above.

## **ITEM 12: BROKERAGE PRACTICES**

### **A. Selecting Brokerage Firms**

GBM Wealth will supervise and direct the investments of the client accounts subject to such limitations as the client may impose in writing. GBM Wealth, as agent and attorney-in-fact with respect to certain discretionary client account(s) and without prior consultation with the client, will: (a) direct the purchase, sale, exchange, conversion, and otherwise trade in stocks, bonds and other securities including money market instruments; (b) direct the amount of securities purchased, sold, exchanged, and otherwise traded; (c) place orders for the execution of such securities transactions with a broker/dealer subject to written limitations imposed by the client; and (d) determine the commission rates paid. GBM Wealth will place orders for the execution of transactions through GBMI (with Pershing as its custodian) or other custodians as noted in the client's advisory agreement. GBM Wealth will not receive any compensation as a result of placing such order(s). All custodians, with the exception of GBMI, (with Pershing as their custodian), typically charge a commission as compensation for their execution of the trade(s). Any execution costs charged by GBMI are paid by GBM Wealth and not passed through to the client.

The Firm will open accounts at GBMI, using Pershing as the custodian, unless otherwise directed by the customer. GBMI does not receive compensation for transactions executed and custodied by Pershing, except as otherwise noted in this Brochure.

The Firm believes that such directing of orders to be in the best interests of its client, taking into consideration in addition to access to and quality of research resources, execution capability, market services, timely response, and other services provided by GBMI which are expected to enhance the general portfolio management capabilities of GBM Wealth Management.

It is not GBM Wealth's practice to negotiate "execution only" commission rates with non-affiliated broker-dealers or custodians, thus the client may be deemed to be paying for other services provided by the non-affiliated entity which are included in the commission rate, if any. These other services provided by non-affiliated entities may include research, services such as news and quotation equipment, electronic office equipment, account record-keeping, on-line financial information and data processing.

GBM Wealth will allocate brokerage transactions in a manner it believes to be fair and reasonable to its clients, and consistent with client objectives. Prospective clients are hereby advised that lower brokerage fees for comparable services may be available from other sources.

### **B. Aggregation of Securities for Multiple Client Accounts**

When GBM Wealth trades the same security in more than one client account, the Firm will generally attempt to batch or "bunch" the trades in order to create a "block transaction."

Generally, buying and selling in blocks helps create trading efficiencies, prompt attention and desired price execution. GBM Wealth will place all, or substantially all, transactions to purchase or sell common stocks with the client's "directed" broker, when applicable. Whenever possible, GBM Wealth will attempt to batch or aggregate trades for clients who use the same directed brokers in order to create a "block transaction."

The commission amount and per share commission rate will differ among clients with directed brokerage relationships due to the dollar value and the size (number of shares) of the trade for each account, and the total relationship between the client and their broker. Because each client may differ in portfolio size, investment objective, equity exposure and the extent of the relationship with their broker, GBM Wealth does not negotiate commission discounts on the block transaction itself.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **A. Periodic Reviews**

The Firm's Chief Compliance Officer, or her designee, will review accounts on a regular basis, but no less often than annually to help ensure that the accounts are being managed in accordance with their agreed-upon investment mandate. These reviews will help ensure that the transactions are i) suitable in connection with the client's investment objectives ii) meet that client's quality standards, and iii) to help ensure that the management of the client's account is consistent with the client's investment objectives

### **B. Factors that Will Trigger Non-Periodic Reviews**

More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances or the market economic or political environment.

### **C. Reports Provided to Clients**

The Firm does not provide regular reports to its clients except by request. Depending upon market conditions, the Firm may provide a performance appraisal report. The clients also receive brokerage transaction confirmations and statements from the custodian of the account.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

The Firm has a referral agreement with its affiliate, GBM Casa de Bolsa in Mexico. Any such referral fee shall be paid to GBM Casa De Bolsa solely from the fees earned by the Firm hereunder and shall not result in any additional charge to the client. If the client is introduced to GBM Wealth, the solicitor and/or the Firm shall provide the prospective client with a copy of this Form ADV Part 2A, and the GBM Wealth Form CRS.

## **ITEM 15: CUSTODY**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. 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 qualified custodian.

You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If there is activity in the account, you will receive brokerage transaction confirmations and monthly statements from the custodian of the account.

## **ITEM 16: INVESTMENT DISCRETION**

GBM Wealth and/or the selected Third-Party Advisor, as applicable usually receives written discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Investment guidelines and restrictions, such as an “Investment Advisory Mandate” must be provided to GBM Wealth in writing.

When selecting securities, and determining amounts, GBM Wealth and/or the Third-Party Advisor, as applicable, observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, GBM Wealth’s and/or the Third-Party Advisor’s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

## **ITEM 17: VOTING CLIENT SECURITIES**

GBM Wealth shall not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the Accounts. The Client should refer to the ADV Part 2A of the selected Third-Party Advisor(s) to determine such Advisor's proxy voting policy.

GBM Wealth will not file proof of claims in class action settlements. Clients assume the sole responsibility of evaluating the merits and risks associated with any class action settlement; therefore, clients are responsible for filing proofs of claims. GBM Wealth cannot provide legal advice and clients are encouraged to consult with their legal advisor when filing claims in securities class actions suits. The client's response to a settlement notice will impact the client's legal rights. In no way shall the client be precluded from contacting GBM Wealth for information about a particular class action settlement. Should GBM Wealth inadvertently receive proof of claims for securities class action settlements on behalf of clients, GBM Wealth will immediately forward such information on to clients, and will not take any further action with respect to the claim

## **ITEM 18: FINANCIAL INFORMATION**

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about GBM Wealth's financial condition. GBM Wealth is well capitalized, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

### **A. Balance Sheet**

GBM Wealth does not require nor solicit prepayment of investment advisory fees which would result in custody issues. Therefore, the Adviser is not required to include a balance sheet with this brochure.

### **B. Financial Conditions**

Neither GBM Wealth nor its management have any financial conditions that are likely to reasonably impair the Adviser's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions**

GBM Wealth has not been the subject of a bankruptcy petition in the last ten years.