



# WATCH GUARD CAPITAL LLC

This brochure provides information about the qualifications and business practices of Watch Guard Capital LLC. If you have any questions about the contents of this brochure, please contact Stephen Paluga at 602-456-0186 and/or email at: [spaluga@watchguardcapital.com](mailto:spaluga@watchguardcapital.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 Watch Guard Capital LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Watch Guard Capital LLC's CRD number is: 284719.

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Registration does not imply a certain level of skill or training.

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## ITEM 2: MATERIAL CHANGES

Last Annual Update: January 31, 2024

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## ITEM 4: ADVISORY BUSINESS

### **A. Description of the Advisory Firm**

Watch Guard Capital LLC ("WGC") is a Limited Liability Company organized in the State of Arizona. The firm was formed on June 16, 2016, and registered as an Investment Advisor on August 19, 2016. The principal owner is Stephen Paluga.

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

#### ***Portfolio Management Services***

WGC offers ongoing portfolio management services based on client's goals, objectives, time horizons, and risk tolerances. WGC creates Investment Policy Statements which outline client current situations (tax filing status and sensitivity, portfolio income and growth goals, etc.) and constructs portfolios based on their situations. Portfolio management services include asset allocation, investment selection, option income and hedging strategies, and portfolio monitoring.

WGC evaluates the current investments of each client with respect to their risk tolerances, time horizon, and financial needs. WGC requires discretionary authority from clients in most situations in order to select securities and execute transactions without permission from clients prior to each transaction, but may offer non-discretionary arrangements in some instances. Risk tolerance levels are documented in the Investment Policy Statement which are completed by each client when entering and signing the Investment Advisor Agreement (IAA), and updated in the WGC Customer Relationship Management (CRM) system afterwards.

WGC seeks to provide that investment decisions are made in accordance with fiduciary duties owed to its clients and without consideration of WGC's economic, investment, and or other financial interests. Any material conflicts of interest will be disclosed prior to entering into an advisory agreement, and as soon as possible thereafter if discovered. To meet its fiduciary obligations, WGC attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain clients, and accordingly, WGC's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another. It is WGC's policy to allocate investment opportunities and transactions it identifies as being appropriate among its clients on a fair and equitable basis.

#### **Financial Planning**

Financial planning may include, but is not limited to investment planning, annuity and life insurance reviews, investment advisor reviews, tax planning (not filing), retirement planning, and college planning. To avoid conflicts of interest, WGC investment advisers, affiliates, and associated persons of investment advisers, will not receive commissions from the sale of insurance or real estate, or receive commissions from the sale of securities or other products or services recommended in the financial plan or otherwise. The client is under no obligation to act on the investment adviser's or associated person's recommendations. If you elect to act on any of the recommendations, you are under no obligation to effect the transaction through the

investment adviser or the associated person when such person is employed as an agent with a licensed broker-dealer or is licensed as a broker-dealer or through any associate or affiliate of such person.

### **Educational Seminars and Workshops**

WGC conducts financial education seminars designed to help individuals understand and manage their finances better. Topics may cover areas such as investing, retirement planning, national debt awareness, and how to use government resources to identify and report fraud. These seminars provide valuable insights and practical tips to improve financial literacy.

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

WGC generally limits its investment advice to ETFs (including precious metals, broad market equity and bond ETFs, commodities, and futures), equities, and mutual funds, to build portfolio for clients. WGC specializes in the use of covered call option overlay strategies where an option contract with a specified sell price (strike) for a specified amount of time (expiration) is shorted against an investment a client owns in exchange for market-determined premiums that act as short-term hedges against the underlying investment. If the market price of the underlying investment is below the agreed upon sell price at the expiration date, the call seller (client) keeps 100% of the exchanged premiums and the original shares, while the call buyer (non-client) loses 100% of his or her spent premiums. If the market price of the underlying investment is above the strike price, the shares are transferred to the option buyer at the agreed upon strike price, or the option seller (client) must compensate the option buyer (non-client) for the difference to cancel the contract prior to expiration. Thus, the strategy is beneficial to an option seller (client) in down, flat, and up markets but can have associated opportunity costs with highly appreciating investments, as the investment's potential upside is "capped" in exchange for the hedging the option contract provides. WGC may use other securities as well to help diversify a portfolio when applicable.

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

WGC will tailor a program for each client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by WGC on behalf of the client. WGC may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

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

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. WGC does not participate in any wrap fee programs.

## E. Assets Under Management

WGC has the following assets under management:

Total Assets Under Management	Discretionary Amounts	Non-Discretionary Amounts	Date Calculated
\$47,942,258	\$47,942,258	\$0	March 26, 2025

## ITEM 5: FEES AND COMPENSATION

### A. Fee Schedule

#### *Portfolio Management Fees*

Investment Strategy	Maximum Annual Fee
Core Portfolio without Option Overlay	1.00% (Negotiable)
Core Portfolio with Option Overlay	1.00% (Non-Negotiable)

Clients may terminate the agreement without penalty for a full refund of WGC's fees within five business days of signing the Investment Advisory Agreement (IAA). Clients may terminate the IAA immediately upon written notice. Lower fees for comparable services may be available from other sources.

#### **Financial Planning Fees**

WGC may have pre-established fixed fee rates for certain financial planning services, or may need to engage with clients to understand the scope and complexity of their financial planning needs to estimate one, but in either case, WGC will provide a fixed fee quote to a client in the Financial Planning Agreement (FPA) for services to be rendered, which must be accepted in writing by the client before any services may commence. Fixed fees are negotiable and will not exceed \$2,000. Clients may also engage WGC financial planning services on a negotiated hourly-rate basis not to exceed \$125 per hour. All financial planning fees are paid in arrears upon satisfying the terms agreed upon in writing by both WGC and the client in the FPA. WGC reserves the right to waive these fees for clients also using WGC's portfolio management services. Clients may terminate the FPA without penalty at any time upon written/email notification.

#### **Educational Seminars and Workshops**

WGC offers financial educational seminars at no cost to make them accessible for anyone looking to enhance their financial knowledge.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in arrears. Charles Schwab, the custodian is provided with the applicable fee schedule for client accounts and will calculate the advisory fees. A client with an account that had an average monthly balance of \$100,000 would expect to pay \$84.93 for a month with 31 days ( $1\% / 365 \times 31 \times \$100,000$ ) for portfolio management services, and approximately \$1,000 annually (1%). WGC will issue monthly invoices for advisory fees, and the custodian will issue monthly statements detailing all transactions including advisory fees in client accounts.

### ***Payment of Financial Planning Fees***

Financial planning fees are paid via credit card or check in arrears upon completion.

## **C. Client Responsibility For Third-Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by WGC. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

WGC collects its fees in arrears. It does not collect fees in advance.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither WGC nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

WGC does not accept performance-based fees, or fees based on a share of capital gains or appreciation.

## ITEM 7: TYPES OF CLIENTS

WGC generally provides advisory services to individual and high-net-worth individuals. There is a client asset minimum of \$25,000, which may be waived by WGC in its discretion.

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

### A. Methods of Analysis and Investment Strategies

WGC uses long term trading, short term trading, margin and options trading strategies. WGC's methods of analysis include Charting Analysis, Cyclical Analysis, Quantitative Analysis, Technical Analysis, and Option Income and Hedging Analysis. 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.

**Charting analysis** involves the use of patterns in performance charts and is used to search for patterns used to help predict favorable conditions for buying, selling, and hedging a security. This analysis involves using and comparing various charts to predict long and short term performance or market trends.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying, selling, and hedging 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.

**Technical analysis** involves the analysis of past market data; primarily price and volume. It attempts to predict a future stock price or direction based on market trends.

**Option income and hedging analysis** use option contracts to reduce risk while generating income (i.e covered calls writing), or induce risk while generating income (i.e. put writing) from stocks or exchange-traded funds (ETFs) they already own. The covered call writing strategy allows investors to sell call options on the investments they own, and if the stock price rises above the option's strike price, they may be required to sell their shares at that price. This strategy can be neutral to bullish, and WGC may use it to potentially make income if the stock price trades laterally or down while also hiding risk at the portfolio level. In some cases, WGC may write cash/margin secured puts to generate income that may require stock/ETFs to be purchased below today's market price. Whether or not the put is assigned, all outcomes are presumably acceptable.

### B. Material Risks Involved

The risk involved in using **Charting analysis** is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance, which may not always be the case.

The risk involved in using **Cyclical analysis** is the it 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.



The risk involved in using **Quantitative analysis** is that it and any models created may perform differently than expected as a result of the factors used, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

The risk involved in using **Technical analysis** is the assumption that markets follow 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.

A risk involving **Option income and hedging strategies** is "opportunity risk," where an investment appreciates significantly above an agreed upon strike price but clients do not because their upside was capped in exchange for the guaranteed income they received from selling the call contract (covered call), or the market price has fallen significantly below the contract's strike price creating an unfavorable entry price relative to the available market price (cash/margin secured put).

### ***C. Risks of Specific Securities Utilized***

WGC's use of 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 trading** 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.

**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 or sell 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.

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

**Investing in mutual funds** carries the risk of capital loss and thus you may lose money investing in mutual funds. The funds can be comprised of bonds "fixed income" (lower risk) or stock "equity" (higher risk). All mutual funds have costs that lower investment returns.

**Equity investment** generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate

in response to specific situations for each company, industry conditions and the general economic environments.

**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, 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 also include the general risk of non-U.S. investing described below.

An **Exchange Traded Funds (ETFs)**, 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. Precious Metal ETFs (e.g., Gold, or Silver backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**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.

## ITEM 9: DISCIPLINARY INFORMATION

### A. Criminal or Civil Actions

There are no criminal or civil actions to report.

## **B. Administrative Proceedings**

There are no administrative proceedings to report.

## **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

# ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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

Neither WGC nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

## **B. Futures Commission Merchant, Commodity Pool Operator or Advisor**

Neither WGC 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.

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

Neither WGC nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

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

WGC does not utilize third-party portfolio investment advisers; assets are managed internally.

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

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

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

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

WGC does not recommend that clients buy or sell any security in which WGC or a related person has a material financial interest.

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

From time to time, representatives of WGC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of WGC 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. WGC 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.

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

From time to time, representatives of WGC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of WGC 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, WGC will never engage in trading that operates to the client's disadvantage if representatives of WGC buy or sell securities at or around the same time as clients.

# ITEM 12: BROKERAGE PRACTICES

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on WGC's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and WGC may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in WGC's research efforts. WGC will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

WGC recommends Schwab Advisor Services, a division of Charles Schwab & CO., Members FINRA/SIPC.

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

While WGC has no formal soft dollars program in which soft dollars are used to pay for third party services, WGC may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). WGC may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and WGC does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. WGC benefits by not having to produce or pay for the research, products or services, and WGC will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that WGC's acceptance of soft dollar benefits may result in higher commissions charged to the client.

## **2. *Brokerage for Client Referrals***

WGC receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

WGC uses Schwab Advisor Services for both custodial and broker-dealer services, and generally does not allow clients to direct it to execute transactions through a specified broker-dealer. If a client is authorized to direct brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to WGC to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless WGC is able to engage in "step outs"); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers require their clients to direct brokerage, and by doing so, clients may be unable to achieve the most favorable execution price available which may result in additional costs.

## **B. *Aggregating (Block) Trading for Multiple Client Accounts***

If WGC buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, WGC would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. WGC would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any)

## ITEM 13: REVIEW OF ACCOUNTS

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for WGC's advisory services provided on an ongoing basis are reviewed at least quarterly by Stephen Paluga, CEO, with regard to clients' respective investment policies and risk tolerance levels. All accounts at WGC are assigned to this reviewer.

### **B. 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).

With respect to financial plans, WGC's services will generally conclude upon delivery of the financial plan.

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

Each client of WGC's advisory services provided on an ongoing basis will receive a monthly statement from the custodian. Each financial planning client will receive the financial plan upon completion.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

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

WGC participates in the institutional advisor programs offered by Schwab Advisor Services. Schwab Advisor Services offer independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. WGC receives some benefits Charles Schwab & Co. through its participation in this program.

As part of the programs, WGC may recommend Charles Schwab & Co. to clients for custody and brokerage services. There is no direct link between WGC's participation in the programs and the investment advice it gives to its clients, although WGC receives economic benefits through its participation that are typically not available to retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving WGC participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have WGC's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to WGC by third party vendors. Charles Schwab & Co. may also pay for business consulting and professional services received

by WGC's related persons. Some of the products and services made available through the programs may benefit WGC but may not benefit its client accounts. These products or services may assist WGC in managing and administering client accounts. Other services made available by Charles Schwab & Co. that are intended to help WGC manage and further develop its business enterprise. The benefits received by WGC or its personnel through participation in the programs do not depend on the amount of brokerage transactions directed to the firms. As part of its fiduciary duties to clients, WGC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by WGC or its related persons in and of itself creates a conflict of interest and may indirectly influence the WGC's choice of Charles Schwab & Co. for custody and brokerage services.

## ITEM 15: CUSTODY

When advisory fees are deducted directly from client accounts at client's custodian, WGC will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive monthly account statements from the custodians of their assets, and they should carefully review those statements for accuracy. Clients will receive monthly invoices from WGC, and they are urged to compare their custodial statements with WGC's invoices for accuracy.

## ITEM 16: INVESTMENT DISCRETION

WGC provides both discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Agreement established with each client sets forth the trading authority. When investment discretion is granted, WGC generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought/sold, the total amount of the securities to be bought/sold, what securities to be bought/sold, or the price per share. In some instances, WGC's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions provided to WGC).

WGC chooses custodian(s) based on criteria such as best execution, tight bid-ask spreads, and trade commissions (if any). The custodian of the client's account is generally relied upon to act as the broker-dealer for all transactions, but in very rare cases (i.e. custodian trading platform outage), WGC may need to utilize discretionary broker-dealer authority to direct transaction(s) through a different broker-dealer to facilitate timely execution (i.e. closing option contracts on or before expiration dates to avoid capital gains in a taxable brokerage account).

## ITEM 17: VOTING CLIENT SECURITIES (PROXY VOTING)

WGC will not ask for or accept voting authority for client securities. Clients will receive proxies directly from the custodian or issuer of the security. Clients should direct all proxy questions to the issuer of the security

## ITEM 18: FINANCIAL INFORMATION

### **A. Balance Sheet**

WGC neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither WGC nor its management has any financial condition that is likely to reasonably impair WGC's ability to meet contractual commitments to clients.

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

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

## ITEM 19: REQUIREMENTS FOR STATE REGISTERED ADVISERS

### **A. Principal Executive Officers and Management Persons; Formal Education and Business Background**

The education and business background of WGC's current manager, Stephen Paluga, can be found on his Form ADV Part 2B brochure supplement.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged In**

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

### **C. Calculation of Performance-Based Fees and Degree of Risk to Clients**

WGC does not accept performance-based fees, or other fees based on a share of client capital gains or capital appreciation.

### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

### **E. Material Relationships that Management Persons have with Issuers of Securities**

See Item 10.C and 11.B.