

# Guided Capital Wealth Management, LLC Wrap Fee Program Brochure

*This wrap fee program brochure provides information about the qualifications and business practices of Guided Capital Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (832) 975-0711 or by email at: [info@guidedcapitalwealth.com](mailto:info@guidedcapitalwealth.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 Guided Capital Wealth Management, LLC is also available on the SEC's website at <https://www.guidedcapitalwealth.com>. Guided Capital Wealth Management, LLC's CRD number is:310056.*

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

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## General

### Item 2: Material Changes

Guided Capital Wealth Management, LLC has not yet filed an annual updating amendment to this Wrap Fee Program Brochure. Therefore there are no material changes to this brochure to report.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Guided Capital Wealth Management, LLC (hereinafter “GCWM”) provides portfolio management to clients under this wrap fee program as sponsor and portfolio manager.

Total Assets Under Management	Annual Fees
All Assets	Up to 1.50%

These fees are generally negotiable and the final fee schedule will be memorialized in the client’s advisory agreement.

Fees will be invoiced to the custodian for the management fee, and direct and authorize the custodian to deduct the amount stated from one or more of your Accounts., on a monthly basis.

Fees are paid in arrears. GCWM 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 GCWM’s fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

### 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

GCWM will wrap third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) for wrap fee portfolio management accounts. GCWM 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.

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 GCWM, nor any representatives of GCWM receive any additional compensation beyond advisory fees for the participation of client's 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, GCWM may have a financial incentive to recommend the wrap fee program to clients.

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

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

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Corporations or Business Entities

There is no account minimum.

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

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

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

GCWM will use industry standards to calculate portfolio manager performance.

GCWM reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is annually and is reviewed by GCWM.

#### **B. Related Persons**

GCWM 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 GCWM's management of the wrap fee program. However, GCWM 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**

GCWM offers ongoing wrap fee portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. GCWM creates an Investment Policy Statement for each client, which outlines the client's current financial situation (including but not limited to: income, expenses, goals, objectives, time horizon, 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

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

GCWM will request 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. GCWM 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.

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

GCWM generally limits its investment advice to mutual funds, equities, fixed income securities, ETFs, ETFs in the gold and precious metal sectors, and insurance products including annuities. GCWM may use other securities as well to help diversify a portfolio when applicable.

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

GCWM 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 (including but not limited to: income, expenses, goals, objectives, time horizon, tax levels, and risk tolerance levels). Clients are 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, GCWM sponsors and acts as portfolio manager for this wrap fee program. GCWM 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 GCWM as a management fee.

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

GCWM has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-Discretionary Amounts:</b>	<b>Date Calculated:</b>
\$43,000,000.00	\$0.00	December 2020

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

GCWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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**

GCWM's methods of analysis include charting analysis, fundamental analysis, technical analysis and cyclical analysis.

**Charting analysis** involves the use of patterns in performance charts. GCWM uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**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.

### **Investment Strategies**

GCWM uses long term trading, margin transactions 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**

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method 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. This may not be the case.

**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.

### **Investment Strategies**

GCWM's use of margin transactions and margin transactions 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.

**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***

GCWM's use of margin transactions and margin transactions 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.

**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, 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.

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

**Precious Metal ETFs** (e.g., Gold, Silver, or Palladium Bullion 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.

**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.

**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)***

GCWM 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**

GCWM does not restrict clients from contacting portfolio managers. GCWM'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***

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

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

Neither GCWM 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***

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

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

GCWM does not select third-party investment advisers.

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

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

GCWM 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. GCWM's Code of Ethics is available free upon request to any client or prospective client.

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

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

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

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

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

Accounts are reviewed at least annually by Kyle R Louvar, CEO, 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***

GCWM participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC ("TD Ameritrade"). TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. GCWM receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, GCWM participates in TD Ameritrade's institutional advisor program and GCWM may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between GCWM's participation in the Program and the investment advice it gives to its clients, although GCWM receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade 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 GCWM 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 GCWM'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 GCWM by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by GCWM's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit GCWM but may not benefit its client accounts. These products or services may assist GCWM in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help GCWM manage and further develop its business enterprise. The benefits received by GCWM or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, GCWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by GCWM or its related persons in and of itself creates a conflict of interest and may indirectly influence the GCWM's choice of TD Ameritrade for custody and brokerage services.

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

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

### ***Balance Sheet***

GCWM 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***

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

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

GCWM 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.