

# Form ADV

## Part 2A

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### Builder Investment Group

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March 26, 2012

This brochure ("Brochure") provides information about the qualifications and business practices of Builder Investment Group ("BIG"). You should review this Brochure in conjunction with our separate brochure supplement ("Supplement"). The Supplement(s) has been prepared for the purpose of providing information about the qualifications and background of the supervised person(s) working with you on our behalf or who may otherwise participate in the advisory services provided to you. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

If you have any questions about the contents of this Brochure or our Supplement(s), please contact us at 404-233-9341 or dhajost@big-inc.com. Additional information about BIG or any of our supervised persons (who are registered under our firm) is also available on the SEC's Investment Adviser Public Disclosure ("IAPD") which can be found at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The format/layout of this Brochure has been dictated by the SEC. As such, the Brochure's table of contents can be found after the "Material Changes" section of this Brochure, not at the beginning of the Brochure. The subsections appearing under each heading shall follow the mandated ordering of the items required to be addressed in this Brochure as set forth in the instructions and guidance issued by the SEC in regard to Part 2A of the Form ADV. BIG's response to each such item shall immediately follow each numbered item. We encourage any reader of this Brochure to also refer to the SEC's instructions and guidance related to Part 2A of the Form ADV. Throughout this Brochure, any references to "we," "our," "ours," "us," etc. are meant to refer to BIG.

## **II. Material Changes**

Filing date of last annual ADV update: March 26, 2012

There have been no material changes since the last annual ADV update.

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## Key Definitions

There are several terms used throughout this Brochure that are defined in the Glossary of the Form ADV. The full Form ADV and its glossary can be found on the SEC's web site at <http://www.sec.gov/about/forms/formadv.pdf>, however, several of the more important terms that are used throughout this Brochure are provided below for your reference. The definitions appear below as they appear in the glossary of the ADV so be mindful that all references made to "you," "your," or "yours" are intended to refer to BIG. Each term is presented in alphabetical order, not necessarily its order of appearance or use in this Brochure.

**Advisory Affiliate:** Your advisory affiliates are (1) all of your officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling or controlled by you; and (3) all of your current employees (other than employees performing only clerical, administrative, support or similar functions).

**Control:** Control means the power, directly or indirectly, to direct the management or policies of a person, whether through ownership of securities, by contract, or otherwise. Each of your firm's officers, partners, or directors exercising executive responsibility (or persons having similar status or functions) is presumed to control your firm. A person is presumed to control a corporation if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the corporation's voting securities; or (ii) has the power to sell or direct the sale of 25 percent or more of a class of the corporation's voting securities. A person is presumed to control a partnership if the person has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the partnership. A person is presumed to control a limited liability company ("LLC") if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the interests of the LLC; (ii) has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the LLC; or (iii) is an elected manager of the LLC. A person is presumed to control a trust if the person is a trustee or managing agent of the trust.

**Management Persons:** Anyone with the power to exercise, directly or indirectly, a controlling influence over your firm's management or policies, or to determine the general investment advice given to the clients of your firm. Generally, all of the following are management persons: Your firm's principal executive officers, such as your chief executive officer, chief financial officer, chief operations officer, chief legal officer, and chief compliance officer; your directors, general partners, or trustees; and other individuals with similar status or performing similar functions; The members of your firm's investment committee or group that determines general investment advice to be given to clients; and If your firm does not have an investment committee or group, the individuals who determine general investment advice provided to clients (if there are more than five people, you may limit your firm's response to their supervisors).

**Person:** A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

**Related Person:** Any advisory affiliate and any person that is under common control with your firm.

**Supervised Person:** Any of your officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on your behalf and is subject to your supervision or control.

## IV. Advisory Business

### Item IV.(A). BIG at a Glance

#### Firm Profile

BIG is an Atlanta based registered investment advisory firm that provided personalized portfolio management services for individuals, corporations, and corporate employee benefit plans.

#### Years in Business

Date of formation: August 9, 1983.

Date of initial investment adviser registration: October 1, 1983.

#### Direct Principal Owners

The following party(s) maintains at least 25% direct/indirect ownership in BIG.

Owning Party	Entity Owned	Percentage Owned
Allen A. Builder	Builder Investment Group	100%

### IV.(B). BIG's Advisory Services

In this section, we will describe the services we offer as well as the fees that correspond to those services.

#### Product Type Limitations

We generally provide investment advice in relation to the following specific types of securities/investments.

<input checked="" type="checkbox"/>	Exchange listed equities	<input checked="" type="checkbox"/>	Variable annuities
<input checked="" type="checkbox"/>	Over the counter equities	<input checked="" type="checkbox"/>	Mutual funds (closed-end and open-end funds)
<input type="checkbox"/>	Equities of foreign issuers	<input type="checkbox"/>	Real Estate Investment Trusts
<input checked="" type="checkbox"/>	Interests in privately offered securities (hedge funds, venture capital funds, private equity funds, etc.) involving any of the following: <ul style="list-style-type: none"><li>Real estate</li><li>Oil and gas</li><li>Mortgages or other receivables/assets</li><li>Other: venture capital funds, direct equity investments</li></ul>	<input type="checkbox"/>	Exchange traded funds
<input type="checkbox"/>	Warrants	<input checked="" type="checkbox"/>	U.S. government securities
<input checked="" type="checkbox"/>	Corporate debt securities (other than commercial paper)	<input type="checkbox"/>	Options on securities
<input type="checkbox"/>	Commercial paper	<input type="checkbox"/>	Options on commodities

<input checked="" type="checkbox"/>	Certificates of deposit	<input type="checkbox"/>	Options on futures
<input checked="" type="checkbox"/>	Municipal securities	<input type="checkbox"/>	Futures contracts (tangibles)
<input type="checkbox"/>	Variable life insurance	<input type="checkbox"/>	Futures contracts (intangibles)

## Our Services

Service:	<b><i>Ongoing Asset Management</i></b>																				
Service description:	Our ongoing asset management services are offered a discretionary basis. Under this service, we may design, revise, and reallocate a custom investment portfolio for you. Investments are determined based upon factors such as your investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors.																				
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input checked="" type="checkbox"/> Securities to be bought or sold  <input checked="" type="checkbox"/> Amount of the securities to be bought or sold  <input checked="" type="checkbox"/> Timing as to when such securities are to be bought or sold  <input checked="" type="checkbox"/> Broker-dealer and/or custodian to be used  <input type="checkbox"/> Commission rates to be paid for securities brokerage activities  <input type="checkbox"/> Other:  <input type="checkbox"/> None </p> <p>Our specific discretionary authority will be set forth in your service agreement ("Agreement") with us.</p>																				
Service fees:	<p>For the service described above, we will charge fees in the following manner:</p> <table border="1"> <thead> <tr> <th colspan="2">Asset-Based Fee Schedule</th> </tr> <tr> <th>Account(s)/Portfolio Value</th><th>Annual Percentage</th></tr> </thead> <tbody> <tr> <td>First \$1,000,000</td><td>1.00 %</td></tr> <tr> <td>Next \$2,000,000</td><td>0.750%</td></tr> <tr> <td>Next \$7,000,000</td><td>0.50%</td></tr> <tr> <td>In excess of \$10,000,000</td><td>negotiable</td></tr> <tr> <th colspan="2">Other fee/account maintenance conditions...</th></tr> <tr> <td>Minimum account/portfolio balance (initial):</td><td> <input type="checkbox"/> None  <input checked="" type="checkbox"/> \$250,000 </td></tr> <tr> <td>Minimum account/portfolio balance (ongoing):</td><td> <input checked="" type="checkbox"/> None  <input type="checkbox"/> \$ </td></tr> <tr> <td>Minimum annual fee:</td><td> <input checked="" type="checkbox"/> None  <input type="checkbox"/> \$ </td></tr> </tbody> </table> <p>All fee arrangements are negotiable at our sole discretion. Specific fee arrangements will be set forth in your service Agreement with us.</p>	Asset-Based Fee Schedule		Account(s)/Portfolio Value	Annual Percentage	First \$1,000,000	1.00 %	Next \$2,000,000	0.750%	Next \$7,000,000	0.50%	In excess of \$10,000,000	negotiable	Other fee/account maintenance conditions...		Minimum account/portfolio balance (initial):	<input type="checkbox"/> None <input checked="" type="checkbox"/> \$250,000	Minimum account/portfolio balance (ongoing):	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$	Minimum annual fee:	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$
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Minimum annual fee:	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$																				
Other fees:	In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to																				



	<p>you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item 12 for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>
Fee collection:	<p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees paid directly to us.</li> </ul> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, or <input type="checkbox"/> in arrears.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination ("Termination Notice") as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>

Service:	<i>Individual Consultations</i>
Service description:	<p>We also provide advisory or consulting services not involving the other services already described herein but still pertaining to investments or investment-related matters. As part of these services, may or may not provide any written documentation or other work product. Such services may include, but would not be limited to already established retirement plan clients or other corporate clients needing only administration and consulting services (for example, on-site investment presentations). This sort of service does not include investment advisory services for the individuals investing in the plans. Our ongoing asset management services are available to individual plan participants should they decide to engage us for that service.</p>

	Depending upon the particular service engagement, we may or may not produce any written documentation that supports recommendations or conclusions reached as a result of carrying out these services. If you wish to engage us for some type of service not specifically mentioned or referred to in the services noted above, you may provide us with guidance as to the scope of the engagement. Regardless of the services ultimately requested, the specific services and corresponding fees will be set forth in your Agreement.
Use of discretion:	We will not possess or exercise investment discretion in connection with this service.
Service fees:	<p>For the service described above, we may charge fees on an annual, flat/fixed fee. Our annual fee (flat/fixed) for the services described in this section ranges from \$1,000.00 to \$6,000.00</p> <p>All fees are negotiable at our sole discretion. Specific fee arrangements will be set forth in your service Agreement with us.</p>
Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item 12 for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>
Fee collection:	<p>For the service described above, we receive our service fees by directly billing you for them. One fourth (1/4) of the total fixed fee amount, prorated according to the date of execution of your Agreement with us shall be payable at the beginning of the calendar quarter in which our initial meeting with one another takes place. Payments are due on or by the final business day of the month in which the invoice is generated.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, <input type="checkbox"/> in arrears, or <input type="checkbox"/> a portion in advance and a portion in arrears.</p> <p>Specific fee arrangements will be set forth in your Agreement with us.</p>
Advanced billing and refunds:	As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination ("Termination Notice") as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.

	Specific fee arrangements will be set forth in your Agreement with us.
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#### **IV.(C). Customization of Advisory Services**

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To the fullest extent possible, we will endeavor to tailor our advisory services to meet the specific needs of each and every client. In order to determine a suitable course of action for an individual client, we will perform a review of our clients' financial circumstances and other factors that may influence the investment recommendations we may make to you from time to time. Such review may include, but would not necessarily be limited to, investment objectives, consideration of a client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to a client's particular circumstances.

In making investment recommendations on behalf of a client, we will rely on a data gathering document or other questionnaire, which would be completed based on information provided by a client.

Our clients are free to impose any restrictions or other conditions with regard to how we provide our advisory services. If we agree to such restrictions and/or conditions, please be advised that restrictions and guidelines that you impose on our investment management functions may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and you should not expect that the performance of a custom portfolio will be identical to any other individual's portfolio performance) as well as any recommendations provided to you.

#### **IV.(D). Wrap Fee Program Participation**

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None of our investment advisory services involve the use of wrap programs.

#### **IV. (E). Assets Under Management<sup>1</sup> ("AUM")**

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AUM (discretionary):	\$ 232,100,000
AUM (non-discretionary):	\$ 0
Total AUM <sup>2</sup> :	\$ 232,100,000
Date of AUM calculation:	December 31, 2011.

### **V. Fees and Compensation**

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#### **V.(A). BIG Advisory Fees**

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Refer above to Item IV.(B).

#### **V.(B). Fee Collection Process**

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Refer above to Item IV.(B).

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<sup>1</sup> The term, "assets under management" shall carry the same meaning as that term is defined by Form ADV.

<sup>2</sup> Rounded to the nearest \$100,000

## **V.(C). Other Fee/Expenses.**

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Refer above to Item IV.(B).

## **V.(D). Fees Charged in Advance**

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Refer above to Item IV.(B).

## **V.(E). Additional Compensation**

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Item V.(E) requires us to address situations in which we or any of our supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Neither we, nor any of our supervised persons are party to such arrangements.

### **V.(E).(1). Conflicts of Interest**

The instructions in the Form ADV require us to tell you that the receipt or potential for the receipt of Additional Compensation gives our supervised persons an incentive to recommend investment products based on the Additional Compensation received, rather than on your specific needs. As described above in Item V.(E), neither we nor any of our supervised persons are party to any such arrangement, therefore, no conflict in this regard is present.

### **V.(E).(2). Client-Directed Brokerage**

You have the ability to purchase investment products that we recommend through any broker-dealer or other financial institution you choose. If you choose to use a firm other than the broker-dealer(s) we may normally recommend, we may not be able to properly monitor your assets and therefore we cannot be held responsible for the success or failure of any investment products or strategies that you implement at firms other than those we recommend. In other words, our services and responsibilities will not apply to transactions you effect on your own whether through firms you choose on your own or through any broker-dealer we may recommend.

### **V.(E).(3). Brokerage Compensation**

We are not registered as a broker-dealer and thus, we do not receive transaction-based compensation for securities-related activities.

### **V.(E).(4). Advisory Fee Offset**

Since none of our supervised persons receive compensation other than our advisory fees as described above in Item IV.(B), this issue does not apply to us.

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

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We do not charge performance-based fees.

## VII. Types of Clients

We will generally provide our services to the following types of clients.

- Individuals
- High net worth individuals
- Pension plans / profit sharing plans
- Foundations / charitable organizations
- Private funds/pools or other collective investment vehicles
- Trusts for natural persons
- Estates for natural persons
- Business or corporate entities

For information on any minimum fees, minimum initial/ongoing account balances, or other conditions we may impose, please refer to Item IV.(B).

## VIII. Methods of Analysis, Investment Strategies and Risk of Loss

### VIII.(A). Methods of Analysis

In the course of our management process and as appropriate on a case by case basis, we will employ some or all of the following methods of analysis. For a description of the risks related to each particular method of analysis, see the information following each analysis method description. A description of each key risk appears later in this section.

#### **Charting / Technical –**

The terms “charting” and “technical” analysis are generally used synonymously and therefore, for the purpose of this document, we will use the term, “technical analysis.” In most cases, technical analysis involves the evaluation of historical market data such as price and volume of a particular security or investment instrument. Technical analysis often times involves the use of charts, graphs, and other tools to evaluate historical factors relating to the investment instrument and perhaps the market as a whole. The goal of technical analysis is to try to identify historical trading patterns that suggest future trading activity or price targets.

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Market Risk, Operational Risk, and Strategy Risk.

#### **Fundamental**

Fundamental analysis is generally the considered the opposite approach to technical analysis. Fundamental analysis involves the attempt to identify the intrinsic value (i.e. the actual, true/real value) of an investment instrument by examining any related economic, financial, and other quantitative/qualitative factors relevant to that instrument. Fundamental analysis can take into account anything that may impact the underlying value of the instrument. Examples of such things may include large-scale economic issues such as the overall condition or current cycle of the economy, industry-specific or sector-specific conditions, etc. Other company/issuer-specific factors may also be taken into consideration such as the company’s/issuer’s current financial condition, management experience and capabilities, legal/regulatory matters, the overall type and volume of current and expected business, etc.

One of the goals of fundamental analysis is to attempt to derive a value that can be compared to the current market price for a particular financial instrument in hopes of determining whether the instrument is overpriced (time to sell) or underpriced (time to buy).

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, and Interest Rate Risk.

Investing in securities or other investment products involves the risk of loss and you should be prepared to bear such losses.

## **VIII.(A). (cont.) Investment Strategies**

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In the course of our management process and as appropriate on a case by case basis, we will employ any of the following investment strategies. For a description of the risks related to each particular investment strategy, see the information following each strategy description. The codes used below relate to risks described further below in this section.

### **Long-Term Purchases**

Long-term purchases generally involve the acquisition of an investment instrument and holding it for a period of at least one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

### **Short-Term Purchases**

Short-term purchases generally involve the acquisition of an investment instrument and holding it for a period of not more than one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

### **Margin Trading**

Margin trading, or “trading on margin,” as it is generally stated, involves the ability to purchase a dollar value of securities that is greater than the dollar value of funds you have available for the purchase. Essentially, trading on margin means that you can borrow additional funds, generally from the firm that holds your brokerage account, to purchase investment instruments that exceed the amount with which you have funded your account.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

Investing in securities or other investment products involves the risk of loss and you should be prepared to bear such losses.

## **VIII.(B). Risk Disclosures**

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### **Capital Risk**

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100 percent of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

### **Credit Risk**

Credit risk can be a factor in situations where an investment’s performance relies on a borrower’s repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does

not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

### **Currency Risk**

Fluctuations in the value of the currency in which your investment is denominated may affect the value of your investment and thus, your investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment you own, currency risk is a realistic risk measure. That said, currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, German mark, Euro, Japanese yen, French franc, etc.).

### **Economic Risk**

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

### **Financial Risk**

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

### **Higher Trading Costs**

For any investment instrument or strategy that involves active or frequent trading, you may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

### **Inflation Risk**

Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

### **Interest Rate Risk**

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

### **Legal/Regulatory Risk**

Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

### **Liquidity Risk**

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity

risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

### **Market Risk**

The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk may affect a single issuer, industry or sector of the economy or may affect the market as a whole. Market risk can affect any investment instrument or the underlying assets or other instruments held by or traded within that investment instrument.

### **Operational Risk**

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

### **Past Performance**

Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

### **Strategy Risk**

There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

## **VIII.(C). Investment-Specific Risks**

There is no single type of investment instrument that we predominantly recommend, however, please be mindful that all investments carry some form and degree of risk. Certain types of investments carry greater types and levels of risk than others and you should make sure that you fully understand not only the investment product itself but also the attendant risk factors associated with such products.

## **IX. Disciplinary Information**

The purpose of this section is for us to disclose to you any legal, disciplinary, or other events that you may consider material in your evaluation of our firm or the integrity of our management. Following each of the items below, we shall provide details as to each applicable matter or we will answer "No." This information is presented in a question and answer format. The time period required to be covered by our answers in this section is ten years from the date of the events requiring disclosure.

### **IX.(A). Criminal or Civil Action**

In any domestic, foreign, or military court of competent jurisdiction, has BIG or any of its management persons...		
Been convicted of, or pled guilty or nolo contendere ("no contest")	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No



to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses?		
Been identified as the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been found to have been involved in a violation of an investment-related statute or regulation; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### IX.(B). Administrative Proceedings

Has BIG or any of its management persons been the subject of an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which BIG or any of its management persons...		
Was found to have caused an investment-related business to lose its authorization to do business; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority...		
denying, suspending, or revoking the authorization of BIG or one of its management persons to act in an investment-related business;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
barring or suspending BIG or one of its management person's association with an investment-related business;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
otherwise significantly limiting BIG or one of its management person's investment-related activities; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
imposing a civil money penalty of more than \$2,500 on BIG or one of its management persons?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### IX.(C). SRO Proceedings

Has BIG or any of its management persons been involved in a SRO proceeding in which BIG or any of its management persons ...		
Was found to have caused an investment-related business to lose its authorization to do business; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## **X. Other Financial Industry Activities and Affiliations**

The following information will address any active or pending financial industry affiliations that you need to know about for the purpose of identifying any related conflicts of interest that you might consider material in regard to letting us handle your investment advisory needs.

### **X.(A). Broker-Dealers**

Neither BIG nor any of its management persons is registered as a broker-dealer nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as a broker-dealer. Further, none of our management persons are registered as or currently seeking registration as a registered representative of a broker-dealer.

### **X.(B). Futures Commission Merchants, Introducing Brokers, Commodity Trading Advisors, Commodity Pool Operators**

Neither BIG nor any of its management persons is registered as a futures commission merchant, an introducing broker, a commodity trading adviser, or a commodity pool operator, nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

### **X.(C). Related Persons**

The purpose of this section is to address any relationship or arrangement (that is material to (1) our advisory business or (2) our clients) that we or any of our management persons have with any of our related persons that meet certain categories as identified by the Form ADV. Those categories are listed below and in the event that we have a related person that is included in one of those categories, we will address not only the relationship or arrangement that is material to our advisory business or our clients but also any conflict(s) arising out of this relationship/arrangement and how we address such conflict(s). It should be understood that if the checkbox immediately preceding a category is unselected, that category shall be deemed not applicable for the purpose of this item X.(C).

☐ **Broker-dealer, municipal securities dealer, or government securities dealer or broker**

*Related Person:* None.

*Conflict(s):* None.

*How we Address the Conflict(s):* N/A.

☒ **Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)**

*Related Person(s)/Conflict:* Certain of BIG’s supervised persons serve as either the general partner or managing member of various venture capital or private equity funds (“Funds”).

<b>Fund Name (Related Person)</b>	<b>General Partner / Managing Member</b>
RBI Partners IV	Allen A. Builder
RBI Partners VI	Allen A. Builder
RBI Partners VII	Allen A. Builder
RBI Partners VIII	Allen A. Builder
RBI Partners IX	Allen A. Builder
RBI Partners X	Allen A. Builder
RBI Partners XI	Allen A. Builder
RBI Partners XII	Allen A. Builder
RBI Partners XIII	Allen A. Builder
BIG Partners VI	Dale R. Hajost
BIG Partners IX	Allen A. Builder
MBI I	Allen A. Builder
MBI II	Allen A. Builder
MBI III	Allen A. Builder

*How we Address the Conflict(s):* First and foremost, we address this conflict by disclosing it to you in this Brochure. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory program, detailed in our Written Supervisory Procedures (“WSPs”) that was designed to address, among other things, conflicts of interest such as the relationship between us and the Funds mentioned above. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall application and oversight of our supervisory process and our WSPs. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being carried adequately out and in a timely manner.

As we stated above, in an effort to inform you of these conflicts of interest, we have prepared this Brochure and have provided it to you, in part, for the purpose of disclosing these conflicts. You are always welcome to request a current copy of our Brochure. We are obligated to provide you a copy of this Brochure no later than the time you sign our Agreement and on an annual basis, we are required to provide you either (1) a copy of our current Brochure or (2) a set of instructions as to how you can request a copy of our current Brochure.

☐ **Other investment adviser or financial planner**

*Related Person:* None.

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

☐ **Futures commission merchant, introducing broker, commodity pool operator, or commodity trading advisor**

*Related Person:* None.

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

☐ **Banking or thrift institution**

*Related Person:* None.

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

☐ **Accountant or accounting firm**

*Related Person:* None.

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

☐ **Lawyer or law firm**

*Related Person:* None.

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

☐ **Insurance company or agency**

*Related Person:* None.

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

☐ **Pension consultant**

*Related Person:* None.

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

☐ **Real estate broker or dealer**

*Related Person:* None.

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

☐ **Sponsor or syndicator of limited partnerships**

*Related Person:* None.

*Conflict:* N/A.

*How we Address the Conflict(s):* N/A.

## **X.(D) Use of Other Investment Advisers**

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We do not use other investment advisers in the course of the services described above in Item IV.(B).

## **XI. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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

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We take great pride in our commitment to serving our clients' needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.

We have developed a Code of Ethics ("Code") as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following:

- Standards of conduct and compliance with applicable laws, rules, and regulations
- Protection of material non-public information
- The addressing of conflicts of interest
- Employee disclosure and reporting of personal securities holdings and transactions
- The firm's IPO and private placement policy
- The reporting of violations of the Code
- Educating employees about the Code
- Enforcement of the Code

Each of our representatives has been furnished with a copy of our Code and has signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of our Code is available to all current and/or prospective clients upon request.

### **XI.(B) Participation in Client Trading**

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The information in this item is intended to address situations in which we or one of our related persons may have a material financial interest in the investment instruments we may recommend to you. As selected below, we will address the following, applicable situations. If a check box is unchecked, that means that neither we nor any of our related persons participate in the activity being described.

☐ Principal trading activity for or on behalf of our clients

**Description of Activity:**

**Related Person:**

**Conflict:**

**How we Address the Conflict(s):**

☒ Acting as the general partner in a partnership in which we solicit clients to invest

**Description of Activity:** Refer above to Item X.(C).

**Related Person:** Refer above to Item X.(C).

**Conflict:** Refer above to Item X.(C).

**How we Address the Conflict(s):** Refer above to Item X.(C).

☐ Acting as an investment adviser to an investment company that we recommend to our clients

**Description of Activity:**

**Related Person:**

**Conflict:**

**How we Address the Conflict(s):**

## **XI.(C) Trading Alongside Our Clients**

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On occasion, we may invest for our own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for the accounts of our clients. Further, we may also engage in transactions that are the same as or different than transactions recommended to or made for our client's accounts. Such transactions are permitted if effected, pre-cleared and reported in compliance with our policy on personal securities transactions. Generally, personal securities transactions will not be pre-cleared when an order for the same or a related security is pending for the account of a client. Our Designated Supervisor reviews reports of personal transactions in securities by all of our associated persons quarterly or more frequently if required.

### Investment Policy

None of our associated persons may effect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the following procedures.

### Firm Procedures

In order to implement our Investment Policy, the following procedures have been put into place.

- 1) If we are recommending that any of our clients buy any security, no associated person may purchase that security prior to a client's purchase of that security; and
- 2) If we are recommending that any of our clients sell any security, no associated person may sell that security prior to a client's sale of that security.

As an alternative to the procedures described in the preceding points, we may included our own order(s) in a batch order with other client orders that would involve average pricing for the entire batch such that we would receive the same pricing as all other clients participating in the batch.

It is the primary intent of these procedures to ensure that the best interests of our clients are always served over that of our own. Trading on our own behalf that results in our own interests being served over that of our clients could be considered a breach of our fiduciary duty and thus, is aggressively discouraged.

## **XI.(D) Trading Around the Same Time as Clients**

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The information in this item is intended to address situations in which we or any of our related persons may invest in the investment instruments we may recommend to you. Since we do not make recommendations as to specific securities instruments, no such arrangements exist.

Transactions for the client's account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or "batch" such orders in order to obtain best execution or to negotiate more favorable transaction rates. To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* We will not receive any additional compensation or remuneration as a result of a batched order.

## **XII. Brokerage Practices**

The purpose of this Item is to present to you the factors that we take into consideration when (1) selecting or recommending broker-dealers to you for the purpose of effecting transactions on your behalf and (2) for determining the reasonableness of such broker-dealers' compensation related to such transactions.

BIG will select brokers based on a number of factors, including, but not limited to:

- Speed and accuracy of order execution,
- Cost of services rendered,
- Research and statistical assistance made available to BIG.

Other factors may include such entity's financial strength, reputation, pricing, and service. In return for effecting securities transactions through certain broker-dealers/custodians, BIG or certain of its representatives may receive certain investment research products and/or services. Such investment research products and/or related services may assist BIG in its investment decision-making process for all of BIG's clients.

In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including factors such as the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although BIG will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products and/or services that may be obtained by BIG will generally be used to service all of BIG's clients, a brokerage commission paid by a specific client may be used (indirectly and in part) to pay for research that is not used in managing that specific client's account.

The reasonableness of brokerage commissions will be evaluated through objective comparison with rates charged for comparable services by other brokers and subjective estimates by the principals of the appropriate cost of such services. Research services received from brokers will consist of primarily historical information about companies being evaluated and their market environment, general tax, business information, and economic trend information. Selection of brokers will be based on each clients' best interests, and, in many instances, a broker with a higher commission rate than another broker will be selected where the importance to the clients of other factors, such as execution reliability and research service availability, outweighs the additional costs. To the extent that these other factors affect BIG's brokerage selections, clients may bear disproportionately more of the costs of these other factors, including research services.

## **XII.(A).(1). Research and Soft Dollar Benefits**

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Soft dollar benefits are items such as research or other products or services (other than the typical execution and other brokerage services available to all other investment advisers) that an investment adviser may receive from a broker-dealer(s) or other party in connection with the client securities transactions are directed to that particular broker-dealer(s).

We do participate in soft dollar arrangements. Consistent with obtaining best execution, transactions for your account(s) may be effected through a broker-dealer in return for research products and/or services, which assist us in our investment decision-making process. Such research generally will be used to service all of our clients, but brokerage commissions paid by you may also be used to pay for research that is not used in managing your specific assets. As a result of our soft dollar arrangements and if we determine in good faith that the commissions paid by our clients under a soft dollar arrangement are reasonable in relation to the value of the brokerage and research services received, you may experience brokerage commissions/costs greater than another qualified broker-dealer might charge to effect the same transaction(s). All soft dollar arrangements will be structured in accordance with Section 28(e) of the Securities Exchange Act of 1934.

Refer to Item XII.(A).(1).(e) below for a description of the types of soft dollar benefits we may be eligible to receive.

### ***XII.(A).(1).(a).***

When we use client brokerage commissions/fees to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research or other products or services we may receive.

### ***XII.(A).(1).(b).***

We may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' best interest in receiving most favorable execution.

### ***XII.(A).(1).(c).***

As a result of these soft dollar arrangements, the commission rates or other brokerage execution fees you pay may be higher than those charged by other broker-dealers.

### ***XII.(A).(1).(d).***

The soft dollar benefits that we may receive from time to time will not be used to service all of our clients' accounts. We do not seek to allocate soft dollar benefits to client accounts proportionately based on the soft dollar credits that each individual account generates.

### ***XII.(A).(1).(e).***

The following table will identify several types of soft dollar benefits that we might receive from a broker-dealer in relation to effecting client securities transactions through a particular broker-dealer(s). The selected check boxes will identify the specific benefits that we or any of our related persons have received during our last fiscal year in connection with our soft dollar arrangements. If a box is not selected, neither we nor any of our related persons received that type of item.

<b>Selection</b>	<b>Item</b>	<b>Examples</b>
<input type="checkbox"/>	Accounting fees	Year-end financial audit of investment partnership
<input type="checkbox"/>	Association fees	AIMR dues, ICI annual dues, American Society of CLU & ChFC, etc.
<input type="checkbox"/>	Cable television	DirecTV, Local cable TV, Pay TV
<input type="checkbox"/>	Commission rebates	Cash returned to or expenses paid for a qualified plan
<input type="checkbox"/>	Computer hardware	Monitors, printers, etc.
<input type="checkbox"/>	Computer software	Proxy voter software, maintenance and support, portfolio management



<input type="checkbox"/>	Conferences/seminars	software (i.e. Advent, Check Free) etc.
<input type="checkbox"/>	Consulting services	AIMR conference fees, internet conferences, etc.
<input type="checkbox"/>	Courier/postage/express mail	Advisory services, regulatory consultants, computer consultants, etc.
<input type="checkbox"/>	Custodial fees	Messenger services, Fedex, Airborne Express, DHL, etc.
<input type="checkbox"/>	Electronic databases	Payment of custodial fees to lower expenses of a retail or institutional account
<input type="checkbox"/>	Employee salary/benefits	Ibbotson Associates, Value Line, Interactive Data Corp, Moody's, etc.
<input type="checkbox"/>	Execution assistance	Salary, insurance policy, health benefits, etc.
<input type="checkbox"/>	Industry publications	On-line quote systems
<input type="checkbox"/>	Legal fees	WSJ, Economist magazine, etc.
<input type="checkbox"/>	Management fees	Retainer, research bills
<input type="checkbox"/>	Office equipment/supplies	Investment adviser fees, pension consultant fees, etc.
<input type="checkbox"/>	Online quotation/news	Fax/scanner/copier machine(s), office furniture, staples, paper, etc.
<input type="checkbox"/>	Rent	Bloomberg, Reuters, etc.
<input type="checkbox"/>	Proprietary research/analysis reports	Office rent
<input checked="" type="checkbox"/>	Non-proprietary research/analysis reports	Research materials prepared by the executing broker-dealer(s)
<input type="checkbox"/>	Telephone expenses	Barra, Zack's Investment Research, Value Line, Global Trend Alert, Thompson Reuters
<input type="checkbox"/>	Travel expenses	Office phone service, mobile phone service, connection fees for online services
<input type="checkbox"/>	Tuition/training	Hotel accommodations, air fare, auto rental, etc.
<input type="checkbox"/>	Marketing	CFA courses, study materials, etc.
<input type="checkbox"/>	Miscellaneous expenses	Payment for or assistance with production of sales materials, web development, radio/t.v. ads, etc.
		Dinner, parking fees, limo service, concert/sporting event tickets, etc.

### ***XIII.(A).(I).(f).***

During our last fiscal year, we used the following procedures in connection with directing client transactions to a particular broker-dealer in return for soft dollar benefits. These procedures are subject to change at any time as we deem appropriate.

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The Firm will ensure that any soft dollar arrangements are fully disclosed to the client prior to engaging in these types of securities transactions.

No less frequently than on an annual basis, the Designated Supervisor will perform an analysis of the commission/transaction costs experienced by BIG's clients under any soft-dollar arrangements. The purpose of this analysis is to identify the portion of the client commission costs that is attributable to any items (research, non-research, mixed-use, etc.) that may be received by BIG in connection with the soft-dollar arrangements. Once this cost is determined, the Designated Supervisor must then make a determination as to whether the overall cost to the client is still justifiable in light of the additional charge related to the non-brokerage related products/services BIG receives as a result of the soft-dollar arrangement.

In the event the Designated Supervisor determines that the overall cost to BIG's clients is no longer favorable under the soft-dollar arrangement, the Designated Supervisor will seek to eliminate the soft-dollar arrangements or will seek an entirely new executing broker-dealer.

The Designated Supervisor will maintain a record of each such analysis and any subsequent documentation related thereto.

When a client of an adviser establishes a directed brokerage arrangement, a DP will determine whether the rebates of commissions or products/services to be supplied are within the advisory client's authority to request and that the party receiving the benefits under the arrangement is authorized to receive such benefits. A written description will be obtained from the client of its authority to enter into the arrangement and to receive the indicated products/services.

The Firm will establish a contractual relationship with each third-party vendor of research products and services so that it is obligated for payment under all such contracts. A master approved list of all third-party soft dollar arrangements and client-directed brokerage arrangements will be prepared. No payments will be made to third-party vendors or to clients under rebate programs unless the arrangement appears on this list. Invoices for products and services submitted by parties for which the Firm is not contractually liable for payment will not be paid.

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## **XII.(A).(2). Brokerage for Client Referrals**

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In certain circumstances, firms like ours may receive client referrals as a result of recommending particular broker-dealers or other service providers. We, however, do not participate in any formal arrangements wherein we receive client referrals from any particular broker-dealer in return for selecting or recommending such broker-dealer.

## **XII.(A).(3). Directed Brokerage**

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This item is intended to address situations where we may recommend, request, or require you to provide us instructions as to how to direct brokerage activity on your behalf.

### ***XII.(A).(3)(a). Directed Brokerage – Recommended, Requested, or Required***

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer. We do not routinely recommend, request, or require that you direct us as to how to execute brokerage transactions on your behalf (i.e. using a particular broker-dealer for execution purposes).

### ***XII.(A).(3)(b). Directed Brokerage – Permitted***

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer, however, you may direct us to use a particular broker-dealer (subject to our right to decline such a request) to execute some or all transactions for your account or otherwise on your behalf. In such an event, we will not negotiate terms and arrangements for the account with the other broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to “batch” the transactions for execution through other broker-dealers with orders for other accounts we manage. As a result, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

## **XII.(B). Order Batching**

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Transactions for the client's account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or "batch" such orders in order to obtain best execution or to negotiate more favorable transaction rates. Reasoning for attempting to effect a batch order is that we may need to trade in the same security for multiple accounts at or around the same time and batching may allow us to achieve a more favorable price on average for all clients. Batching, however, doesn't guarantee the lowest possible price for execution, however, it is intended to reduce the overall volatility in execution price for a large # of orders that if not batched together, may experience significantly different execution prices. Conversely, in the event that we do not batch a group of orders that otherwise may be a prime candidate for a batched order, the resulting cost for some clients may be higher or lower than what we might be able to achieve by processing a batched order for the benefit of those same clients.

On most occasions BIG utilizes block trades to allocate a particular stock purchase or sale over multiple clients accounts. In these instances, proprietary trades are not included, Commission rates are the same for all clients participating in each block trade, and the criteria for including or excluding certain accounts in a block trade is solely based on the needs and objectives of any singular client. Clients are not excluded if the block trade is or can be advantageous to any particular clients.

## **XIII. Review of Accounts**

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### **XIII.(A). Review of Accounts or Financial Plans**

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#### **Review of client accounts.**

We will review your accounts on an ongoing basis, but no less frequently than a quarterly basis. The Designated Supervisor (i.e. the person named in our written supervisory procedures as the responsible party for this function) will review your accounts for best execution, suitability, and service. The Designated Supervisor will review the performance and cost basis for your transactions. Your investment objectives are used to review for suitability. Quarterly, transactions are reviewed referencing your investment objectives for any transaction that may not fit your stated objectives, or our understanding of your investment objectives will be flagged and reviewed with the investment adviser representative placing the trade.

Name and title of Designated Supervisor: Dale R. Hajost, EVP/CCO. Mr. Hajost will employ the procedures noted above for the client's accounts subject to BIG's investment advisory services.

#### **Review of Financial Plans.**

Since we do not offer financial planning, this section is not applicable to us.

### **XIII.(B). Non-Periodic Account Reviews**

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Events that may trigger further client account reviews in addition to the standard quarterly review process may include, but would not be limited to, a notable increase in the volume of requests by the client to effect transactions in his/her accounts, where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Other factors may include requests by the client to liquidate certain securities positions/contracts where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Additional triggering factors could be the performance on an individual account being an outlier to the performance of accounts with similar investment objectives, and a very important trigger would be customer complaints. This last trigger would be a prime example of a trigger for an intermittent review of a client account.

### **XIII.(C). Reports to Clients**

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Account statements will be provided no less frequently than quarterly by the custodian, not by us.

Account statements will identify account positions, balances, and transaction details. Upon your request, a quarterly account appraisal (written or electronic) may be created for you as well as an annual year-end statement.

In the event we also send account statements to you in addition to those provided by the qualified custodian, you are urged to compare any account statements provided by us to those provided by the custodian.

## **XIV. Client Referrals and Other Compensation**

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### **XIV.(A). Compensation we Receive**

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Other than the compensation arrangements described above in Item IV.(B), BIG does not receive any other compensation in connection with the investment advisory services provided to our clients.

### **XIV.(B). Compensation we Pay**

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Under certain circumstances, firms like ours may compensate other parties for having referred clients or potential investment advisory clients them. These sorts of arrangements are generally referred to as “solicitor” arrangements.

From time to time, we may enter into agreements with various independent solicitors who may refer prospective investment advisory clients to us. We do not charge clients introduced by third-parties fees or costs greater than the fees or costs that we would normally charge any other clients who were not introduced by a third-party solicitor, and have similar portfolios under management with us. Any such agreements will be handled in accordance with the provisions of Rule 206(4)-3 under the Investment Advisers Act of 1940. The specific compensation arrangements vary from situation to situation but can be found in the specific solicitor disclosure document relating to each such solicitor arrangement. For more information on our solicitor arrangements, please call 404-233-9341

## **XV. Custody**

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We engage in certain activities that result in us being deemed to have custody of certain of our client’s funds and/or securities.

- ☐ Automatic fee deduction from your brokerage or other trading accounts
- ☐ Physical possession or control (even temporary) of client funds or securities
- ☐ The ability to gain access to any client funds and/or securities
- ☐ One of our related persons has custody of funds and/or securities subject to our investment advisory services

- ☐ We or one of our related persons serves as the general partner, managing member, or other similar type of control person to an investment fund to which we provide investment advisory services.

As stated previously in Item XIII.(C)., your account statements will be provided by the qualified custodian that maintains physical possession of your accounts/assets. In the event that we also provide you information related to your accounts, you are urged to review that information to the information contained on the account statements or other statements received from the qualified custodian.

## **XVI. Investment Discretion**

In connection with our investment advisory services, we will generally seek and obtain your authorization to carry out part of our services on a purely discretionary basis. We will memorialize your authorization of our discretionary authority in our investment advisory agreement.

If you have authorized us to do so, we will exercise discretion over the following areas.

- 1) The specific securities to be bought or sold on the client's behalf
- 2) The amount of securities to be bought or sold on the client's behalf
- 3) Timing as to when such securities are to be bought or sold
- 4) The particular broker or dealer to be used for arranging client securities transactions

We will have authority to exercise complete discretion with regard to the above named factors without restriction. If done so on a non-discretionary basis, we will make certain recommendations that must be authorized by you prior to our facilitation of any such transactions. As may be separately agreed to in writing, we will observe any other specific limitations that may be imposed by you in relation to this discretionary authority.

## **XVII. Voting Client Securities**

### **XVII.(A). Proxy Voting**

#### **Proxy Voting Policies and Procedures and Client Instruction**

We do not vote proxies on behalf of any securities you own.

In the event that you have authorized (via the Agreement) us to vote proxies on your behalf, we will perform the voting process for you subject to the following information and procedures. Alternatively, if you provide us with other, specific instructions as to how we are to carry out the proxy voting process on your behalf, we will do so. Such instructions must be written and included in or as part of our Agreement.

In an effort to assure that clients' proxy votes are carried out in our clients' best interests and not affected by any conflicts of interest that may exist, we have adopted the following elements as part of our proxy voting policy.

Regardless of the nature of the issue up for vote, we thoroughly and objectively research the voting options and the corporate landscape in order to arrive at a decision that we believe meets the best interests of the client as a shareholder of the company in question. The overriding theme of our policy is to vote client proxies in the manner that we believe is most consistent with the following:

- The client's stated investment objectives
- The client's desired voting interests
- The long-term well-being of the company soliciting the proxy
- An increase in shareholder value

#### **Conflicts of Interest...**

We recognize that conflicts of interest may arise when voting your proxies. A conflict of interest exists when your best interests are contrary to our best interests due to some relationship between the us and/or our associated persons and a company that is soliciting a proxy. Some examples may include:

- The spouse of one of our associated persons is a board member of a company whose management is soliciting proxies to vote on a salary increase for the board.
- We are an affiliated company of a company that has issued a proxy notice to individuals who are our clients.
- We or one or more of our affiliates may manage a pension plan, administer employee benefit plans, or provide brokerage, underwriting, insurance, or banking services to a company whose management is soliciting proxies.

It is our policy to vote proxies in the best interests of its clients regardless of the existence of any conflict of interest.

As authorized in our Agreement, we may exercise complete discretionary voting authority in relation to proxy notices that we receive on your behalf. If no apparent conflict of interest exists in relation to our exercise of our voting authority on your behalf, we shall vote all such proxies as we see fit and in your best interest.

Under certain circumstances, the most prudent action on our part may be NOT to vote a proxy(s). Under such circumstances, we shall ensure that appropriate records are maintained so as to justify not having voted such proxy(s).

### **How to obtain our proxy voting record...**

We will ensure that a complete record is retained of the initial proxy notice and the subsequent vote that we cast on your behalf. For a copy of our proxy voting record on your behalf, please write or call us at:

Builder Investment Group  
Tower Place 100, Suite 1775  
Atlanta, GA 30326  
Tel: 404-233-9341  
Fax: 404-237-3168  
dhajost@big-inc.com

## **XVII.(B). Proxy Voting**

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If you have authorized us to vote proxies on your behalf, we will do so in accordance with the information provided above in XVII.(A). Proxies related to the securities you own will be disseminated as dictated by the issuer, transfer agent, or as otherwise set forth in the account opening paperwork you completed for the custodian holding your account/assets. If you have questions related to a particular proxy notice, please call us at 404-233-9341.

## **XVIII. Financial Information**

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### **XVIII.(A). Balance Sheet**

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We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. As a result, we are not required to provide our clients with a copy of our balance sheet from our most recently completed fiscal year.

### **XVIII.(B). Adverse Financial condition**

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In the event that we have discretionary authority or custody of any of our clients' assets or if we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments with our clients. No such conditions exist.

### **XVIII.(C). Bankruptcy-Related Matters**

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During the past ten years, BIG has not been the subject of a bankruptcy petition.

## **XIX. Requirements for State-Registered Advisers**

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As a federally-registered investment adviser, this section of our Brochure is not applicable to us.