

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Credo Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at 410-244-6200 or melanie@credocapital.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 Credo Capital Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 131535.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This amended Firm Brochure, dated 9/25/2012, is our new disclosure document prepared according to the SEC's new requirements and rules.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4 Advisory Business

Credo Capital Management LLC ("Credo Capital") is a SEC-registered investment adviser with its principal place of business located in Baltimore, Maryland. Credo Capital began conducting business in April, 2004.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Tedd M. Alexander III, Managing Partner

Credo Capital offers the following advisory services to our clients:

SEPARATE ACCOUNT PORTFOLIO MANAGEMENT

Credo Capital provides money management products and services for institutional investors. Currently, we offer separate account management for three U.S. equity strategies - mid cap growth, small cap growth, and large cap growth.

Our fundamental objective is to provide superior investment performance over time and through all economic and market cycles. Our mission statement reflects this objective: We circumvent the impact of emotion in the market using proprietary forward-looking tools and disciplined processes to discover opportunities and to control risk for our clients.

Differentiating Characteristics

The abundance of traditional active U.S. equity managers has led to strong competition and fewer opportunities for differentiation in the industry. Yet, Credo Capital has developed the capability to offer institutional investors a proven investment strategy with unique processes and elements for implementation.

Growth managers typically take one of several approaches which include GARP (relative value), momentum, aggressive growth, and core growth. In contrast to GARP which emphasizes valuation, momentum which emphasizes price trends, and aggressive growth which ignores the concept of mispriced securities, we pursue a core growth strategy.

Our investment process consists of three phases: idea discovery, fundamental research, and stock selection/portfolio construction. Our idea discovery process utilizes a proprietary expectations-based scoring model to identify growing companies with above-average odds of price appreciation. The model differs from widely used approaches in two significant ways. First, it applies algorithms to forward-looking data, and second, it scores and ranks the entire opportunity set of companies. This differs from common screening techniques which may exclude companies and thereby increasing the risk of omission; scoring models rank companies but do not exclude them.

The next step in our investment process, common among many active managers, is to conduct fundamental research on the companies identified during the idea discovery phase.

At this stage in our research process, our objective is to thoroughly understand and analyze a company's growth prospects, investment requirements, and fundamental risks.

To take advantage of our expertise in industry and company selection, we construct portfolios in the our large cap growth strategy to be sector neutral relative the weightings of the Russell 1000 Growth Index; our mid cap growth strategy to be sector neutral relative to the weightings of Russell Mid Cap Growth Index; and our small cap growth strategy to be sector neutral relative to the weightings of the Russell 2000 Growth Index. Given that there are three dynamic levers we control, sector, industry, and company selection, we designed the strategy to isolate our stock selection skill and attribute relative performance only to those active decisions.

Desired Benchmark

(Large Cap Growth)

The desired benchmark is the Russell 1000 Growth Index. Credo constructs U.S. equity large cap growth portfolios in a benchmark aware manner with portfolio sector exposure closely resembling the benchmark. Industry exposures are a consequence of allocation decisions to specific companies.

(Mid Cap Growth)

The desired benchmark is the Russell Midcap Growth Index. Credo constructs U.S. equity mid cap growth portfolios in a benchmark aware manner with portfolio sector exposure closely resembling the benchmark. Industry exposures are a consequence of allocation decisions to specific companies.

(Small Cap Growth)

The desired benchmark is the Russell 2000 Growth Index. Credo constructs U.S. equity small cap growth portfolios in a benchmark aware manner with portfolio sector exposure closely resembling the benchmark. Industry exposures are a consequence of allocation decisions to specific companies.

Investment Universe

(Large Cap Growth)

We define the large cap universe as U.S.-traded equity securities (may include ADRs) with equity market capitalizations generally greater than \$3 billion at the time of purchase. We define our investment opportunity set to include, but not be limited to, the Russell1000 Index member companies.

(Mid Cap Growth)

We define the mid cap universe as U.S.-traded equity securities (may include ADRs) with equity market capitalizations generally between \$900 million and \$13 billion at the time of purchase. We define our investment opportunity set to include, but not be limited to, the Russell Midcap Index member companies.

(Small Cap Growth)

We define the small cap universe as U.S.-traded equity securities (may include ADRs) with equity market capitalizations generally between \$250 million and \$2 billion at the time of

purchase. We define our investment opportunity set to include, but not be limited to, the Russell 2000 Index member companies.

Portfolio Diversification

(Large Cap Growth)

We seek to create relatively concentrated portfolios of roughly 35 to 45 names, which implies a normal average position size of approximately 2.5%. Individual security holdings are limited to 5% active risk (i.e. the maximum holding of a security is equal to the index weight plus 5%). We expect that our non-benchmark exposure will represent an estimated 25% to 35% of the total portfolio. Our top 10 holdings typically represent 30% to 40% of portfolio weight, and the top 10 industries represent 30% to 45% of portfolio weight.

(Mid Cap Growth)

We seek to create relatively concentrated portfolios of roughly 45 to 65 names, which implies a normal average position size of approximately 1.8%. We limit individual position sizes to no more than 5% of the portfolio at market. We expect that our non-benchmark exposure will represent an estimated 25% to 35% of the total portfolio. Our top 10 holdings typically represent 25% to 30% of portfolio weight, and the top 10 industries represent 45% to 50% of portfolio weight.

(Small Cap Growth)

We seek to create relatively concentrated portfolios of roughly 60 to 80 companies, which implies a normal average position size of approximately 1.5%. We limit individual position sizes to no more than 5% of the portfolio at market. We expect that our non-benchmark exposure will represent an estimated 25% to 35% of the total portfolio. Our top 10 holdings typically represent 30% to 40% of portfolio weight, and the top 10 industries represent 15% to 20% of portfolio weight.

Top Down Macro Forecasting

Neither macroeconomic nor geopolitical forecasting plays a primary role in the investment decision process. Credo Capital focuses from the bottom up on company-level and industry-level fundamental factors.

Client Directed Restrictions

We adhere to certain client directed restrictions that include, but are not limited to, Sudan and Iran investment restrictions. Credo Capital does not offer a socially screened portfolio.

AMOUNT OF MANAGED ASSETS

Credo Capital does not manage non-discretionary assets.

Item 5 Fees and Compensation

MANAGEMENT FEES

The annualized fee is charged as a percentage of assets under management, according to the following tiered schedule:

Large Cap Growth Strategy

0.55% on the first \$50 million of assets

0.50% on the next \$50 million of assets

0.40% on the balance of assets

Mid Cap Growth Strategy

0.70% on the first \$50 million of assets

0.65% on the next \$50 million of assets

0.60% on the entire \$100 million - \$250 million of assets

0.55% on the entire \$250 million+ of assets

Small Cap Growth Strategy

0.95% on the first \$25 million of assets

0.85% on the next \$25 million of assets

0.75% on the next \$50 million of assets

0.72% on the entire \$100 million+ of assets

Clients are invoiced in arrears at the end of each calendar quarter. The standard fee is calculated based upon the total market value of assets as of the close of business on the date preceding the commencement of each calendar quarter.

A minimum of \$5,000,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. Credo Capital may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Credo Capital has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, directed restrictions, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. The final fee on terminated accounts will be pro-rated to the termination date stated in the termination letter. There are no other charges related to terminated accounts.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

ERISA Accounts: Credo Capital is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. . As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Credo Capital may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Credo Capital's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in any amount.

Item 6 Performance-Based Fees and Side-By-Side Management

Credo Capital does not offer performance-based fees.

Item 7 Types of Clients

Credo Capital provides advisory services to the following types of clients:

- Pension and profit sharing plans (other than plan participants)
- Endowments and Foundations
- Hospitals
- Unions

- Insurance Companies
- Corporations or other businesses not listed above
- State or municipal government entities
- High Net Worth Individuals
- Investment Companies
- Other Investment Advisers

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

INVESTMENT STRATEGIES

We use the following strategies to manage client accounts, provided that such strategies are appropriate for the client and consistent with their investment objectives, risk tolerance, and time horizons, among other considerations:

U.S Equity Large Cap Growth
 U.S. Equity Mid Cap Growth
 U.S. Equity Small Cap Growth

Our investment philosophy is centered on our belief that a sustainable opportunity exists to identify and exploit the market's inefficient pricing of growing companies arising from patterns of irrational, inconsistent, emotional, and backward-focused analysis and decision-making.

Credo Capital employs a three-step security selection process: idea generation, fundamental research, and valuation/portfolio construction. The investment team builds new positions when each of the steps indicates a positive risk/reward scenario. The process is not always linear; analysts continuously research potentially attractive companies in their sectors.

Idea Generation

Credo Capital's investment team generates all of its ideas internally using a proprietary ranking & scoring system, ABACUS, focusing on forward-looking, fundamental data. ABACUS reformulates all sales, EBITDA, and earnings forecasts for each company in our investable universe weekly. Then it ranks companies by sector, based on three metrics: direction, duration, and magnitude of future growth periods relative to long-term trends. ABACUS focuses the team's fundamental research effort on specific companies, providing several new ideas per week. It also monitors expectations for current holdings.

Fundamental Research

The investment team applies a systematic approach to this step. First, they research primary sources, such as public filings, transcripts and presentations, to understand important levers for earnings growth relative to expectations (financial modeling is an integral part of this phase). With a strong base of knowledge, team members interview management to learn more about the important drivers and other "important unknowns" or "hidden options" that the background investigation uncovered. Once team members hypothesize the future course of key levers, they seek empirical data that confirms or refutes their assumptions through secondary sources. To accomplish this, they tap multiple sell-side research partners and a specialized expert network. If a position is built, analysts continuously monitor the progress of important drivers relative to the original hypothesis.

Valuation/Portfolio Construction

Credo Capital uses a proprietary valuation framework based on the capital asset pricing model (CAPM) to set target prices. The main modification to the traditional formula - the investment team uses an "expectations beta" (which measures the volatility of earnings estimates of an individual company relative to those of its sector) instead of the traditional stock-price measure of volatility to adjust required returns. While target prices can change with volatility, estimates, and exit-multiple assumptions, the portfolio managers use the resultant risk/reward profile to set weights.

Risks for All Forms of Analysis

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the firms that review these securities, the analysts who publish earnings and other financial information, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Credo Capital has no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Credo Capital has adopted a Code of Ethics which sets forth high ethical standards of business conduct required of employees and includes compliance with applicable federal securities laws. We put the interests of our clients first and fully appreciate our obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for personal trading that includes reviewing quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our Code also provides for oversight, enforcement and record keeping provisions. Additionally, the Code includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Credo Capital has adopted the following principles governing personal investment activities for all of our supervised persons:

- The interests of client accounts will at all times be placed first;
- All personal securities transactions will be conducted in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and
- Supervised persons must not take inappropriate advantage of their positions
- Credo and employees do not invest in the same securities that we recommend for our clients.

A copy of our Code of Ethics is available to our current advisory clients and prospective clients. You may request a copy by email sent to melanie@credocapital.com, or by calling us at 410-244-6200.

Privacy Policy

As a registered investment adviser, Credo Capital must comply with SEC Regulation S-P (or other applicable regulations), which requires registered advisors to adopt policies and procedures to protect the "nonpublic personal information" of natural person consumers and customers and to disclose to such persons policies and procedures for protecting that information.

In addition, our Firm's policy, to the extent applicable, is to comply with the FTC's FACT Act / Red Flags Rule which requires covered entities to develop and maintain an effective client identity theft prevention program; SEC Regulation S-AM, to the extent that the Firm has affiliated entities with which it may share and use consumer information received from affiliates (not applicable at this time); and with the California Financial Information Privacy Act (SB1) if the firm does business with California consumers.

Regulation S-P:

The purpose of these Reg S-P requirements and privacy policies and procedures is to provide administrative, technical and physical safeguards which assist employees in maintaining the confidentiality of nonpublic personal information ("NPI") collected from the consumers and customers of an investment adviser. All NPI, whether relating to an adviser's current or former clients, is subject to these privacy policies and procedures. Any doubts about the confidentiality of client information must be resolved in favor of confidentiality.

For Reg S-P purposes, NPI includes nonpublic "personally identifiable financial information" plus any list, description or grouping of customers that is derived from nonpublic personally identifiable financial information. Such information may include personal financial and account information, information relating to services performed for or transactions entered into on behalf of clients, advice provided by Credo Capital to clients, and data or analyses derived from such NPI.

Red Flags Rule:

The Federal Trade Commission's ("FTC") FACT Act / Red Flags Rule, which became effective 1/1/2008, covers "financial institutions" and "creditors." The Rule defines "financial institution" as any state or federal bank or any person that directly or indirectly holds a "transaction account" belonging to a consumer. A "creditor" includes a broad category of businesses or organizations that regularly defer payment for goods or services which are billed later. The FTC has clarified that any person that provides a product or service for which the consumer pays after delivery is a creditor under the Red Flags Rule.

Accordingly, an adviser who bills for advisory services in arrears is deemed to be a creditor and is, therefore, a "covered entity" under the Red Flags Rule. The FACT Act / Red Flags Rule requires covered entities to develop and maintain written identity theft prevention programs.

In October 2009, the FTC, at the request of Congress, extended for the fourth time the Fact Act/Red Flags Rule compliance date, from 1/1/2010 to 6/1/2010. Once again, the FTC

announced that it has further delayed the compliance date for implementation of the Red Flags Rule pursuant to the request of "Members of Congress," while Congress considers legislation that would affect the scope of the entities covered by the Rule. Accordingly, the revised compliance date is now December 31, 2010. Consistent with prior compliance date delays, the FTC indicated that the postponement is limited to the Rule. The deferment of the compliance date does not affect other federal agencies ongoing enforcement of corresponding identity theft program regulations.

On December 9, 2010, Congress sent the President the "Red Flag Program Clarification Act of 2010," excluding certain providers that deliver service before payment. On December 18, President Obama signed the bill into law. The legislation amends the Fair Credit Reporting Act (which the FACTA amended, and which states the penalties under the Red Flag rules) to redefine the term "creditor." Because the definition now **includes** one who uses or reports to consumer reporting agencies in connection with its transactions, and **excludes** one who "advances funds...for expenses incidental to a service provided by the creditor to that person," the definition is narrower and excludes many professionals, including most investment advisers.

Effective July 21, 2011, authority for the Red Flags Rule was transferred from the FTC to the SEC for firms over which the SEC has enforcement jurisdiction. While this change in authority has no immediate impact, the SEC has stated that at some future date it intends to conduct rulemaking that will set forth how the Red Flags Rule may apply to the SEC-registered investment advisers and other firms subject to its enforcement authority.

Regulation S-AM:

New SEC Regulation S-AM, effective 9/10/2009, with a postponed compliance date from 1/1/2010 to 6/1/2010, requires SEC investment advisers, and other SEC regulated entities, to the extent relevant, to implement limitations on the firm's use of certain consumer information received from an affiliated entity to solicit that consumer for marketing purposes. Regulation S-AM provides for notice and opt-out procedures, among other things. The compliance date was extended to allow registered firms to establish systems to meet the new regulatory requirements. (Credo Capital does not have any affiliated entities).

The privacy rule defines three basic categories of information:

1. Publicly available information – any information that the Firm believes is lawfully made available to the general public from three types of sources: information from official government records; information from widely distributed media, such as telephone books or newspapers; and information that is disclosed to the general public as required by law, such as securities disclosure documents.
2. Personally identifiable financial information – any information the Firm collects about a consumer (prospective client) in conjunction with providing a financial product or service. This includes information provided by the consumer during the application process when entering into an investment advisory contract, or obtaining a financial plan (e.g., name, phone number, address).
3. Nonpublic personal information (this is the category of information protected by the privacy rule) – any *personally identifiable financial information*, and any list or description or groupings of consumers created from such information.

Credo Capital does not disclose, share or sell any nonpublic personal client information to anyone, except as required by law.

Credo Capital uses unaffiliated third-party service providers for the purpose of supporting its advisory services provided to our clients. Credo Capital provides these third parties with only the information necessary to carry out their assigned responsibilities and only for that purpose. These parties must agree to comply with stringent security and privacy policies and procedures.

Regulation S-P requires that contractual agreements between an investment advisor and certain non-affiliated third party service providers include terms to ensure that the third party will maintain the confidentiality of any nonpublic personal information it may receive concerning the adviser's consumers or customers. Credo Capital will ensure that all service agreements contain adequate confidentiality contractual provisions. In addition, Credo Capital will request a copy of the service providers' privacy policies and procedures (requested from specific vital service providers), and will provide a copy of Credo Capital's privacy policies and procedures to these entities and obtain written certification that they have read, understand and agree to adhere to Credo Capital's policy statement.

Credo Capital is required to provide to clients initial and annual privacy notices even though it does not share consumer information with anyone. For a customer, Credo Capital will provide an initial privacy notice no later than the time of establishing the customer relationship. The notice will be incorporated within Credo Capital's disclosure brochure of Form ADV which is provided to all clients annually.

Procedure

The privacy rule requires the adoption of policies and procedures that are reasonably designed to ensure the security and confidentiality of customer information. In addition, these policies and procedures must be designed to prevent unauthorized access to or use of customer records or information that could result in substantial harm or inconvenience to any customer.

To ensure that the systems that process and store information are operated and maintained in a secure and recoverable environment, safe from misuse, theft and foreseeable catastrophes, Credo Capital has adopted the following policies:

Administrative Safeguards (Managers / Employees)

- a) Information owned by Credo Capital must be treated with the same care as any other Firm asset. All employees are responsible for the protection of information.
- b) All employees must understand and adhere to the Firm's privacy policies. Employees, including temps, must acknowledge and review Credo Capital's privacy policy, and must certify their compliance with the policy on an annual basis.
- c) Employees must safeguard information in their possession to prevent access by unauthorized individuals (e.g., conceal confidential client information). Departing employees must not take with them or disclose nonpublic customer information.
- d) Management must protect information used in their area, implement information protection standards and procedures, and ensure that all employees under their supervision understand and follow the Firm's privacy policy.
- e) Management must limit access to client information to those employees that need access

to the information to provide services to the client or conduct Firm operations.

f) To prevent unauthorized disclosure, employees should not give personal information out over the telephone or in response to an e-mail unless they have identified the person to whom they are communicating as either the client, a fiduciary representative of the client, or a party that needs information to complete a transaction for the client, e.g., broker-dealers and custodians.

g) Employees must report any attempted violations of security controls to the Compliance Officer.

Physical Safeguards

a) Client information should not be left in offices or conference rooms unattended.

b) Make sure all client records are appropriately secured at the end of the day.

c) Lock door to office(s) at the close of business.

d) Destroy or shred documents containing client information prior to disposal.

e) Regularly test any physical safeguards to confirm they are operating properly.

f) Protect against destruction of customer information due to potential physical hazards, such as fire and water damage (i.e., smoke and water detectors).

Technical Safeguards (Application & Data Security)

a) All computer systems must limit access to authorized users.

b) Access to client information must be restricted to those employees who need access to the information to service the client or conduct firm operations.

c) Computer systems must be protected with individual user identifiers, each with a required password. Passwords must be kept confidential and secure.

d) PCs with access to client information should not be left unattended.

e) Access privileges previously granted to those who are terminated or whose responsibilities change must be promptly revoked.

f) All emails sent that contain confidential client information should be accompanied with the following disclaimer: " This message may contain confidential information intended only for the use of the addressee(s) named above and may contain information that is legally privileged. If you are not the addressee, or the person responsible for delivering it to the addressee, you are hereby notified that reading, disseminating, distributing or copying this message is strictly prohibited. If you have received this message by mistake, please immediately notify us by replying to the message and delete the original message immediately thereafter. Thank you."

g) All facsimiles sent that contain confidential client information should contain the following disclaimer on the fax cover: "CONFIDENTIALITY NOTICE: The information contained in this facsimile is intended for the confidential use of the above named recipient. If the reader of this message is not the intended recipient or person responsible for delivering it to the intended recipient, you are hereby notified that you have received the communication in error, and that any review, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this in error, please notify the sender immediately by telephone at the number set forth above and destroy this facsimile message. Thank you."

h) All computers should be protected with approved anti-virus software or hardware. All occurrences of computer viruses must be reported promptly.

i) Computer hardware must be installed in areas with restricted access and either be physically secured or stowed in a locked area when not in use.

- j) All systems/critical applications must be backed up each night.
- k) Only computer hardware and software purchased, licensed, and maintained by Credo Capital is authorized for employee use. No personal hardware or software is allowed in the normal course of business.

SHARING DATA WITH LAW ENFORCEMENT AGENCIES:

As a result of the September 11 terrorist attacks on the United States, Congress and Washington's regulatory agencies requested from financial institutions all financial data that could lead investigators to individuals financing terrorism. In the event any regulatory agency requests customer personal/financial information from Credo Capital for investigative purposes, Credo Capital will fully comply with such requests and will provide the information under the following guidelines:

- a) Compliance should be immediately notified of any government or regulatory requests for customer personal information.
- b) Credo Capital will fully cooperate with the law enforcement agencies and their investigative government authorities in terms of sharing customer information. Compliance must first verify that such authorities are employed with the government agency, and/or be provided with a signed judicial subpoena or compliance certificate from the law enforcement agency.
- c) Credo Capital will only provide the specific information requested.

Item 12 Brokerage Practices

Without specific client consent, Credo Capital determines the securities to be bought or sold, the amount, the broker dealer to be used, and the commission rates to be paid. Credo's policy regarding the selection of brokers and payment of commissions is to seek best available price and most favorable execution with respect to all portfolio transactions. We recognize that commission dollars are plan assets which belong to the beneficiaries.

Credo Capital will endeavor to select the brokers or dealers that will provide the best services at the lowest commission rates possible based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help Credo provide investment management services to clients. Credo Capital may recommend (or use) a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. The research services we obtain may be useful to all our clients, and not all of such research may be useful for the account for which the particular transaction was effected but could vary according to the particular investment strategy.

Consistent with obtaining best execution for clients, Credo Capital may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to Credo Capital and, indirectly, to our clients. These services are described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and at our discretion). Research services obtained through the

use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties which are compensated by the broker. Credo Capital does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients. Credo Capital may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers we select may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if Credo Capital determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to its ('brokerage') discretionary client accounts.

When Credo Capital uses client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that the Firm does not have to produce such products internally or compensate third-parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, because we have an incentive to direct client brokerage to those brokers who provide research and services we utilize. In all events, Credo Capital strives for best execution for our clients.

Within our last fiscal year, we have obtained the following products and services on a soft-dollar basis:

- Factset - Portfolio Analytics / Fundamental Database
- Standard & Poors - Compustat Fundamental Database
- Russell Investment Group - Russell Indexes and Constituents
- Thomson Financial - IBES Current and Historical Consensus Estimates
- Gerson Lehrman Group - Independent Research Provider
- NetScribes - Fundamental Research

Credo Capital will aggregate trades where possible and when advantageous to clients. This aggregation of trades permits the trading of blocks of securities composed of assets from multiple client accounts, as long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a more timely, and equitable manner, at an average share price. Credo will typically aggregate trades among clients whose accounts can be traded at a given broker, and will rotate or vary the order of brokers used to trade for clients on any particular day. Detailed block trading procedures are available upon request.

Directed Brokerage

Credo Capital will use its best efforts to seek best execution with respect to all portfolio transaction executed for our clients. In those instances in which a client directs Credo Capital to execute transactions with one or more specific brokers, we will follow such direction and assume no responsibility for seeking the best available price or obtaining the most favorable execution. In instances where a client has directed Credo Capital to provide a specified level

of commissions to a specific broker in return for the provision of a service by that broker to the client, Credo Capital will follow the client's instructions so long as they are deemed to be consistent with its contractual and legal obligations.

Item 13 Review of Accounts

RECONCILIATION

Client accounts are reconciled with each respective custodian bank on a daily (electronic) and monthly (manual) schedule. Using an electronic system, we are able to pull daily trade, transaction, and equity/cash positions for each client account and reconcile that information with our internal accounting system. This process ensures accurate accounting information for each of our client's.

REVIEWS

Grace O'Neill, Client Service Manager, is available to clients anytime for meetings or inquiries by phone. Additionally, we contact all clients on a quarterly basis to discuss performance and the firm. The portfolio manager, Chief Compliance Officer, and client service manager are available for client meetings on a quarterly basis, in house or at the client's location. We attempt to host client meetings in our offices at least once each year to offer the client the opportunity to meet our entire staff.

REPORTS

The client reporting we provide specifically related to the investment strategy includes a monthly performance and attribution report, a mid-quarter update letter, and quarterly performance and attribution report. Generally, communication with clients includes but is not limited to monthly, quarterly, and annual reports. Strategy and firm specific reports are available on our website at www.credocapital.com.

Item 14 Client Referrals and Other Compensation

It is Credo Capital's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Credo Capital's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

Credo Capital does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell;
- Determine the amount of the security to buy or sell;
- Determine the broker/dealer to execute the transaction;
- Determine the commission to be charged on a transaction.

Clients give us discretionary authority when they sign an investment advisory agreement with our firm. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

Proxy voting discretion is detailed in the investment advisory agreement between Credo Capital and our clients.

If Credo Capital is given proxy voting authority, we will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest when voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Credo by telephone, email, or in writing. Clients may request, in writing, information on how proxies for their shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for their account, we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact Melanie Mendoza, Chief Compliance Officer or Grace O'Neill,

Client Service Manager, by telephone, email, or in writing - Credo Capital Management LLC, 225 E. Redwood Street, Baltimore, MD 21202, (410) 244-6200.

Clients may instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing.

Item 18 Financial Information

Credo Capital has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of any fees in advance of any services rendered.

Credo Capital has not been the subject of a bankruptcy petition at any time during the past ten years.