



Shell | Capital
Management

ASYMMETRY INVESTMENT PROGRAM™

Wrap Fee Program Brochure
Dated 2/14/2012

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This brochure provides information about the qualifications and business practices of Shell Capital Management, LLC (“Shell Capital”). If you have any questions about the contents of this brochure, please contact us at (865) 539-9070 or mike@shell-capital.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 Shell Capital Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

References herein to Shell Capital Management, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

The material changes made to Shell Capital Management, LLC's disclosure statement since last year's Annual Amendment filing on March 29, 2011 are the following:

- We have added an additional custodian, Folio Institutional.
- We have increased our account minimums for new clients.
New minimums:
\$250,000 if the custodian is Folio Institutional
\$1,000,000.00 if the custodian is Trust Company of America.

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Item 4 Services, Fees and Compensation

The Asymmetry Investment Program™ (Managed Account “Wrap” Program)

- A. Shell Capital specializes in quantitative investment management that applies math and algorithms to objectively quantify and manage price trends and risk. These systems are designed and operated by Mike Shell (the portfolio manager).
- B. Shell Capital is an asset manager that provides portfolio management to individual accounts. The accounts we manage are owned and titled in the investor’s own name at a third party custodian, unaffiliated with Shell Capital (typically Trust Company of America or Folio Institutional). Shell Capital is granted the authority to trade the accounts via an Investment Management Agreement between the client and Shell Capital. The accounts are managed as part of a portfolio within the Asymmetry Investment Program™ managed portfolios.
- C. The Asymmetry Investment Program™ is a global tactical rotation applying multiple systems and methods to rotate between a wide range of world markets including cash, currency, bonds, stocks, and commodities. The universe is exchange traded securities (such as ETFs) that provide enough liquidity to buy and sell and is listed on an exchange in the U.S. This flexibility and adaptability gives us the opportunity to find potentially profitable price trends in a wide range of market conditions. Our most diversified portfolio, such as Asymmetry™ R15, may be a complete portfolio for investors who want a core program of exchange traded securities.
- D. We may be considered an “alternative” asset manager because we apply methods, strategies, and systems beyond that of conventional “asset allocation” methods. For example, we rotate capital between different global markets based on directional price trends rather than a fixed and static allocation to different markets. We aim to actively control risk by selling to reduce exposure to loss or hedging declining markets rather than relying solely on a broad diversification to limit losses.
- E. In the Asymmetry Investment Program™, Shell Capital pursues an absolute total return objective. We define our objective and discuss our strategy in more detail on pages 4 and 5.
- F. We believe individual investors should focus on absolute returns as measured as an asymmetric risk and return profile. The two primary objectives are total return over a period versus the amount of account value decline along the way to achieving that total return. The Asymmetry Investment Program™ pursues asymmetric returns: a positive imbalance between gain and loss, risk and reward, over full market cycles (periods of 4-5 years that include both advancing and declining markets).
- G. In pursuit of our absolute objectives of positive asymmetric returns, we apply our global tactical rotation systems that may include: systematic trend

following, momentum, systematic relative strength, countertrend, and other quantitative investment programs we deem necessary. Our primary rotational systems aim to place capital in rising price trends and avoid declining trends. However, our aim is to dynamically adapt to changing conditions so we retain flexibility to determine which systems and tactics to employ.

- H. Potential clients are qualified during an initial interview either by email, over the phone, or in person. We believe investor behavior is as much a determinant of client's results as investment performance. Therefore, we believe it is crucial that the investor matches their beliefs and objectives with an investment program. We cannot control the outcome, but we can increase the probability of a good experience by trying to match a program with a person's objectives. One that they can believe in and stick with. Our qualification process aims to determine if the investment program is likely to be a good fit. Specifically, we want to understand the investors' beliefs about the market and portfolio management and their risk tolerance and objectives for total return.
- I. The Asymmetry Investment Program™ is managed as portfolio model(s) so that accounts assigned to a model receives the same trades and the same price. We determine which portfolio model we assign the account to based on factors such as the clients objectives and possibly account size. Though accounts are assigned to a model portfolio, such as Asymmetry™ R15, we may agree on restrictions imposed by the client if we believe it is within reason and would unlikely materially affect the objectives and outcome in an adverse way. For example, a client may impose restrictions on investing in certain securities or types of securities. Such an agreement will take place in advance and in writing. Since these are individually managed accounts, it may also offer the ability to apply tax management tactics such as tax-loss harvesting. For large institutional investors or a family office, we may offer custom strategies applying one or more of our quantitative systems or consulting and development of a specific system to meet their objectives. Otherwise, this is a discretionary managed account program whereby the portfolio manager makes the trading decisions. It is not a consulting or broker type relationship where the trading decisions are discussed in advanced or after the fact. The Asymmetry Investment Program™ is best suited for investors who want professional tactical portfolio management and active risk management - those who do not seek to be involved with daily decision-making.

Investment Objectives for the Asymmetry Investment Program™: Our strategies, systems, and tactics are used in pursuit of specific objectives for total return and our tolerance for loss, so it is important to first understand our objectives. Our absolute total return objective is an alternative to the conventional relative return objective. Our absolute return objective defines risk as “exposure to the possibility of a loss”. The more common relative return objective defines risk as “variation or underperformance of a benchmark index” with no consideration of the actual magnitude of loss. Our absolute return objective aims to actively manage risk by decreasing exposure to the

possibility of a loss. For example, we may reduce our exposure to loss by selling declining securities and increase our exposure as a security is rising. During a major declining market, we may hold fewer positions in that declining market. We may reduce exposure to zero, which means our portfolio may be 100% in cash or equivalents (money market funds, short term treasury fund, etc.). Objectives are the single most important factor for success, so please ask questions for clarity. By “total return” objective, we pursue a total return that includes the combination of:

- i. Capital gains from selling positions at a profit
- ii. Income from the payment of dividends
- iii. Income from the payment of interest from cash deposits, money markets, or bond funds.

Investment Strategies: Our primary strategies are designed to define the direction of price trends and rotate capital in that direction to capitalize on a price advance. Shell Capital’s quantitative systems are designed to exploit market inefficiencies, directional price trends, and momentum created by under-reaction and over-reaction to new information. We believe any strategy should be backed by firm logic. Ours is evidenced by vast studies in behavioral finance and quantitative simulation and testing.

Execution of our Systems; our programs gather and evaluate market price data and perform proprietary calculations to quantify trend direction, state, volatility, and risk. We apply these trend systems to a wide range of markets accessed primarily through exchange traded securities (such as Exchange Trade Funds “ETFs”). Our systems determine what to buy, when, how much, when to sell a loser (to cut losses short), when to sell a laggard, and when to sell a winner (to take profits). Our risk management system measures, monitors, and controls our exposure to loss at any given moment.

We do not force a specific holding period for our positions. We tend to let our winners run and cut our losses short. The positions we take in our models are not intended to be “buy and hold”. Instead, we aim to tactically capture a price trend for as long as it develops. Different holding periods may have different risks and tax consequences. Our holding periods may include:

- i. Long Term Positions (securities held at least a year)
- ii. Short Term Positions (securities sold within a year)
- iii. Trading (securities sold within thirty (30) days)

Our investment universe is exchange traded securities which may include: individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds (“ETFs”) (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indexes), and exchange traded notes (“ETNs”).

Methods of Analysis and Their Risk(s): In pursuit of our objectives, Shell Capital has the flexibility to use several methods, tactics, and systems to determine what and when to buy or sell. These tactics may include:

1. **Quantitative Systems:** our primary methods are considered quantitative. That is, they are based on objective mathematical measures. Our quantitative research results in computer programs that quantify the direction and strength of price trends and our risk.
2. **Trend Following:** systems and methods that aim to buy securities that are rising and sell securities that are declining. Trend following is directional - it focuses on the direction of prices. By nature, a trend following system is prone to some drawdown (loss of value) because it intentionally waits for the price trend to begin to reverse down before it sells the position. At the point of exit, some of the open profit (gain) in a profitable trend following position will be given back. By intent, a trend following strategy does not buy at the low after a large decline, but instead requires the price to start a new uptrend. Therefore, a trend following system does not attempt to capture bottoms. Our trend following system may buy a trend that reverses back down causing us to sell at a small loss. After we have sold for a loss then that security may go back up in price afterwards. We may do this several times trying to catch a trend.
3. **Relative Price Strength:** is our portfolio filter that ranks securities based on the relative strength of their price trend. Our proprietary relative strength system uses our own algorithm and parameters to rank securities to determine which have the most velocity. Our research, as well as over 300 academic research papers, shows that buying positions that have recent relative strength may help to increase the probability and magnitude of profit. The risk, however, is that high relative strength is only a relative measure. A high relative strength position may be relatively stronger than others, but may actually be declining in price, just not as much. For this reason, we apply other methods for risk management.
4. **Active Risk Management:** we define “risk” as the exposure to the possibility of a loss. Thus, the only way to direct and control risk is to reduce the exposure to a potential loss. Our risk management tactics and systems actively make decisions to decrease or increase exposure to the potential for loss. For example, we may reduce our risk by selling to reduce our exposure to the chance of a loss. Of course, no strategy is guaranteed to reduce or eliminate loss. We do not aim to remove all risk but instead contain it to a tolerable amount within the objectives.
 - i. **Individual positions:** by nature, our risk management systems may take losses in individual positions for the purpose of cutting the loss at a predefined risk point.
 - ii. **Portfolio risk:** while we aim to manage our risk through well thought out risk management tactics, we are not unwilling to accept any risk at all. We are willing to accept some drawdown in account value in pursuit of total return.

- iii. **Price Shocks:** all future market price trends are unpredictable in advance. Sudden and sharp price declines may occur in any market: bonds, stocks, commodities, and currencies. For example, the U.S. stock market may swing up or down 10% or more on a regular basis over a period of days, but it has also declined more than -10% in a single day. Even some money market funds have declined -3% in the past. A risk management system cannot assure against a price shock.
- 5. **Countertrend Systems:** we primarily focus on rotational systems that aim to place capital in the direction of the current price trend; however, we retain the flexibility to apply our countertrend systems and tactics. Countertrend strategies aim to bet against the recent price trend for the purpose of pursuing a capital gain or for hedging. In a strong rising market, a countertrend strategy may believe the price is more likely to reverse. In a strong declining market, a countertrend strategy may indicate the trend is likely to reverse back up. We acknowledge that betting against the prevailing trend may be a higher risk strategy, but after an extreme move, they may offer a good risk/reward probability. These conditions occur much less often and we therefore use countertrend tactics rarely, but we may.

Investment Risk:

- 1. Investing in securities involves risk of loss that clients should be prepared to bear. Shell Capital's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. Not all historical price trends continue, so not all positions will be profitable. In fact, there may be periods when many of the things we buy are sold at a loss. It is important to understand that, by design, several of a systems trades may be unprofitable yet it could have very good performance overall. Investment results are probabilistic, not a sure thing. There is no guarantee that active asset management or any investment strategy will be successful. Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or assure against loss. We believe that risk should be managed, directed, and controlled, but such tactics are not guaranteed. Past performance is no guarantee of future results. Different types of investments and investment programs involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy, including ours, will be profitable or equal any specific performance level(s).
- 2. Shell Capital's primary investment strategies include Long Term positions, Short Term positions, and Trading. Longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period involves a very short

investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

3. Investment programs can be designed to fit different market conditions, but no system will adapt perfectly to all conditions all the time. An expectation of perfection may be a risk to the investor's capital if it causes the investor to abandon a good program during a losing streak or drawdown.
4. Our trading strategies are primarily expected to prosper most during periods of strong, clear, and sustained price trends. Some market conditions may be difficult for our strategies. A price trend is a price that drifts in one direction or another. Volatility refers to the day-to-day range in price swings. A market condition can be trending or non-trending, volatile or smooth. A condition of strong, clear, sustained, price trends with low volatility may be a more pleasant experience that is easier to stick with. Just the opposite is a market condition with no clear directional price trend that is very volatile in its day-to-day price swings.
5. Volatile market conditions are typically hostile conditions for both passive and active strategies. A risk management objective may be to reduce exposure to volatility during these periods. Even a condition of strong, clear, and sustained price trends may be so volatile in its day-to-day range that it may shake us out of otherwise profitable positions. On the other hand, a smooth, clear, sustained price trend may be easier to stick with, but volatility is sometimes low at the end of a sustained trend as investors are complacent just before it reverses.
6. We acknowledge behavioral risks. Investors who watch their account value daily may be more likely to abandon a good program at a bad time. No matter how close a client watches the markets daily swings or fluctuations in account value, it does not change the outcome. Instead, we find those clients may be more emotionally tied to the change in values and positions in their account. They may oscillate between the fear of losing money and the fear of missing out. The markets are often in a constant state of flux and the client will be too if the client experiences the markets every move. This is especially true during periods of non-trending, volatile, conditions when nothing seems to go right. Those who watch it closely may be more likely to abandon the program with a loss.
7. The Asymmetry Investment Program™ pursues a positive risk/reward profile over a full market cycle (typically 4-5 years), not daily, weekly, monthly, quarterly, or a calendar year. To do this, our systems may often appear to be positioned wrong by most people much of the time.

Principal Risks

In addition to the risks noted for each strategy, our investment programs are subject to the same principal risks that apply to the underlying holdings in the exchange traded funds we trade. Below are some principal investment risks.

Tax Risks: our investment programs are intended to produce profits, including both short term and long term capital gains and income. Therefore, we do not expect them to be 'tax efficient'. Although the exchange traded index funds we trade are typically tax efficient because they pay low or no capital gains distributions, our systems do intend to buy and sell to earn profits. Those profits will likely result in capital gains and income taxes.

Market Risk: (also known as systematic risk) are risks that affect the overall economy or securities markets. Market risk may affect all investments, regardless of the financial condition, management, or capital structure, and, depending on the investment, can involve international as well as domestic factors.

Position Risk: the risk that the price of a position we have in a security declines due to an issue with the company, its sector, or the market as a whole. For example, stocks have risks that may be unique to the company, such as risks associated with its management, products, and competitors.

System/Strategy Risk: the risk that the strategy does not work as intended.

Holding Period: Investors should be committed to a full market cycle: typically at least 4-5 years for an investment program. If a client withdraws prior to allowing a system to run its course, they may do so at a loss or at an adverse time.

Behavioral Risk: the risk the investors actions and behavior prohibits them from sticking to a strategy.

Small and Mid Company Stocks: small or mid company stocks may be more subject to more volatility or erratic price movements.

International and Emerging Market Countries: foreign securities may be more subject to more volatility or erratic price movements. They may be subject to increased political, social, and currency risk.

Interest Rate Risk: the risk that rising and falling interest rates may cause the value of a fixed income or equity position to rise or fall. Interest rate risk is most obvious in bonds: when interest rates rise, the yield on existing bonds becomes less attractive, which drives down the value.

Inflation risk: describes the risk that increases in the prices of goods and services, and therefore the cost of living, reduce your purchasing power. Inflation risk and interest rate risk are closely tied, as interest rates generally rise with inflation. Because of this, inflation risk can also reduce the value of your investments.

Currency Risk: Our International holdings may be impacted by currency risk. Any change in the exchange rate between a foreign currency and ours can increase or reduce our investment return.

Default Risk: the risk that a bond or debt security does not pay its debt.

Liquidity Risk: is the risk that there may not be an active market (buyers and sellers) in a position which makes it difficult to buy or sell the position.

Sector Risk: the risk that a specific industry or sector is adversely affected by economic conditions. A position in a concentrated sector may advance or decline due to conditions impacting that sector

Concentration Risk: the risk a portfolio becomes concentrated in securities that have been benefiting from some positive factor, then that factor is no longer present. For example, when energy prices are in a strong trend we may have exposure in the energy sector, energy commodities, and countries that produce energy. When energy prices decline, all of these markets could be impacted at once.

Sociopolitical Risk: is the possibility that instability or unrest in one or more regions of the world will affect investment markets. Terrorist attacks, war, and pandemics are examples of events.

Specific Risks of Exchange-Traded Funds (ETFs)

We primarily trade ETFs. ETFs are typically registered investment companies whose shares represent an interest in a portfolio of securities that track an underlying benchmark or index. Some ETFs that invest in commodities, currencies, or commodity- or currency-based instruments are not registered as investment companies. ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities.

ETF shares are bought and sold at market prices during the day similar to stocks. ETFs are subject to tracking error: the risk the ETF does not exactly track its index. An ETF may be traded at a discount or premium to its Net Asset Value (NAV). This price discrepancy is caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty. Each ETF is subject to the same risks as its underlying holdings. A broad stock index ETF is subject to stock markets risks.

A sector ETF is subject to the risks of that sector. A country specific ETF is subject to the risks of holding securities in that country. ETFs are subject to volatility and price trends both up and down. Investment returns will therefore fluctuate. Shares of ETFs trade during the day. When an ETF is sold, it may be worth more or less than its original cost. ETFs have different objectives, risks, charges and expenses. A description of these items can be found in each fund's prospectus.

Counterparty Risk: An ETF using a full replication strategy to benchmark and index generally aims to invest in all constituent stocks/assets in the same weightings as its benchmark. ETFs adopting a representative sampling strategy may invest in some, but not all of the relevant constituent holdings. Those funds may instead invest in swaps or derivatives that expose them to counterparty risk: the risk that each party of a contract will be unable to live up to its contractual obligation.

Exchange Traded Notes: Shell Capital may also utilize exchange traded notes ("ETNs") that invest in commodities and foreign exchange instruments for the purpose of portfolio diversification and hedging against downside equity market risk. However, there can be no assurance that such strategy will prove profitable or successful. ETNs are subject to credit risk, counter party risk, and price fluctuation. ETNs also have tax reporting issues (K-1s) that are not applicable to other investments that are utilized by Shell Capital (We encourage any client to address the tax reporting issues with his/her tax professionals). In light of the above risks and tax reporting requirements, a client may direct Shell Capital, in writing, not to employ ETNs for his/her/their/its accounts.

Inverse/Enhanced Market Strategies: Shell Capital may utilize leveraged long and short funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indexes (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indexes (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In fact, an inverse position that has a purpose to hedge other holdings may not be expected to be profitable. In light of these enhanced risks/rewards, a client may direct Shell Capital, in writing, not to employ any or all such strategies.

To learn more about ETFs including their risk, please ask us for educational material or visit the major ETF provider's websites and prospectus.

Fees and Compensation

- a. The Asymmetry Investment Program™ is a wrap fee only program. The client pays one fee to Shell Capital that includes portfolio management, trading, and custody. The investment programs offered by Shell Capital are actively managed and may involve more active trading than other more conventional passive asset allocation programs. Because of this, the firm has negotiated the custody and trading fees with different custodians based on the firm's assets under management as an institution. The purpose of the Asymmetry Investment Program™ is an effort to achieve efficiency (lower trading costs), remove trading costs from the equation, and improve execution quality. Instead of each client account paying a per-trade transaction charge to a broker, an asset-based percentage fee is charged based on size of the account. The client will pay a single asset-based fee for portfolio management, which includes the cost of portfolio management services, custodial services and the execution of securities transactions. Shell Capital will then pay the custodian for its fees based on the amount of assets contained in such account. The client will establish accounts with either Trust Company of America (TCA), a Colorado-based FDIC member custodian, or Folio Institutional (Folio). In addition to the portfolio management and custodial services provided to clients, the Program's annual fee also includes execution of securities transactions through our brokers. The broker that executes trades in TCA accounts is BNY ConvergeEx Execution Services, Inc (Bank of New York) a member FINRA/SIPC, not affiliated with TCA. Accounts at Folio Institutional are executed through FOLIOfn Investments, Inc. Member FINRA/SIPC. We may change the executing brokers at our discretion and without any notification.
- b. The program management fee is billed and deducted from the account in advance quarterly with Trust Company of America (TCA) and monthly with Folio Institutional (Folio). The fee is calculated at the beginning of each calendar quarter/month and is based on the average daily balance of the assets under management for the previous quarter/month. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar month. Client authorizes Shell Capital and the custodian to debit the fee from the client's account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. However, this is unlikely necessary since the portfolio manager typically holds at least 5% in cash at any time.

On an annualized basis, Shell Capital's fee for the Program is based on the following *tiered* fee schedule:

FEE SCHEDULE - ASYMMETRY INVESTMENT PROGRAM™

Portfolios less than \$1,000,000	Annualized Fee
First \$250,000 (up to \$250,000)	2.50%
Next \$250,000 (\$250,001 to \$500,000)	2.00%
Next \$500,000 (\$500,001 to \$1,000,000)	1.50%

Portfolios greater than \$1,000,000	Annualized Fee
First \$1 million (0 - \$1,000,000)	1.40%
Next \$2 million (\$1,000,000 - \$3,000,000)	1.30%
Next \$2 million (\$3,000,000 - \$5,000,000)	1.20%
Next \$5 million (\$5,000,000 - \$10,000,000)	1.00%
<i>Over \$10 million negotiable</i>	

In determining whether to establish an Asymmetry Investment Program™ account, an investor should be aware that the overall cost to them for the account may be higher or lower than the investor might incur if the management, custody, and execution services were separate. In order to compare the cost of the Program with unbundled services, the investor should consider the turnover rate in Shell Capital's investment strategies, trading activity in the account and standard advisory fees and brokerage commissions that would be charged at other broker-dealers and investment advisers. Shell Capital in its sole discretion may reduce or charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Shell Capital may also aggregate accounts of members of the same household for purposes of meeting the minimum account size or fee breakpoints.

Exchange Traded Fund or Mutual Fund Internal Expenses

All fees paid to Shell Capital, for investment management are separate and distinct from the fees and expenses charged by exchange traded funds, exchange traded notes, mutual funds, closed-end investment companies or other managed investments to their shareholders. These fees and expenses are described in each fund's prospectus. Fees charged by funds will generally include a management fee, other fund expenses, and a possible distribution fee. Shell Capital primarily trades in low-cost exchange traded funds (ETF's). In the rare even we do buy a "mutual" fund, will try to purchase either institutional share class or no-load mutual fund shares for Program accounts, which generally have lower expense ratios and management fees.

Additional Non- Portfolio Management Fees Charged by the Custodian

Trust Company of America: There may be other costs assessed which are not included in the Program Fee, as follows:

Check Distribution	\$20 per occurrence
Outgoing Transfer Fee	\$50 + \$25/asset for in-kind
Outgoing Wired Funds	\$25 per wire
Returned Check	\$35 per occurrence
Cancelled Check	\$20 per occurrence
Non-traditional Asset Custody	\$100 per asset per account annually
Next Day Mail Service	\$25 per request

Folio Institutional: There may be other costs assessed which are not included in the Program Fee, as follows:

Wire Transfers Out	\$30 per wire
Full Account Transfer Out Fee	\$75 per account
Partial Account Transfer Out Fee	\$5 per security (\$25 min / \$75 max)
Personal Access Check	\$5 per booklet
Spectrum Business Checks	\$50 per book
Returned Check or EFT	\$25 per occurrence
Stop Payment on Check	\$25 per check
Check Copy	\$10 per check
Check Distribution	\$20 per check
Express Mail	\$15 per mailing \$45 for Saturday Delivery
Paper Copies of Account Statement & Confirmation	\$10 per statement or confirmation request
Mail Delivery of Monthly Statements	\$150 per year
IRA Custodial Fee	\$25 per year
Account Statement Alert	
Failure/Bad Email Address fee	\$5 per occurrence

Termination of Account: The Investment Management Agreement between Shell Capital and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Management Agreement. Since management fees are paid in advance, upon termination, Shell Capital shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing period.

Item 5 Account Requirements and Types of Clients

Shell Capital's clients generally include individuals, business entities, pension and profit sharing plans, trusts, estates and charitable organizations. Shell Capital generally requires a minimum account size of \$250,000 for investment management for new clients at Folio Institutional and \$1,000,000 for Trust Company of America. Shell Capital, in its sole discretion, may reduce or waive its minimum account size. We may consider managing an account at a client's choice of broker or custodian for a minimum account size of \$5,000,000.

Item 6 Portfolio Manager Selection and Evaluation

A. Shell Capital is the sole portfolio manager for the Program. We do not select or evaluate other portfolio managers for the Program.

B. Since the execution costs for transactions effected in the client account will be paid by the Shell Capital, a potential conflict of interest arises in that the Shell Capital may have a disincentive to trade securities in the client account.

Item 7 Client Information Provided to Portfolio Managers

Shell Capital is the portfolio manager for the Asymmetry Investment Program™. It is the client's responsibility to promptly notify Shell Capital if there is ever any change in his/her/its financial situation or investment objectives. Shell Capital will rely on information provided by the client or the clients other professionals (i.e. accountant, attorney, manager). Shell Capital is not required to verify any information received from the client or from the client's other professionals.

Item 8 Client Contact with Portfolio Managers

The client shall have, without restriction, reasonable access to the Program's portfolio manager.

Item 9 Additional Information

Disciplinary Information

Shell Capital has not been the subject of any disciplinary actions.

Other Financial Industry Activities and Affiliations

- A. Shell Capital, nor any of its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Shell Capital, nor any of its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Shell Capital has no other relationship or arrangement with a related person that is material to its advisory business.
- D. Shell Capital does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Shell Capital maintains an investment policy relative to personal securities transactions. This investment policy is part of Shell Capital's overall Code of Ethics, which serves to establish a standard of business conduct for all of Shell Capital's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Shell Capital also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Shell Capital or any person associated with Shell Capital.

- B. Shell Capital nor any related person of Shell Capital recommends, buys, or sells for client accounts, securities in which Shell Capital or any related person of Shell Capital has a material financial interest.
- C. Shell Capital and/or representatives of Shell Capital *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Shell Capital and/or representatives of Shell Capital are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Shell Capital did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Shell Capital's clients) and other potentially abusive practices.

Shell Capital has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Shell Capital's "Access Persons". Shell Capital's securities transaction policy requires that an Access Person of Shell Capital must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Shell Capital selects; provided, however that at any time that Shell Capital has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Shell Capital and/or representatives of Shell Capital *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Shell Capital and/or representatives of Shell Capital are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, Shell Capital has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Shell Capital's Access Persons.

Review of Accounts

- A. Account Review by the Portfolio Manager: Accounts are typically assigned to a model portfolio and models are actively managed and monitored by the Portfolio Manager. Portfolio reviews are conducted on an ongoing basis by Shell Capital's Portfolio Manager or staff. Our money management system monitors and tracks values and risk levels in real-time on a continuous basis.
- B. Account Review with the Client: Shell Capital *may* conduct account reviews with a client upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written account statements directly from their custodian. Clients should carefully review these statements. The custodian provides real-time online account access available through a link on Shell Capital's website. Trust Company of America does not send individual trade confirmations, which are instead itemized on the account statement and online. Folio Institutional does provide individual trade confirmations. Shell Capital may also provide a written periodic report summarizing account activity and performance.
- D. All clients are advised that it remains their responsibility to advise Shell Capital of any changes in their investment objectives and/or financial situation. All

clients (by email, in person, or via telephone) are encouraged to review investment objectives with Shell Capital on an annual basis.

Client Referrals and Other Compensation

- A. Shell Capital may receive an indirect economic benefit from the custodian from the back office services they provide and efficient portfolio management software. Our clients do not pay more for investment transactions effected and/or assets maintained at the custodian as result of this arrangement. There is no corresponding commitment made by Shell Capital to the custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.
- B. Shell Capital does not currently compensate non-supervised persons for client referrals.

Financial Information

- A. Shell Capital does not require prepayment of more than \$1,200, per client, six months or more in advance.
- B. Shell Capital is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Shell Capital has not been the subject of a bankruptcy petition.

Item 10 Requirements for State-Registered Advisers

- A. Michael W. Shell “Mike Shell” is the principal executive officer, Chief Compliance Officer, and portfolio manager. Mike has an extensive background in quantitative research, technical analysis, and quantitative trend systems design, development, and operation. Mike gained these skills over the past two decades through independent study, research, and real world experience. He has designed, developed, and tested hundreds of trading models and simulations. Mike holds a B.S. degree in Business Administration from Tennessee Wesleyan College. He is a U.S. Marine Corps veteran. He was formerly a Registered Principal at Raymond James - Investment Management Division. He previously held advisory positions at other investment firms.
- B. We are not actively engaged in any other business.
- C. We are not compensated with performance-based fees.

- D. No management persons at Shell Capital have been involved in any arbitrations or legal proceedings.

ANY QUESTIONS: Shell Capital's Chief Investment Officer, Michael W. Shell, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.