

Part 2A of Form ADV: Hunter McGuire Capital Management, L.L.C. - *Brochure*

Item 1 - Cover Page

August 28, 2012

Hunter McGuire Capital Management, L.L.C.
2912 N.W. 156th Street
Edmond, Oklahoma 73013
Phone - (405) 509-6838

This Brochure provides information about the qualifications and business practices of Hunter McGuire Capital Management, L.L.C. If you have any questions about the contents of this brochure, please contact us at (405) 509-6838. 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.

Hunter McGuire Capital Management, L.L.C. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about Hunter McGuire Capital Management, L.L.C. also is available on the SEC's website at www.adviserinfo.sec.gov.

HUNTER MCGUIRE CAPITAL MANAGEMENT, L.L.C.
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Item 2 - Material Changes

Hunter McGuire Capital Management, L.L.C. (the “Adviser”) is a new registrant with the United States Securities and Exchange Commission (“SEC”). Therefore, this is its initial “Brochure” with the SEC. In the future, this Item will discuss only specific material changes that are made to the Brochure and provide a summary of such changes. We will also reference the date of our last annual update of our Brochure.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Currently, our Brochure may be requested by contacting Michael McGuire, the Adviser’s Chief Compliance Officer, at (405) 509-6838 or mmcguire@huntermcguirecapital.

Additional information about the Adviser is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with the Adviser who are registered, or are required to be registered, as investment adviser representatives of the Adviser.

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Item 4 - Advisory Business

- A. The Adviser is an Oklahoma limited liability company and has its principal place of business in Edmond, Oklahoma. The Adviser provides investment advisory services to separate accounts for individuals, high net worth individuals, banking institutions, pension and profit sharing plans, and small to mid-size businesses (the “Clients”).

The Adviser was formed in 2012 by Jerry Hunter and Michael McGuire (the “Principals”). The Principals are the sole members of the Adviser.

- B. The Adviser’s investment philosophy has a bias toward value investing principals. The Adviser strongly believes in diversification and allocates to traditional and non-traditional asset classes. In implementing the Adviser’s investment philosophy for each individual client, the Adviser utilizes the following six-step defined process set forth in Item 8.A below.
- C. While each of its Clients will follow the general strategy stated above, the Adviser may tailor the specific advisory services with respect to each Client based on each Client’s need, risk profile, tolerances, and expected return preference. Clients may impose restrictions on their investment portfolios.
- D. The Adviser does not participate in wrap fee programs.
- E. The Adviser is a newly formed adviser. As of August 28, 2012, the Adviser managed \$0 in discretionary assets. The Adviser does not currently intend to manage assets on a non-discretionary basis.

Item 5 - Fees and Compensation

- A. For its services to each Client, the Adviser is entitled to a management fee (the “Management Fee”) based on a percentage of assets under management. The management fee for each Client will be negotiated with each client, but generally range between 1.0% and 1.50% of assets under management. The Management Fee is calculated and billed each calendar quarter in advance.

Lower fees for comparable services may be available from other sources.

- B. Unless an alternative billing arrangement is made in advance and approved in writing at the sole discretion of the Adviser, Clients will be billed through their statement and have Management Fees deducted, by each Client’s custodian, from the assets held by the Client’s custodian, based on the applicable Management Fee rate. As noted above, Management Fees are calculated and billed quarterly in advance.
- C. Client accounts may be subject to other third party fees and/or expenses, which may vary based on the amount of assets managed and the types of investments in the Client’s account. These fees may include certain custodial fees and brokerage and transaction fees. Item 12 of this brochure discusses how the Adviser selects brokers and determines the reasonableness of their compensation.
- D. As stated above, Management Fees are calculated and billed in advance at the beginning of each calendar quarter. The Adviser will refund any pre-paid fees if the advisory contract with the Client is terminated before the end of the billing period. Management Fee refunds are calculated on a pro-rata basis for partial periods.
- E. Other than as described above, neither the Adviser nor any of its supervised persons receives any compensation from the sale of securities or other investment products.

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

Currently, neither the Adviser nor its supervised persons accept performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a Client).

Item 7 - Types of Clients

The Adviser manages investment portfolios for individuals. As mentioned in Item 4, the Adviser provides investment advisory services to individuals, high net worth individuals, institutional clients, pension and profit sharing plans, and small to mid-size businesses. The Adviser also solicits separately managed account clients such as banking institutions. The minimum initial account balance for a separately managed account is \$100,000, which may be waived at the sole discretion of the Adviser. Acceptance of separate account management is determined on a case-by-case basis at the sole discretion of the Adviser.

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

- A. The following describes the investment strategies the Adviser uses in formulating investment advice or managing assets on a separate account basis.

Client Investment Needs and Asset Allocation

In developing an investment strategy for each individual client, the Adviser utilizes the following six-step defined process to help Clients meet their financial goals:

1. *Investment Needs* – Each of the Adviser's Clients has unique individual investment needs. The Adviser's first step is to identify the Client's individual financial goals. This is accomplished through a conversation with the Client to ask why they are investing and what they wish to accomplish with their investment. The Adviser reviews, as applicable, each Client's financial statements, tax returns, age, retirement goals, special income needs, debt service, expected windfalls, net worth, employment stability legacy concerns, and current income. The information the Adviser receives helps the Adviser understand the unique investment needs of each individual Client.
2. *Asset Allocation* – The Adviser creates a fluid asset allocation target mix. The Adviser holds a discussion with each Client to determine the percentage of their total investment that should be allocated into each of the following asset classes: (i) equities; (ii) fixed income; (iii) cash equivalents; (iv) real estate securities; (v) equity options; (vi) commodities; (vii) mutual funds; and (viii) annuities.
3. *Desired Rate of Return* – The Adviser projects desired rates of return on a Client's portfolio based on the Client's asset allocation percentages. For example, based on historical rates of return, the Adviser may project a 6% long term average return for equities, a 1% long term average return for fixed income, and a 1% long term average return for cash equivalents. If the Client's asset allocation is 40% to equities, 30% to fixed income, and 20% to cash equivalents, then the Adviser may project the portfolio's rate of return as a 2.4% return for the equity portion of the portfolio ($6\% \times .40$), 1.2% return for the fixed income portion of the portfolio ($4\% \times .30$), and a 0.2% return for the cash equivalent portion of the portfolio ($1\% \times .20$). Under this methodology, the Advisers projected return for such a portfolio would be 3.8% ($2.4\% + 1.2\% + .20\%$) for the long term.
4. *Individual Investments* – The Adviser's next step is to define what it is looking for in each Client's individual investments, including the criteria used by the Adviser to select the securities in the portfolio and to assess the securities on an ongoing basis.
5. *Quarterly Account Reviews* – The Adviser conducts quarterly account reviews with each Client. These quarterly reviews may be conducted either in person or over the phone and are used as a checkup to see if any life events or other circumstances have occurred that may affect the Client's investment needs. The Adviser will review and fundamental changes to the individual investments made by the Client's account. Also, the quarterly reviews will be used to ensure that each Client's account is within 5% of the asset allocation target mix developed for each Client.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)

6. *Semi-Annual Account Reviews* – The Adviser also conducts semi-annual account reviews with each Client; typically in person. These reviews include an assessment of individual holdings versus established investment criteria; monitoring of existing asset allocation versus target asset allocation; monitoring of individual holding performance versus a style appropriate benchmark; monitoring of aggregate performance of holdings within asset classes versus appropriate benchmarks; and monitoring of portfolio rates of return versus projected rates of return.

Investment Philosophy and Strategy

The Adviser's investment philosophy has a bias toward value investing principals. The Adviser strongly believes in diversification and allocates to traditional and non-traditional asset classes. The Adviser believes in the value of alternative strategies that add correlation benefits to a portfolio of traditional stocks and bonds.

The Adviser invests client assets in individual stocks, bonds, real estate securities, mutual funds, and annuities. Additionally, the Adviser will at times utilize equity options which can favor the movements in the underlying equities that are bullish, bearish, or neutral. Furthermore, the Adviser will seek out niche opportunistic investment strategies within both traditional and non-traditional asset classes and allocate to such investments around each Client's core holdings.

Individual security selections are primarily driven through a fundamental, bottom-up security analysis. The Adviser utilizes multiple analytical and informational tools to help it make confident investment decisions based on the best information and analytics available to the Adviser, including Bloomberg, Morningstar, and mpi Stylus. The Adviser employs a wide range of resources to obtain the most precise information and data regarding investment opportunities.

The investment objectives and methods summarized above represent the Adviser's current intentions. Depending on conditions and trends in the securities markets and the economy in general, the Adviser may pursue any objectives, employ any investment techniques or purchase any type of security that it considers appropriate and in the best interests of its Clients. The foregoing discussion includes and is based upon numerous assumptions and opinions of the Adviser concerning world financial markets and other matters, the accuracy of which cannot be assured. There can be no assurance that the Adviser's investment strategy will achieve profitable results.

- B. The Adviser's investment strategy involves a high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be exhaustive.

Limited Operating History. The Adviser is a newly formed entity which does not have an operating history for prospective investors to evaluate prior to making an investment with the Adviser.

Investment Judgment; Market Risk. The profitability of a significant portion of the Adviser's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)

Adviser will be able to predict accurately these price movements. In addition, it is expected that certain investments in which the Adviser may invest will have limited liquidity. This lack of liquidity, together with a failure to accurately predict market movements, may adversely affect the ability of the Adviser to execute trade orders at desired prices in rapidly moving markets.

Some U.S. exchanges limit fluctuations in certain prices during a single day by imposing what are known as “daily price fluctuation limits” or “daily limits.” The existence of “daily price limits” or “daily limits” may reduce liquidity or effectively curtail trading in particular markets. Once the price of a particular contract has increased or decreased by the daily limit, positions in the contract can effectively neither be taken nor liquidated. Contract prices in various investments have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Adviser from promptly liquidating unfavorable positions and subject a Client to substantial losses, which could exceed the margin initially committed to such trades. Daily limits may reduce liquidity, but they do not limit ultimate losses, as such limits apply only on a day-to-day basis. In addition, even if contract prices have not moved the daily limit, the Adviser may not be able to execute trades at favorable prices if there is only light trading in the contracts involved.

As part of its emergency powers, an exchange or regulatory authority can suspend or limit trading in a particular investment or commodity interest, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. The possibility also exists that governments may intervene to stabilize or fix exchange rates, restricting or substantially eliminating trading in the affected currencies

With respect to the investment strategies utilized by the Adviser, there is always a degree of market risk.

Reliance on Key Persons. The Adviser is substantially dependent on the services of the Principals. In the event of the death, disability, departure or insolvency of the Principals, or the complete transfer of the Principals’ interest in the Adviser, the business of the Adviser may be adversely affected. The Principals will devote such time and effort as they deem necessary for the management and administration of the Adviser’s business. However, the Principals may engage in various other business activities in addition to managing the Adviser, and consequently may not devote all time to the Adviser’s business.

No Material Limitation on Strategies. The Adviser will opportunistically implement whatever strategies or discretionary approaches it believes from time to time may be suited to prevailing market conditions. The risks associated with such strategies may be different from those described herein. There can be no assurance that the Adviser will be successful in applying any such strategy or discretionary approach and that losses will be avoided.

Issuer Risk. The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage, and reduced demand for the issuer’s product or services.

Concentration Risk. Under normal circumstances, the Adviser will attempt to diversify and limit overconcentration or exposure to any position through any particular instrument for its Clients; however, this may not be the case for certain Clients depending on the desired asset

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)

allocation. Higher concentrated portfolios may experience greater volatility or lack of liquidity than a more diversified portfolio, based on the specific market conditions and valuations attributable to specific market sectors or asset classes.

Illiquidity. The investments made by the Adviser may be illiquid, and consequently the Adviser may not be able to sell such investments at prices that reflect the Adviser's assessment of their value or the amount paid for such investments. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale by the Adviser and other factors. Furthermore, the nature of the investments made by the Adviser on behalf of its Clients may require a long holding period prior to profitability.

Non-Public Information. From time to time, the Adviser may come into possession of non-public information concerning specific companies. Under applicable securities laws, this may limit the Adviser's flexibility to buy or sell portfolio securities issued by such companies. A Client's investment flexibility may be constrained as a consequence of the Adviser's inability to use such information for investment purposes.

Turnover. The Adviser may invest on the basis of short-term market considerations. The portfolio turnover rate of these investments may be significant, potentially involving substantial brokerage commissions and fees. Neither the Adviser nor the Principals will receive a portion of such commissions and fees.

Global Investments. The Adviser may invest all or a portion of a Client's portfolio in securities of issuers located outside of the United States (which may include emerging, developing or under-developed countries). In addition to business uncertainties, such investments may be affected by political, social and economic uncertainty affecting a country or region. Many financial markets are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of such non-U.S. issuers.

Currency Risk. Issuers and businesses are subject to moves in the currency markets. Currencies can be very volatile and negatively impact the value of an asset in an investor's domestic currency. As an example, if the U.S. dollar strengthens versus the Japanese yen, the value of an asset based in Japan may lose value to a U.S. dollar based investor.

Inflation Risk. Inflation can cause the value of assets to deteriorate, with fixed payment securities such as bonds having a larger exposure to inflation. For Clients that invest in fixed income products or that have a larger concentration in fixed income versus other classes, an increase in inflation could have a negative impact on the value of such Clients' portfolios.

Value Investing Risk. The Adviser may invest Client assets in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)

substantial losses. Returns generated from a Fund's investments may not adequately compensate investors for the business and financial risks assumed.

The Adviser may be forced to sell, at a substantial loss, assets that are not, in fact, undervalued. In addition, the Funds may be required to hold such assets for a substantial period of time before realizing their anticipated value. During this period, a portion of the Funds' assets would be committed to the investments purchased, possibly preventing the Adviser from investing the Funds in other opportunities. In addition, the Funds may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

- C. Investments by a Client in the securities and financial instruments utilized by the Adviser involve a high degree of business and financial risk that can result in substantial losses and is suitable only for investors prepared to bear such risk. The risks factors below are not intended to be exhaustive.

Equity Securities. The Adviser may invest Client assets in equity and equity-related securities. Equity securities fluctuate in value in response to many factors, including the activities, results of operations and financial condition of individual companies and the business market in which individual companies compete, among other factors. In addition, events such as domestic and international political instability, terrorism and natural disasters may be unforeseeable and contribute to market volatility in ways that may adversely affect investments made by the Adviser.

Debt Instruments Generally. The Adviser may invest Client assets in private and government debt securities and instruments. The debt instruments in which the Adviser invests may be unrated, and whether or not rated, the debt instruments may have speculative characteristics. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It is also likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

High Yield Securities. The Adviser may invest Client assets in high-yield securities. Such securities are generally not exchange-traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange traded marketplace. In addition, the Adviser may invest Client assets in bonds of issuers that do not have publicly traded equity securities, making it more difficult to hedge the risks associated with such investments. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments. The market values of certain of these lower-rated and unrated debt securities tend to reflect individual corporate developments to a greater extent than do higher-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher-rated

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss (continued)

securities. Companies that issue such securities are often highly leveraged and may not have available to them more traditional methods of financing. It is possible that a major economic recession could severely disrupt the market for such securities and may have an adverse impact on the value of such securities. In addition, it is possible that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default of such securities.

Commodities. The Adviser may make commodities investments on behalf of its Clients. Commodities investments and/or commodity-linked derivative instruments may entail greater volatility than traditional securities. Derivative instruments' values may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

Mutual Fund Risk. The Adviser may invest Client assets in mutual funds, including equity funds and fixed income funds. The risks associated with investing in mutual funds are closely related to the risks associated with the securities and other investments held by the mutual funds. The ability of the Adviser to achieve its Clients' investment objectives will depend in part upon the ability of the mutual fund's investment adviser to achieve its investment objective. There can be no assurance that the investment objective of any mutual fund will be achieved.

Real Estate Risks. The real estate securities in which the Adviser invests on behalf of its Clients will be subject to the risks inherent in the ownership and operation of commercial real estate, including risks associated with both the domestic and international general economic climate, local real estate conditions, changes in supply of or demand for competing properties in an area, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, the ability of the company to manage its real property efficiently, government regulations (such as rent control), and interest rates. Many real estate issuers, including real estate investment trusts ("REITs"), utilize leverage, which increases investment risk and could adversely affect an issuer's operations and market value in periods of rising interest rates.

Investing in securities involves risk of loss that prospective investors should be prepared to bear. There can be no assurance that a Client's objective will be achieved or that the investment strategies the Adviser employs will be successful. Investors must be prepared to lose all or substantially all of their investment. The past performance of the Adviser is not indicative of its future performance.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of adviser's management.

There are no legal or disciplinary events that are material to an evaluation of the Adviser's advisory services or the integrity of management.

Item 10 - Other Financial Industry Activities and Affiliations

- A. The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.
- B. Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. The Adviser does not have any other relationships or arrangements with any related person listed in the instructions to Item 10.C. that are material to its advisory business.
- D. The Adviser does not recommend or select other investment advisers for its Clients.

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

- A. The Adviser has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the “Code”). The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser's employees. The Code contains policies and procedures that ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual's position of trust and responsibility. The Adviser prohibits personal trading on certain securities or instruments; requires pre-clearance of personal trades in certain circumstances, including purchases of an IPO or a new private placement; requires periodic reporting of employees' personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

While the Adviser rarely has access to non-public information relating to public companies, as part of its Code, the Adviser has established procedures to prevent the abuse of material, non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists. Because the structure of the Adviser would make information barriers impractical, the firm has not imposed information barriers to restrict the internal flow of possible material, non-public information. Thus, all professionals are deemed to be in receipt of material, non-public information, in all instances where any professional of the Adviser has received material, non- public information, and, therefore, may not trade on the basis of that information.

The Adviser will provide a copy of the Code to any investor or prospective investor upon request.

- B. The Adviser does not currently but may in the future refer proprietary and affiliated investment funds to its Clients, which would create potential conflicts of interest. These potential conflicts of interest include: the Adviser and/or its related persons receiving additional monetary incentive regarding these investment funds and the Client being charged a fee that could be higher than comparable alternative sources. In the event that the Adviser refers these investment funds to its Clients, the Adviser will address these potential conflicts by disclosing the affiliation to Clients, including the fact that an affiliate of the Adviser may receive a monetary incentive and/or have a material financial interest in the product.
- C. The Adviser and/or its related persons may invest in the same securities that are recommended by the Adviser to its Clients. This creates a conflict of interest with respect to matters including, but not limited to, allocation of Client transactions, trading best execution, and front-running of Client transactions. To address these conflicts of interest, the Adviser has implemented policies and procedures to monitor employee trading activity to ensure that Clients are treated fairly. In addition, the Adviser will disclose in writing such conflicts of interest to its Clients.
- D. The Adviser may recommend securities to its Clients, or buy or sell securities for its Clients' accounts, at or about the same time that the Adviser or its related persons buys or sells the securities for their own accounts. This creates a conflict of interest with respect to matters including, but not limited to, allocation of Client transactions, trading best execution, and front running of Client transactions. To address these conflicts of interest, the Adviser has

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading (continued)

implemented policies and procedures to monitor employee trading activity to ensure that Clients are treated fairly. In addition, the Adviser will disclose in writing such conflicts of interest to its Clients.

Item 12 - Brokerage Practices

- A. The Adviser has complete discretion to determine, subject to each Client's investment objectives, account restrictions, and allocation guidelines, the securities to be purchased or sold and in what amounts, the broker-dealers and other financial intermediaries use in effecting the transactions for the Clients, and the commission rates to be paid for such transactions.

Brokerage. The Adviser selects the broker-dealers and other financial intermediaries used to effect transactions on behalf of its Clients. The Adviser seeks to obtain "best execution" from these broker-dealers based on a variety of factors. In selecting broker-dealers to effect portfolio transactions, the Adviser may cause a Client to enter into arrangements pursuant to which the Client pays transaction costs in an amount greater than would be incurred if another broker-dealer were used. The Adviser is not required to solicit competitive bids or seek the lowest available commission or transaction costs. The transactions executed by a Client may be cleared through, and the Client's investment instruments may be held by, a number of financial institutions the Adviser selects on terms negotiated with each such financial institution individually. Subject to the Adviser's agreement with each Client, the Adviser generally will use a variety of financial institutions both to take advantage of differing expertise and capabilities and to avoid, due to credit concerns, having all investment instruments concentrated at one firm. The Adviser does not consider the receipt of investor referrals when selecting broker-dealers to execute transactions.

The Adviser does not permit clients to direct brokerage to a specified broker-dealer. All brokerage transactions will be executed through the broker-dealers selected by the Adviser.

Soft Dollars. The Adviser or its affiliates may receive from a Client's broker-dealers products and services in addition to brokerage services.

A portion of the commissions generated on a Client's brokerage transactions may generate "soft dollar" credits that the Adviser is authorized to use to pay for research and other non-research related services and products used by the Adviser or its affiliates. The Adviser may enter into "soft dollar" arrangements with one or more broker-dealers whereby the Adviser will direct securities transactions to the broker-dealer in return for research products and services from the broker-dealer. Although the Adviser will use the research and services in making investment decisions for the applicable Client, the Adviser may use such research or services for other Clients and the applicable Client will generally pay more than the lowest available commissions for execution of these transactions. The Adviser may also enter into "soft dollar" arrangements to cover costs and expenses of the Adviser to the extent such arrangements are permitted by law.

The Adviser has authority to use "soft dollar" credits generated by a Client's securities transactions to pay for expenses that might otherwise have been borne by the Adviser. This may give the Adviser an incentive to select brokers or dealers for Client transactions, or to negotiate commission rates or other execution terms, in a manner that takes into account the soft dollar benefits received by the Adviser rather than giving exclusive consideration to the interests of its Clients.

Item 12 – Brokerage Practices (continued)

In the event that the Adviser elects to use soft dollars, it intends to limit such use to services that fall within the safe harbor afforded by Section 28(e) of the Securities Exchange Act of 1934, as amended, or such services that are otherwise reasonably related to the investment decision-making process.

The term “soft dollars” refers to the receipt by an investment adviser of products and services provided by brokers, without any cash payment by the investment adviser, based on the volume of revenues generated from brokerage commissions for transactions executed for clients of the investment adviser. The products and services available from brokers include both internally generated items (such as research reports prepared by employees of the broker) as well as items acquired by the broker from third parties (such as quotation equipment).

The use of brokerage commissions to obtain investment research services and to pay for the administrative costs and expenses of the Adviser creates a conflict of interest between the Adviser and its Clients, because a Client may pay for such products and services that are not exclusively for the benefit of the Client and that may be primarily or exclusively for the benefit of the Adviser. To the extent that the Adviser is able to acquire these products and services without expending its own resources (including Management Fees paid by a Client), the Adviser’s use of “soft-dollars” would tend to increase the Adviser’s profitability. In addition, the availability of these non-monetary benefits may influence the Adviser to select one broker rather than another to perform services for its Clients.

- B. When managing multiple Clients with similar investment strategies, the Adviser generally will attempt to aggregate multiple orders for the purchase or sale of the same instrument into block transactions, subject to the overall obligation to achieve best price and execution for its Clients.

Item 13 - Review of Accounts

- A. The Principals of the Adviser are responsible for reviewing Client investment portfolios. The Principal may perform intraday, daily, weekly or monthly reviews of Client positions as they deem appropriate. Performance, security positions, exposure levels, and investment opportunities are among some of the matters that may be reviewed.
- B. See Item 13.A. above.
- C. Clients will receive written quarterly reports from the Adviser highlighting individual securities held, asset allocation, total return (net of all fees and expenses), and comparisons to relevant market indices (if applicable).

Item 14 - Client Referrals and Other Compensation

- A. The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to its Clients.
- B. The Adviser may enter into agreements with persons who refer potential Clients to the Adviser. Any such arrangement will be conducted in compliance with applicable laws and regulations.

Item 15 - Custody

The Adviser does not have nor is it deemed to have custody of Client assets under Rule 206(4)-2 of the Advisers Act. A qualified custodian, either a bank or broker-dealer, maintains custody of each Client's securities and cash.

Item 16 - Investment Discretion

The Adviser contractually assumes discretionary authority for each Client under an investment management agreement with the Client. Generally, under the investment management agreement the Adviser is granted broad authority to determine the type and amount of securities to be bought and sold, as well as the timing of such purchases and sales for each Client's account. Accordingly, the Adviser implement the investment strategies formulated for each Client account by making decisions as to which securities to buy and sell, when to buy and sell, and in what amounts to buy and sell, subject to the Client's investment objectives, account restrictions, and allocation guidelines.

Item 17 - Voting Client Securities

The Adviser follows a proxy voting policy to ensure that proxies the firm votes, on behalf of each Client, are voted to further the best interest of that Client. The policy establishes a mechanism to address any conflicts of interests between the Adviser and its Client. Further, the policy establishes how each Client may obtain information on how the proxies have been voted.

To the extent that the Adviser has discretion to vote proxies for a Client, the Adviser determines how to vote after studying the proxy materials and any other materials that may be necessary or beneficial to voting. The Adviser votes proxies in a manner that it believes reasonably furthers the best interests of its Clients and is consistent with the investment program developed for each Client.

If a proxy vote creates a material conflict between the interests of the Adviser and a Client, the Adviser will resolve the conflict before voting the proxies. The Adviser will take steps designed to ensure that a decision to vote the proxy was based on the Adviser's determination of the Client's best interest and was not the product of the conflict.

The Adviser maintains records of (i) all proxy votes that are made on behalf of its Client; (ii) all written requests from each Client regarding voting history; and (iii) all responses (written and oral) to investors' requests. Such records are available to each Client upon request.

Item 18 - Financial Information

- A. The Adviser does not require or solicit prepayment of more than \$1,200, six months or more in advance.
- B. The Adviser does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Clients.
- C. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.