

HMS Capital Management, LLC

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Disclosure Brochure

October 1, 2013

This brochure provides information about the qualifications and business practices of HMS Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 615.829.7200. 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.

HMS Capital Management, LLC 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 adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about HMS Capital Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. HMS Capital Management, LLC's CRD # is 149764.

Material Changes

Since the last update of our brochure on April 5, 2013, we have made the following material changes:

1. HMS has acquired Harmony Investment Management, Inc. and will close Harmony as its own investment advisory firm but continue to use Harmony Investment Management, Inc. as a dba for HMS.
2. As a result of the Harmony acquisition HMS has now filed and been approved as an SEC registered investment advisory firm.
3. We have updated our client and AUM numbers shown in the Assets Under Management Section.
5. In order to deal with clients who have existing insurance programs Brian Dunston – one of HMS's IARs will maintain his insurance license and affiliations. A conflict of interest statement concerning this has been added to the Other Financial Industry Activities and Affiliations section.
5. HMS and its dba Harmony now have a custodial relationship with TDA Institutional services and participate in TDA's client referral service. Additional statements have been added to the Brokerage and the Client Referrals and Other Compensation sections to reflect these relationships.
6. We have changed our fee structures as follows:

OLD - For Equity Accounts:		NEW – For Equity Accounts	
<u>Client Net Worth</u>	<u>Advisory Fee</u>	<u>Client AUM/AUA</u>	<u>Advisory Fee</u>
Up to \$10,000,000	1.00%	Up to \$1,000,000	1.50%
\$10,000,001 to \$20,000,000	0.75%	\$1,000,0001 to \$10,000,000	1.00%
Over \$20 million	0.50%	\$10,000,001 to \$20,000,000	0.75%
		Over \$20,000,0001	0.50%
OLD for Fixed Income Accounts		NEW for Fixed Income Accounts	
<u>Client Net Worth</u>	<u>Advisory Fee</u>	<u>Client AUM/AUA</u>	<u>Advisory Fee</u>
Up to \$10,000,000	0.50%	Up to \$750,000	0.75%
Over \$10 million	0.35%	\$750,000 to \$10,000,000	0.50%
		Over \$10,000,001	0.35%

We have also added a fee structure for our new Financial Planning Services.

Our current brochure may be requested by contacting Dana Moore, President and Chief Compliance Officer at 615.829.7200 or by email at dana@hmscm.com.

Our brochure is also available on our website <http://www.hmscm.com>. We will provide you with a new brochure at any time without charge.

Additional information about us and about persons affiliated with us who are registered as our investment adviser representatives ("your advisory representative") is also available via the SEC's website, at www.adviserinfo.sec.gov. Information regarding your advisory representative can also be found in the supplements to this brochure.

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HMS Investment Management, LLC - CRD Number 149764

Advisory Business

HMS Capital Management, LLC (hereinafter, “HMSCM”, “HMS Capital”, “HMS”, “HMS Investment Advisors, we, us, our, ours”) is a Limited Liability Company organized under the laws of the state of Tennessee. Angela Helbig, Dana Moore, and George Stadler founded the Nashville - based investment advisory firm in 2009 and are the principal owners. HMS Capital is registered with the SEC and notice filed in all appropriate states.

Investment Management Services

Through discussions, interviews and/or client questionnaires, we assist you in determining your investment goals and identifying your risk tolerance levels. We work with you to develop a detailed client profile to determine an appropriate investment model for you. We currently have seven different investment models that use a mix of domestic and foreign equities, fixed income securities, mutual funds, exchange traded funds and other suitable investment vehicles. We directly manage all portfolios.

The seven different investment models are:

- Focus 20 - portable alpha portfolio of multi-capitalization growth stocks
- Equity Income – portable alpha portfolio of large cap dividend producing stocks
- Innovators – multi capitalization aggressive growth portfolio
- Global Mid Cap Growth – medium capitalization aggressive growth

portfolio

- Aggressive Growth - aggressive portfolio of stocks, ETFs and mutual funds
- Stable Growth – balanced portfolio of stocks, bonds, mutual funds and ETFs
- Conservative Growth – income oriented portfolio of stocks, bonds, mutual funds, ETFs and covered call positions

We will rebalance and/or reallocate your portfolio at least annually. We may rebalance more frequently at our discretion should market conditions dictate. You are advised that transactions in the account, account reallocations and rebalancing may trigger a taxable event for you, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

In addition to direct portfolio management, we will consult with you on assets not managed by us. Your entire investment portfolio will be analyzed at least annually, and we will evaluate the appropriateness of the portion managed by HMS in light of the entire portfolio allocation.

Retirement Management Advisory Services

We act as advisor to you and help manage your retirement options across accounts and income sources. Through discussions, interviews and/or client questionnaires we assist you in determining your retirement goals. We work with you to develop a detailed retirement plan and investment portfolio structure. We currently provide the following services as a part of our retirement management advisory service:

- a. Social security claiming strategies
- b. Healthcare expense analysis
- c. Budgeting
- d. Estate planning consultation
- e. Insurance consultation
- f. Investment portfolio structure
- g. Tax efficient income distribution strategies

Fees for this service are \$250/hr. with a one hour minimum and \$4,000 maximum.

Needs and Restrictions

In managing your investment portfolio, we consider your:

- financial situation,
- risk tolerance,
- investment horizon,
- liquidity needs,
- tax considerations,
- investment objectives, and
- any other issues important to your state of affairs.

You should notify us promptly if there are any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon the management of your account.

Assets Under Management

As of August 30, 2013, we manage approximately \$114 million in assets and 288 client accounts we manage on a discretionary basis where we make all of the investment decisions. We have 3 legacy client accounts with approximately \$449,000 in assets that we manage on a

non-discretionary basis. All new accounts are only accepted on a discretionary basis.

Fees and Compensation

We offer fee-only services based upon the value of the assets in your portfolio.

Broker-dealers and other financial institutions that hold client accounts are referred to as custodians (“custodian/broker-dealer”). Your custodian determines the values of the assets in your portfolio.

Our advisory agreement gives us the authority to change the amount of fees with thirty (30) days with advance written notice. At which time you will be asked to sign a new fee schedule or you may choose to close the account.

Investment Management Services Fees

Equity Accounts and Balanced Accounts

Account (s) AUM/AUA Advisory Fee

Up to \$1,000,000	1.50%
\$1,000,001 to \$10,000,000	1.00%
\$10,000,001 to \$20,000,000	0.75%
Over \$20,000,001	0.50%

Fixed Income Only Accounts

<u>Account(s) AUM/AUA</u>	<u>Advisory Fee</u>
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Up to \$750,000	0.75%
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\$750,000 to \$10,000,000	0.50%
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Over \$10,000,001	0.35%
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All fees are negotiable at our sole discretion.

Retirement Management Advisory Services

As stated above fees for this service are \$250/hr. with a one hour minimum and \$4,000 maximum. Fees will be estimated prior to services being rendered. A 50% deposit is required with the remainder of the fees billed upon completion of the plan or advice rendered. Fees may be paid by check. If the client chooses to hire the adviser for investment management services in addition to retirement management advisory services, the fees paid for this service will be credited toward first year investment management fees.

Payment Methods and Other Charges

For Investment Management Services, you must authorize us in writing to have the custodian/ broker-dealer pay us directly by charging your account. This authorization is typically provided in our advisory agreement and/or in the limited power of attorney section of the custodian's new account forms.

Fees for the initial month will be adjusted pro-rata based upon the number of days in the month that the advisory

agreement is in effect. There will be no adjustments for deposits or withdrawals to the account during the billing period. The fees are charged in arrears on a monthly basis and are based upon the value of the assets as of the month end. We will send you a copy of the invoice when we submit our billing instructions to your custodian.

Your custodian also provides you with statements that show the amount paid directly to us. You should review your custodian's statement and verify that the proper amount has been deducted. Your custodian does not typically verify the accuracy of fee calculations.

Fees for Retirement Management Advisor Services are billed as described above with a 50% deposit and the balance billed to you upon completion of the review. If more than one or on-going reviews are requested then details of how and when all payments are to be made will be included in your advisory agreement for these services.

In addition to our fee, you may be required to pay other charges such as:

- custodial fees,
- brokerage commissions,
- transaction fees,
- internal fees and expenses charged by mutual funds or exchange traded funds ("ETFs"), and
- other fees and taxes on brokerage accounts and securities transactions.

None of these fees are paid to or are shared with us.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products.

These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

Please be sure to read the section entitled “Brokerage Practices,” which follows later in this brochure.

Our advisory fees are billed in arrears. Clients may terminate the advisory agreement with ten (10) days’ advance written notice. Should either party terminate the advisory agreement we have entered into before the end of a billing period, we will deduct any earned fees prior to closing the account. The amount

charged to you is calculated by multiplying the market value of your account on the day the agreement is terminated by 1/12 of your stated annual fee. This monthly fee is divided by thirty to determine a daily fee. The daily fee is then multiplied by the number of calendar days in the month that our agreement was in effect. This amount, which equals the amount we earned for the partial month is deducted from your account.

Performance-Based Fees

We do not charge performance-based fees on any of our client accounts. Performance-based fees are generally based on capital gains in or appreciation of the assets in a client account.

Types of Clients

We provide advisory services primarily to individuals, high net worth individuals, charitable organizations, corporations, and insurance companies. As a condition for starting and maintaining an advisory relationship, we generally require a minimum portfolio size of \$500,000. At our sole discretion, we may accept clients with smaller portfolios based upon certain factors including anticipated future earning capacity, anticipated future additional assets, account composition, related accounts, and pre-existing client relationships. We may consider the portfolios of your family members to determine if your portfolio meets the minimum size requirement.

Methods of Analysis, Investment Strategies and Risk of Loss

We select specific investments for your portfolios through the use of fundamental analysis. Fundamental analysis is a method of evaluating a

company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

We select securities based upon a combination of quantitative, fundamental and technical factors. We use information from public sources, such as financial reports and industry and financial periodicals, as well as technical and charting analysis prepared by independent sources.

Our investment strategies may include long-term and short-term purchases and sales. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in loss:

- loss of principal,
- a reduction in earnings (including interest, dividends and other distributions), and
- the loss of future earnings.

Additionally, these risks may include:

- market risk,
- interest rate risk,
- issuer risk, and
- general economic risk.

Although we manage your portfolio in a manner consistent with your risk tolerances, there can be no guarantee that our efforts will be successful. You should

be prepared to bear the risk of loss.

Disciplinary Information

In June of 2009 Angela Helbig was named by a client in a complaint while she was employed at SunTrust Investment Services, Inc. The complaint was denied 4 days later by the firm and no subsequent actions were taken. Specific details of this filing can be found on the SEC's Investment Adviser Public Disclosure site at www.adviserinfo.sec.gov.

Other than as listed immediately above, we have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

Other Financial Industry Activities and Affiliations

One of our IARs, Brian Dunston will maintain his insurance license and various appointments in order to facilitate dealing and servicing some of our clients who currently hold various insurance policies and investments. At this time HMS does not allow the sale of insurance products by any firm personnel, therefore there is no conflict of interest from the sale of these products or services. No one else at the firm has any other financial industry affiliations or activities.

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

We have adopted a *Code of Ethics* ("Code") to address the securities-related conduct of our advisory representatives and employees. The *Code* includes our policies and

procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the *Code* and avoid any actual or potential conflict of interest, or any abuse of an advisory representative's or employee's position of trust and responsibility;
- that advisory representatives may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the *Code* to you or any prospective client upon request.

We do not buy or sell securities for our firm that we also recommend to clients. Our advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for you.

We have adopted policies and procedures that are intended address

these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

Brokerage Practices

We may recommend that the custodian for your account be Fidelity Brokerage Services, LLC ("Fidelity") TDA Institutional Services ("TDA"), or Schwab Institutional ("Schwab"). Fidelity, TDA, or Schwab will assist us in servicing your accounts. We are independently owned and operated and not affiliated with Fidelity, TDA, or Schwab. We are not required to effect a minimum volume of transactions or maintain a minimum dollar amount of client assets to receive these services. We have not entered into any soft dollar agreements with Fidelity, TDA, or Schwab.

In recommending Fidelity, TDA, or Schwab as custodian and as the securities brokerage firm responsible for executing transactions for your portfolios, we consider at a minimum the custodian's:

- existing relationship with us,
- financial strength,
- reputation,
- reporting capabilities,
- execution capabilities,
- pricing, and
- types and quality of research.

The determining factor in the selection of Fidelity, TDA, or Schwab to execute transactions for your accounts is not the lowest possible transaction cost, but whether Fidelity, TDA, or Schwab can provide what is in our view the best qualitative execution for your account.

Fidelity, TDA, and Schwab provide us with access to its institutional trading and custody services, which includes:

- brokerage,
- custody,
- research, and
- access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Fidelity, TDA, and Schwab do not charge separately for holding our clients' accounts, but may be compensated by you through other transaction-related fees associated with the securities transactions it executes for your accounts.

Fidelity, TDA, and Schwab also make available to us other products and services that benefit us but may not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as

software and other technology that:

- provide access to account data such as:
 - duplicate trade confirmations,
 - bundled duplicate account statements, and
 - access to an electronic communication network for client order entry and account information;
- facilitate trade execution, including:
 - access to a trading desk serving advisory participants exclusively and
 - access to block trading which provides the ability to combine securities transactions and then allocate the appropriate number of shares to each individual account;
- provide research, pricing information and other market data;
- facilitate payment of our fees from client accounts; and
- assist with back-office functions, record keeping and client reporting; and
- receipt of compliance publications.

Fidelity, TDA, and Schwab also make available to us other services intended to help us manage and further develop our business. These services may include:

- consulting,
- publications and conferences on practice management,
- information technology,
- business succession,
- regulatory compliance, and
- marketing.

Fidelity, TDA, and Schwab may also make available or arrange for these types of services to be provided to us by independent third parties. Fidelity, TDA, and Schwab may discount or waive the fees it would otherwise charge for some of the services it makes available to us. It may also pay all or a part of the fees of a third party providing these services to us. Thus, we receive economic benefits as a result of our relationship with Fidelity, because we do not have to produce or purchase the products and services listed above.

Because the products or services we receive may vary depending on the custodian we recommend to be used by our clients, we may have a conflict of interest in making that recommendation. Our recommendation of specific custodian may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

Commissions and other fees for transactions executed through Fidelity, TDA, and Schwab may be higher than commissions and other fees available if you use another custodian firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by Fidelity, TDA, and Schwab outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including accounts not maintained at ~~through~~ Fidelity, TDA, or Schwab. We do not attempt to allocate these benefits to specific clients.

Directed Brokerage

You may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer and other clients who do not direct us to use a particular broker or dealer.

Bunched Trading

We may engage in bunched trading, which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a bunched trade is executed, each participating client receives a price that represents the average of the prices at which all of the transactions in a given bunch were executed. Executing a bunched trade allows transaction costs to be shared equally and on a pro rata basis among all of the participating clients. If the order

is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Bunched trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients. Transactions for the accounts of our employees and advisory representatives may be included in bunched trades.

They receive the same average price and pay the same commissions and other transaction costs, as clients.

Transactions for the accounts of our advisory representatives or employees will not be favored over transactions for client accounts.

We are not obligated to include any client account in a bunched trade. Bunched trades will not be effected for any client's account if doing so is prohibited or otherwise inconsistent with that client's investment advisory agreement. No client will be favored over any other client.

Review of Accounts

Investment Management accounts are reviewed on a periodic basis as needed. The reviews focus on consistency of your portfolio investments with your investment objectives and risk tolerances. In addition, your investment constraints are considered and tested with your portfolio holdings. These constraints include your:

- time horizon,
- liquidity needs,
- tax considerations,
- legal/regulatory constraints, and
- any other individual circumstances.

We will periodically review and update your financial circumstances and investment objectives; however, it is your responsibility to notify us of any material changes to your financial situation.

Retirement Management Advisory Services accounts may be reviewed only once or on a period or on-going basis as requested by the client and detailed in the advisor agreement.

Your advisory representative is responsible for conducting reviews of your account. Investment Management and Family Wealth Services accounts receive reports at least quarterly which provide a summary of asset growth and fundamental risk exposures, along with extensive investment performance analysis.

Client Referrals and Other Compensation

We may receive client referrals from TD Ameritrade through our participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, we may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with HMS and there is no

employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise us and has no responsibility for our management of client portfolios or our other advice or services. We pay TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the management fee that the client pays to HMS (“Solicitation Fee”). We will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by us from any of a referred client’s family members, including a spouse, child or any other immediate family member who resides with the referred client and hired us on the recommendation of such referred client. We will not charge clients referred through AdvisorDirect any fees or costs higher than our standard fee schedule offered to our clients or otherwise pass Solicitation Fees paid to TD Ameritrade to our clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form. Our participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, we may have an incentive to recommend to clients that the assets under management by us be

held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, we have agreed not to solicit clients referred to us through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when our fiduciary duties require doing so. Our participation in AdvisorDirect does not diminish our duty to seek best execution of trades for client accounts.

Other than the TDA relationship above, we do not directly or indirectly compensate any person who is not one of our advisory representatives or employees for client referrals.

We receive certain economic benefits as a result of our participation in Fidelity’s, TDA’s, and Schwab’s institutional programs. Those benefits are described in detail in the preceding section entitled “Brokerage Practices.”

Custody

HMS does not have physical custody of client funds or securities. All client assets are maintained with a qualified custodian. You will receive statements from the custodian that holds your investment account on at least a quarterly basis. We urge you to carefully review these statements and compare them to the account statements that we may provide you. You should verify that the transactions in your account are consistent with your investment goals and the objectives for your account. We also encourage you to contact your advisory representative or our Chief Compliance

Officer should you have any questions or concerns regarding your account.

Investment Discretion

We offer our advisory services only on a discretionary basis (with the exception of 3 legacy accounts). This means that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts. We do not, however, have the ability to choose the broker-dealer through which transactions will be executed. Additionally, we do not have the ability to withdraw funds from your account (other than to withdraw our advisory fees which, may only be done with your prior written authorization.)

This discretion is used in a manner consistent with the stated investment objectives for your account, if you have given us written authorization to do so. We only exercise discretion in accounts where we have been authorized by you. This authorization is typically included in the investment advisory agreement you enter into with us and/or in the limited power of attorney section of the custodian's new account forms.

Voting Client Securities

We have adopted and implemented policies and procedures that we believe are reasonably designed to ensure that proxies are voted in your best interest. Proxy statements increasingly contain controversial issues involving shareholder rights and corporate governance, among others, which deserve careful review and

consideration.

We do not vote proxies unless you specifically request in writing that we do so.

When we do vote proxies for clients, we generally vote with management on routine matters related to the operation of the company and not expected to have significant economic impact on the company or shareholders. In instances where material conflicts of interest may exist, we will resolve any such conflict by voting any such proxies in the best interest of the clients. In doing so, we will follow the guidelines and factors set forth in our proxy voting procedures.

We will work with your custodian to ensure receipt of proxies. However, if the custodian is not able to facilitate this procedure, you will be notified that we will not be voting the proxies.

You may receive a record of how proxy statements were voted upon request. Also, you may receive a complete copy of our Proxy Voting Policy & Procedures upon request.

Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you. With your written authorization, we have discretionary authority over your account. This discretion is limited to determining the types and amounts of securities to be bought or sold in your account, pursuant to your stated investment objectives.

We do not have physical custody of client funds or securities. All client assets are maintained with a qualified custodian.

We do not require prepayment of more than \$1200 in fees per client, six months or more in advance.

We have not been the subject of a bankruptcy proceeding.

