

**Form ADV Part 2A Appendix 1
Wrap Fee Program Brochure –
Dated March 27, 2014**



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This wrap fee program Brochure provides information about the qualifications and business practices of Brookstone Capital Management LLC. If you have any questions about the contents of this Brochure, please contact us at (630) 653-1400. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any other state securities authority.

Additional information about Brookstone Capital Management is also available on the SEC's website at www.adviserinfo.sec.gov.

Brookstone Capital Management is a registered Investment Advisor. However, please note that registration as an Investment Advisor does not imply any level of skill or training.

ITEM 2 - MATERIAL CHANGES

There are no material changes to report since the last updated brochure dated February 13, 2013. This Wrap Brochure brochure has been reviewed and is current. SEC Rule 204-3(b)(2) allows a summary page be provided in the event material changes are made to this brochure. If you receive a summary page of material changes and would like to obtain a current copy of the entire brochure, please contact either Brookstone Capital Management or your Investment Advisor Representative for a complete copy.

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The purpose of this brochure is to describe certain details relating to the Wrap Fee Program of Brookstone Capital Management LLC (“Brookstone”) and your participation in the program.

A wrap program is a program where this firm ‘wraps’ both the asset management fees for advisory services and the transaction fees for execution services into a single fee charged to the client. Under a Wrap Fee arrangement, a client’s costs are the same regardless of the number of transactions in an account. (Conversely, in a non-wrap fee advisory account, a client would pay an asset management fee and a separate transaction fee for each transaction within the account).

As of April 2012, Brookstone offers its securities management program in a wrap fee program. Brookstone offers its asset management program as a wrap fee and a non-wrap program. There is no difference in the management of wrap and non-wrap programs. The only difference is pricing and how a client will pay for asset management and transaction costs. The wrap fee program is mandatory and available for any Brookstone managed models excluding the Bond, CD and Note portfolios. As such, Brookstone client accounts in Brookstone managed models do not have a choice between a Wrap or a Non-Wrap account, and all client accounts in this strategy will be charged on a Wrap Fee basis, as outlined below.

The wrap program does not cover anything held outside a Brookstone Model, such as a legacy position or client initiated purchases.

Wrap Programs may be more expensive to clients where there is little trading activity in the account, where a buy & hold strategy is applied, or where no or low transaction cost investments are utilized. Alternatively, a Non-Wrap Program may be more expensive if there is frequent trading activity in the account, if many transaction based investments are utilized in the management of the account, or if there is frequent re-balancing within the account.

Since your costs are the same regardless of the number of transactions actually effected in your account in any given quarter, the wrap fee (described below) may be lower or higher than the separate commission expense and management fee would be for the same transactions. Clients should determine their level of trading activity relative to the potentially higher rates charged in a wrap account to determine whether a wrap account is cost effective, or whether the client would pay more, or less, outside the program or at another firm.

Asset Management Services:

Brookstone Capital Management’s principal service is providing fee-based investment advisory services. The advisor practices management of portfolios, on a discretionary basis, according to the client’s objectives. The advisor uses mutual funds, exchange traded funds, unit investment trusts, real estate investment trusts, Structured Products (including certificates of deposit and notes), and options in securities to accomplish this objective. The advisor’s primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. A client’s portfolio is allocated according to the client’s risk profile. The advisor measures and selects mutual funds based on length and verifiability of track record, the fund manager’s tenure and/or overall career performance, the fund management continuity, investment philosophy and process, fund expenses, and other factors believed to effect fund performance. The advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The advisor may recommend specific investments to increase sector weighting and/or dividend potential. The advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client’s risk tolerance.

Asset Management Fees:

Pursuant to an investment advisory contract signed by each client, the client will pay Brookstone a quarterly Management/Wrap Program Fee, payable in arrears, based on the amount of the assets to be managed by the advisor as of the opening of business on the first business day of each quarter.

These fees cover (i) an initial analysis and periodic re-evaluation of the client's investment objectives and needs, and discretionary allocation among portfolio managers, (ii) all advisory services, including fees of portfolio managers, (iii) account statements, (iv) execution, and (v) custody.

The Investment Advisor Representative who recommends the Program receives compensation as a result of a client's participation in the program. The amount of this compensation may be more than what the advisory representative would receive if the program client paid separately for investment advice, brokerage and other services. The Investment Advisor Representative may therefore have a financial incentive to recommend the program over other programs and services. BCM may use both internal and external portfolio managers and they would receive between 1/3 and 1/2 of the BCM advisory fee. The use or non-use of a portfolio manager does not affect the fee a client pays.

FEE SCHEDULE I (Wrap Fee Program)

This Fee Schedule is for the following portfolios (break points are per account):

BCM Portfolios:	Moderate Growth	Retirement Income Short Range
Current Income	Growth	Retirement Income Mid Range
Municipal Bonds	Aggressive Growth	Retirement Income Long Range
Best Ideas	ETF Conservative	
Inflation Protection	ETF Income and Growth	
	ETF Moderate Growth	Other
	ETF Growth	Swan Defined Risk Fund
Morningstar Portfolios:	ETF Aggressive Growth	
Absolute Return	Retirement Income Ultra-Short	
Income and Growth	Range	

	Up to \$500,000	Next \$500,000	Next \$1MM	Next \$3MM
Brookstone Annual Fee	0.80%	0.70%	0.50%	0.40%
Advisor Annual Fee	1.00%	0.90%	0.75%	0.50%
Total Annual Fee	1.80%	1.60%	1.25%	0.90%

FEE SCHEDULE III (Wrap Fee Program)

This Fee Schedule is for the following portfolios (break points are per account):

Separately Managed Accounts:	Zega High Probability Options
BTS Bond Asset Allocation	Morningstar Portfolios:
Canterbury Portfolio Thermostat	Tortoise Select Stock
CMG Opportunistic All Asset	Hare Select Stock
OceanPark High Yield Corporate Bond	Dividend Select Stock
SMARToption Classic & Select	U.S. Wide Moat Select Stock
Van Hulzen Covered Call/Covered Call ETF	
Horizon Christian Values and Socially Responsible	

	Up to \$500,000	Next \$500,000	Next \$1MM
Brookstone Annual Fee	1.25%	1.15%	1.00%
Advisor Annual Fee	1.00%	0.85%	0.75%
Total Annual Fee	2.25%	2.00%	1.75%

The Client agrees to pay a fee quarterly, in arrears, for the advisory services provided by BCM pursuant to this agreement. The fee will be calculated based on the value of the account on the last day of the quarter, prorated to the number of days the account is funded. The Client understands to the extent that the assets are allocated to mutual fund shares, exchange traded fund shares and unit investment trusts certain costs may be associated with the ownership of such shares as described in each prospectus. Certain services of the custodian may require the customer to pay cost in addition to the advisory fee paid to BCM. Client will be responsible for paying any transaction fees in the account that the Custodian charges. This includes overnight fees and any other transactions that the Custodian charges per their Institutional Fee Schedule. The Client agrees to be charged the above-referenced fees applicable with the Investment Account.

Fees may be negotiated by the advisor at the sole discretion of the advisor. Asset management fees will be automatically deducted from the client account on a quarterly basis by the custodian.

All fees paid to Brookstone Capital Management LLC for investment advisory services are separate and distinct from the expenses charged by mutual funds to their shareholders and the product sponsor in the case of variable insurance products. These fees and expenses are described in each fund's or variable product's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the sponsor also imposes sales charges, a client may pay an initial or deferred sales or surrender charge. A client could invest in these products directly, without the services of Brookstone Capital Management LLC. In that case, the client would not receive the services provided by Brookstone Capital Management LLC which are designed, among other things, to assist the client in determining which products or services are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the product sponsor and the fees charged by Brookstone Capital Management LLC to fully understand the total fees to be paid.

Clients may request to terminate their advisory contract with Brookstone Capital Management LLC, in whole or in part, by providing 30 days advance written notice. If the Form ADV Part II is not delivered at least forty eight (48) hours before the client enters into the contract, then the client has the right to terminate the contract within five (5) business days after entering into it without penalty. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client. Client's advisory agreement with the Advisor is non-transferable without Client's written approval.

Brookstone may pay referral fees to any other advisor or third party who might recommend your participation in this wrap fee program. Should the wrap fee (described above) be higher than the commission expense for the same transactions, the portfolio manager has an economic incentive to recommend your participation in this program. Please review your previous level of transaction activity and related expenses to determine whether you will likely benefit from the complete line of services being provided under this wrapped fee program. Please note that Brookstone offers management services on a Wrap Fee only basis.

While you will not be charged brokerage commissions under this Wrap Fee Program, please note that your brokerage account may be charged a service charge by the clearing firm, as well as potential account opening, closing, or similar servicing fees, in addition to your wrap fees. Certain IRA accounts may be charged custodial or other service fees as well. If your account is invested in mutual funds, the mutual fund company may assess administrative charges against your investment in that fund. These fees are not charged by Brookstone, but rather by the product sponsor, brokerage firm, or custodian firm. In the normal course of effecting transactions, prices for certain trades made on behalf of your account may include mark-ups, mark-downs, and spread differentials.

In addition from time to time, we initiate incentive programs for Investment Advisor Representatives. These programs may compensate them for attracting new assets and Clients promoting investment advisory services. We may also initiate programs that reward Representatives who meet total production criteria, participate in advanced training and/or improve Client service. Representatives who participate in these incentive programs may be rewarded with cash and/or non-cash compensation, such as deferred compensation, bonuses, training symposiums, marketing assistance and recognition trips.

ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Brookstone Capital Management generally provides investment advice to individuals, pension and/ or profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. Requirements for opening an account could vary depending on the program selected, but we typically have minimum accounts size requirements of between \$25,000 and \$100,000. The account manager may, at his discretion, accept accounts below the minimum required amount. Prior to engaging the Firm to provide any of the investment advisory services described in this Brochure, the client will be required to enter into one or more written agreements with the Firm setting forth the terms and conditions under which the Firm shall render its services.

ITEM 6 – PORTFOLIO MANAGER

Your Portfolio Manager is a person, with relevant securities industry experience and industry required licenses, who is associated with Brookstone as a licensed investment advisory representative. This wrap fee program does not use the services of managers who are not associated with Brookstone. Therefore, the agent with whom you have been dealing at Brookstone will be your portfolio manager.

While your Brookstone advisory representative assists in the suitability and on-going review of your account performance, the advisory representative does not directly manage or effect the trading of the investment portfolios. The Senior Portfolio Manager, Mr. Dean Zayed, directs the management of all portfolios, including all trading decisions, decisions related to holdings, and rebalancing.

Mr. Dean Zayed reviews the performance of each portfolio on at minimum a weekly basis. He also reviews the performance of each portfolio manager. He will do this review quarterly. He will compare the performance of each manager to securities industry benchmarks such as the S&P 500 for growth funds and accounts with “growth” as the investment objective of the account; and other comparable peer group benchmarks.

Should you wish a portfolio manager other than the person with whom you have been regularly dealing, you may contact Mr. Zayed at any time, who will ensure that you are re-assigned to a mutually agreed portfolio manager. To make such a change in portfolio managers, all you need to do is make your request in writing and submit it to Mr. Zayed at Brookstone’s main office address, as listed on the Cover page of this Brochure.

Advisory Business:

In addition to providing the Wrap Fee Program described in this Brochure, the firm also provides Financial Planning Services, as outlined in the Form ADV Part 2. Please refer to Brookstone’s Form ADV Part 2 for additional information related to the Planning Services offered, including fees charged for this service.

The above listed advisory services can be tailored to each client – as such, if any client requires any restrictions on any types of stocks or market segments, the client needs to inform their Advisory Representative of the restrictions in writing. If, for any reason, the firm is not able to meet the client restrictions, the firm will notify the client of that fact so that the client can determine their requirements and needs.

Methods of Analysis, Investment Strategies, and Risk of Loss:

Methods of analysis and investment strategies include charting, fundamental, tactical, cyclical and technical analysis, independent research, and asset allocation implementation strategies. Proprietary software programs may be used to identify market points where either “buy” or “sell” signals are recognized. These signals assist the managers in

implementing the specified management strategies of the various managed programs. Quantitative analysis can also be used when analyzing securities. This analysis uses current and historical pricing information to help identify trends in both the domestic and foreign equity and fixed income markets. Technical indicators such as moving averages and trend lines may be further used to identify entry and exit points. Various fundamental data such as overall economic conditions, industry outlook, interest rates and political climate are also considered.

All investment strategies involve risk. There is no assurance that a positive return will be obtained in any managed investment account program. Neither BCM investment advisory representatives nor portfolio managers guarantee the performance of the account, or promise any specific level of performance, or promise that investment decisions, strategies or overall management of the account will be successful. Any investment decisions portfolio managers may make for clients are subject to various market, currency, economic, political, interest rate and business risks, will not necessarily be profitable, and are subject to investment risk, including possible loss of principal.

Voting Client Securities:

Brookstone Capital Management LLC will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Brookstone Capital Management LLC cannot give any advice or take any action with respect to the voting of these proxies. The client and Brookstone Capital Management LLC agree to this by contract.

For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. Also, Brookstone Capital Management LLC cannot give any advice or take action with respect to the voting of these proxies.

Performance Based Fees and Side-By-Side Management:

Brookstone does not charge any performance based fees of any kind (those fees that are based upon a share of capital gains or capital appreciation of client assets).

ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Your financial history, and related background information, such as social security number, account numbers, account holdings, personal and family background, work history, tax status, and numerous other items necessary for us to provide you with suitable investment advice and establish any investment account, are gathered by your Advisory Representative at the inception of the relationship, and is updated on a regular basis thereafter.

You are responsible for insuring that we have accurate, current information about your financial condition, your holdings and other investments, your investment objectives and goals and all other information which has a bearing on your investments and participation in this investment program. Your portfolio manager will receive a copy of all information which you supply us. Your portfolio manager will receive notice of any change to any item of your account information when you inform Brookstone of such change.

Due to the nature of the services being offered under this program and our desire to provide you the best service, we must stress the importance of your providing us with accurate and current financial information. If at any time any of your information changes, please notify your Advisory Representative immediately.

ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGER

Your Portfolio Manager is your Advisory Representative at Brookstone. You may contact your Portfolio Manager at any time. In fact, we encourage you to work closely with your Portfolio Manager and to contact him/her with any questions

or items of particular concern or interest to you. In addition, as noted above, you must notify your Portfolio Manager of any changes to your background or account information.

ITEM 9 – ADDITIONAL INFORMATION

Advisor participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, Advisor participates in TD Ameritrade’s institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor’s participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor’s related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor’s choice of TD Ameritrade for custody and brokerage services.

Advisor also receives from TD Ameritrade certain additional economic benefits (“Additional Services”) that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include Morningstar Advisor Workstation, Orion Solutions, and Tamarac.

TD Ameritrade provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. Advisor and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services.

Advisor’s receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Advisor, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Advisor’s Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Advisor may have an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Advisor’s receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

On behalf of Registrant, Registrant serves on the TD Ameritrade Institutional Advisor Panel (“Panel”). The Panel consists of approximately twenty-four independent investment advisors that advise TD Ameritrade Institutional (“TDA Institutional”) on issues relevant to the independent advisor community. The Panel meets in person on average three to four times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to

serve on the Panel for two year terms by TDA Institutional senior management. An investment advisor may serve longer than two years if appointed to additional terms by TDA Institutional senior management. Registrant's current term expires on December 31, 2014. At times, Panel members are provided confidential information about TDA Institutional initiatives. Panel members are required to sign confidentiality agreements. TD Ameritrade, Inc. ("TD Ameritrade") does not compensate Panel members. However, TD Ameritrade pays or reimburses Registrant for the travel, lodging and meal expenses Registrant incurs in attending Panel meetings. The benefits received by Registrant or its personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by Registrant or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Registrant's recommendation of TD Ameritrade for custody and brokerage services.

Disciplinary Information:

Firms are required to report any legal or disciplinary events that are material to a client's evaluation of our advisory business and the integrity of our management.

In February of 2008, the Kentucky Division of Securities found the firm and advisory representative James Jones in violation of Kentucky rules for permitting Mr. Jones to transact business in the state without prior registration. The firm paid a \$2,000 fine in May of 2008, and both the firm and the advisory representative were permitted to register in the state.

In addition, there are certain advisory affiliates of this firm that do have reportable events that are reportable under this item. The advisory affiliate related items are reported below.

Stacey Munderloh Tate: Commission of Insurance for the State of Texas fined Ms. Tate \$2,300 in July of 2002 for violations of advertising rules for failing to report a change of address and report additional offices, as well as accepting commissions from an unlicensed entity for insurance services.

Bonnie Griffith: In January of 2005, Ms. Griffith was fined \$1,500 by the Illinois Division of Insurance for selling 2 insurance contracts with unauthorized insurer in the state of Illinois.

Additional information regarding the above reportable events can also be found at the SEC's public disclosure website, which can be accessed at www.advisorinfo.sec.org.

Other Financial Industry Activities and Affiliations:

President Dean Zayed is a shareholder in the law firm of Perkins & Zayed, PC. From time to time, Perkins & Zayed, PC may provide legal services for clients of Brookstone Capital Management LLC. These agreements will be disclosed by Brookstone Capital Management LLC at the time the advisory agreement is entered into by delivery of Brookstone Capital Management LLC's Form ADV Part 2 to the client. Dean Zayed is also a shareholder of CD Revolution, Inc., an Illinois Corporation engaged in the design and distribution of structured products, including market linked certificates of deposit and various structured notes. CD Revolution Inc. may earn a consulting fee in this capacity and some of the products it helps design and distribute may be purchased as part of the portfolio that Brookstone manages for its clients. Finally, Mr. Zayed is engaged in the business of selling life, health, long-term care, disability and annuity insurance products as well as securities.

The other Investment Adviser Representatives of Brookstone Capital Management LLC may also be registered representatives of broker/dealers engaged in the business of selling securities, life, health, long-term care, disability and annuity products. As registered representatives, associates may receive separate yet typical compensation in the form of commissions for the purchase of securities products through their affiliated broker-dealer as well as for the sale of insurance products.

Investment Advisor Representatives for Brookstone Capital Management LLC may also sell life, health, long-term care, disability and annuity insurance products.

Brookstone may also compensate others advisory firms or individuals for client referrals to this firm under a Solicitation Fee Arrangement, as more fully described in the firm's Form ADV Part 2 Brochure and below in this Wrap Fee Brochure, as well as in the solicitation documents that solicited clients are provided prior to engaging this firm.

Code of Ethics:

Brookstone maintains a companywide Code of Ethics. Brookstone's Code includes various prohibited activities, requires all firm employees to adhere to high ethical standards, and requires that covered persons place client interests ahead of their own. The Code also requires all employees subject to the Code to comply with all applicable laws related to the firm's advisory business, and requires that all employees be bound by the Anti-Fraud Provisions of federal securities law.

In addition, the Code requires that certain transactions by firm personnel be pre-approved, and that firm personnel report all reportable holdings and transactions to firm management on a regular basis. A copy of Brookstone's Code of Ethics is available to existing and prospective clients upon request at the firm's main office address and phone number, as listed on the Cover Page of this Brochure.

Participation or Interest in Client Transactions and Personal Trading:

Principals and/or officers of Brookstone may manage his/her own accounts in the same manner Brookstone uses to manage client assets. As such, firm personnel may own the same securities or other investments that client accounts contain. Client transactions are executed either prior to or simultaneously with those of the principals. All employee transactions are reviewed by the Compliance Department to ensure that any conflicts can be identified and addressed.

Brookstone Capital Management LLC and/or its advisory representatives may from time to time purchase or sell products that they may recommend to clients. Brookstone Capital Management LLC has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Brookstone Capital Management LLC deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Brookstone Capital Management LLC are conducted in a manner that avoids any actual or potential conflict of interest between such persons and clients of the adviser or its affiliates. Brookstone Capital Management LLC collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve potential conflicts of interest.

Additionally, when executing securities trades in personal securities accounts, Investment Advisor Representatives and supervised persons must be especially careful to make sure that such trading activities are:

1. not conducted in advance of client transactions in similar securities.
2. not in opposition to recommendations made for client securities transactions.
3. not based upon inside information or research analyst reports that the adviser prepared.
4. not otherwise in violation of applicable securities laws or fiduciary duties owed to clients.

Where acting in the capacity of a registered representative of a registered broker/dealer, advisory representatives of Brookstone Capital Management LLC may as broker or agent effect securities transactions for typical and customary compensation. Clients are not obligated to use advisory representatives of Brookstone Capital Management LLC to execute such securities transactions.

Brookstone does not conduct 'Principal' transactions, does not engage in Cross-Trades between advisory clients, and does not participate in Agency Cross Transactions.

Review of Accounts:

Brookstone investment professionals periodically review their designated client accounts on a regular basis and no less than annually. Client accounts are reviewed for suitability in light of each client's investment objectives, risk tolerance and financial goals. Brookstone's president, Mr. Zayed, is responsible for the general oversight of all supervised persons, and has ultimate authority over portfolio management, fundamentals, model portfolio constituents, asset allocation and areas of potential concern.

In addition to periodic reviews, reviews may be triggered when Brookstone becomes aware of a change in client's investment objective, a change in market conditions, change of employment, re-balancing of assets to maintain proper asset allocation and any other activity that is discovered as the account is reviewed. The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might adversely affect his/her investment plan.

The client will receive written statements no less than quarterly from the trustee or custodian. In addition, the client will receive other supporting reports from Mutual Funds, Asset Managers, Trust Companies or Custodians, Insurance Companies, Broker/Dealers and others who are involved with client accounts.

Brookstone has the ability to prepare written quarterly reports reflecting current positions and valuations which are provided to all clients for managed accounts. Third party custodians also provide monthly. Financial planning clients receive a written copy of their financial plan with all supporting analyses.

Client Referrals and Other Compensation

Other Advisory firms may refer suitable potential advisory clients to Brookstone. Brookstone in return provides compensation to those firms, in accordance with SEC Rule 206(4)-3 of the Investment Advisers Act of 1940. Written agreements are entered into between Brookstone and Solicitors as required by SEC Rule 206(4)-3. Pursuant to such arrangements, Brookstone provides the Solicitor with the ADV Disclosure Document and an "Additional Disclosure Statement" which are to be furnished to prospective clients at the time of solicitation by the Solicitor.

Clients therefore are herein made aware that Brookstone may pay a solicitation fee for the introduction of advisory clients. The Solicitor would be paid cash compensation amounting to a percentage of the base annual fee on assets under management, collected from clients referred to Brookstone by the Solicitor, as outlined and disclosed to each client in the Disclosure Statement that all solicited clients receive.

Financial Information:

Brookstone does not require prepayment of more than \$1,200 in fees per client six months or more in advance – as such, a Balance Sheet is not required and therefore not attached. There is also no known financial condition that is reasonably likely to impair this firm's ability to meet contractual commitments to clients, and the firm has not been the subject of a bankruptcy proceeding.

ITEM 10 – STATE REGISTERED ADVISORS

As Brookstone Capital Management is an SEC registered advisor and not a State registered advisor, this Item is not applicable.