

## Advisory Business

Baxter Capital Management Inc. (BCM) was formed in 1979 for the purpose of providing a full range of investment management services to institutional clients including financial institutions, corporations, endowments, and pension funds. BCM is federally registered with the U.S. Securities and Exchange Commission as an investment advisor and maintains the records required by the Investment Advisor Act of 1940. David C. Smith is the principal owner. We offer advice on fixed-income securities only. Our specialty is high quality, shorter-term investment portfolios. All of our clients have written investment policies and independent safekeeping agents. We do not have discretionary trading authority on any of our accounts. Investment advice is tailored to the needs of each client. We constantly analyze market and economic factors to develop investment strategies, and implement these strategies by executing trades at competitive market prices. We generate monthly or quarterly investment management reports. Our services also include general financial advice and assistance in asset/liability management using our own in-house computer simulation model.

The firm's compensation is solely from fees paid directly by our clients. No commissions or referral fees are accepted. No benefits are received from broker/dealers based on client security transactions ("soft dollar benefits"). Since our income does not depend upon what investments we recommend or whom we execute them through, our financial interests are aligned with our client's best interests.

### Website:

<https://www.baxtercapitalmanagement.com>

### Registered Investment Advisors:

David C. Smith joined Baxter Capital Management as a Portfolio Manager in January 2013 and effective 1-2-14, became the President and Chief Compliance Officer of the firm. He maintains his Series 63, and Series 66 licenses, and earned his B.A. at Taylor University with a major in Economics and a minor in Mathematics. Because he no longer works for a broker/dealer, David is not allowed to maintain the Series 7 license. Therefore, it was allowed to officially expire in January 2015.

Gary L. Baxter founded Baxter Capital Management in 1979. He serves on the Board of Directors and as Secretary Treasurer of the firm. As of February 2014, Gary moved to a part-time role as Chief Economist for Baxter Capital Management. He earned both his B.S. and M.B.A at Ohio State University and his D.B.A at Indiana University.

Assets under management: As of 12-31-14, our total assets under management for non-discretionary accounts was \$759,734,633.00 and for discretionary accounts \$0.00.

We offer advice on, corporate bonds, Federal agency securities (including mortgage-backed), municipal securities, and money market investments including commercial paper, CD's, and banker's acceptances.

### Our investment services include:

- Providing economic and financial market information using occasional written reports and telephone contacts with clients.
- Assisting in the writing of Investment, Asset/Liability Management, and Liquidity Policies.
- Making recommendations regarding the purchase, sale, or exchange of securities.