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TD CAPITAL MANAGEMENT LLC

CRD# 106125

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901.842.2824 (fax)
www.tdcapitalmanagement.com

March 13, 2017

This brochure provides information about the qualifications and business practices of TD Capital Management LLC ("TD Capital"). If you have any questions about the contents of this Brochure, please contact us at 901.681.0021 or tdcapital@tdcmllc.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

TD Capital 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 provides information pertinent to determination of a decision to hire or retain an Adviser. Additional information about TD Capital is also available on the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with TD Capital who are registered, or are required to be registered, as investment adviser representatives of TD Capital.

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This Item of the Brochure discusses only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The most recent update of our Brochure was March 13, 2017 and contained no material changes.

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Item 4 - Advisory Business

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The firm, TD Capital Management LLC, has been in continuous operation since its founding in 1996 and (as of 31 December, 2016) manages \$546,637,470 of regulatory assets under management. All portfolio management is performed under discretionary authority as granted by the clients of the firm.

At the outset of each client relationship, TD Capital spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and reviewing options for the client. Based on its reviews, TD Capital generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan").

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Portfolio Management

As described above, at the beginning of a client relationship, TD Capital meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by TD Capital based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, TD Capital manages the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, TD Capital has the authority to supervise and direct the portfolio without prior consultation with the client.

Notwithstanding the previous paragraph, clients may impose certain reasonable restrictions on TD Capital in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of TD Capital.

TD Capital does not participate in "wrap fees" accounts or arrangements, does not receive any form of brokerage commissions or transaction fees, and does not participate in any "soft dollar" arrangements. All fees are paid directly by the clients and adhere to the schedule noted in the next section.

Item 5 - Fees and Compensation

General Fee Information

The specific manner in which fees are charged by TD Capital is established in a client's written agreement (Investment Advisor Agreement) with TD Capital Management LLC. TD Capital generally bills its fees on a quarterly basis. In most cases clients authorize TD Capital to directly debit fees from client accounts. All fees are billed in arrears after each calendar quarter. Management fees are generally prorated for material capital contributions made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter are charged a prorated fee. Upon termination of any account, unearned fees will be due and payable.

Fees paid to TD Capital are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third party consultants. Please see ***Item 12 - Brokerage Practices*** for additional information. Fees paid to TD Capital are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, TD Capital and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

Portfolio Management Fees

The annual fee schedule, based on a percentage of assets under management, is as follows:

<u>Account Value</u>	<u>Annual Fee</u>
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Item 6 - Performance-Based Fees and Side-By-Side Management

TD Capital Management LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). “Side by Side Management” refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because TD Capital has no performance-based fee accounts, it has no side-by-side management.

Item 7 - Types of Clients

TD Capital provides advisory services to individuals, families, businesses, trusts, estates, charitable institutions, pension and profit sharing plans, and other organizations. There are no firm minimum asset or income requirements to be a TD Capital client. However, we generally work with clients with investable portfolios of greater than \$250,000.

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

In accordance with the Investment Plan, TD Capital will primarily invest in ETF’s, mutual funds, bonds, and individual stocks.

Methods of Analysis

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. TD Capital may evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

Investment Strategies

TD Capital’s strategic approach is to invest each portfolio in accordance with the Plan that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client’s individual circumstances.

Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

Risk of Loss

While TD Capital seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plan in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money. ***Investing in securities involves risk of loss that clients should be prepared to bear.***

Below is a description of several of the principal risks that client investment portfolios face.

Management Risks. While TD Capital manages client investment portfolios based on TD Capital's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that TD Capital allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that TD Capital's specific investment choices could underperform their relevant indexes.

Risks of Investments in Mutual Funds, ETFs and Other Investment Pools. As described above, TD Capital will invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

Equity Market Risks. TD Capital may invest portions of client assets directly into equity investments, most often pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

Fixed Income Risks. TD Capital may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Foreign Securities Risks. TD Capital may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments

may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

Item 9 - Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to evaluation of TD Capital or the integrity of TD Capital's management. TD Capital Management LLC has no history of any disciplinary action of any kind.

Item 10 - Other Financial Industry Activities and Affiliations

N. Gordon Thompson, an owner and the Managing Member of TD Capital, is also employed by CBIZ MHM, LLC ("CBIZ"), a publicly held business services firm, & Mayer Hoffman McCann P.C. ("MHM"), a public accounting firm. N. Gordon Thompson is also a Board Member of Evolve Bancorp, Inc. L. Douglas Smith devotes all of his professional time working for TD Capital, while N. Gordon Thompson devotes the majority of his professional time working for TD Capital.

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

TD Capital Management LLC has adopted a Code of Ethics for the purpose of instructing personnel in their ethical obligations and to provide rules for their personal securities transactions. We owe a duty of loyalty, fairness, and good faith towards our clients and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. The Code of Ethics covers a range of topics that includes: general ethical principles, receipt and giving of gifts, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV, and supervisory procedures. All supervised persons of TD Capital must acknowledge the terms of the Code of Ethics annually, or as amended. We will provide a copy of the Code of Ethics to any client or prospective client upon request.

Members and employees of TD Capital from time to time purchase stocks, mutual funds, exchange traded funds, and/or bonds that TD Capital recommends or purchases under discretion for clients.

It is TD Capital's policy that the firm will not effect any principal or agency cross securities transactions for client accounts. TD Capital will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. TD Capital is not registered as a broker-dealer and does not have an affiliated broker-dealer.

Item 12 - Brokerage Practices

Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, TD Capital seeks “best execution” for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, TD Capital may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of TD Capital’s clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

TD Capital participates in the Fidelity Institutional Wealth Services (“FIWS”) program. While there is no direct link between the investment advice TD Capital provides and participation in the FIWS program, TD Capital receives certain economic benefits from the FIWS program. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of TD Capital’s fees from its clients’ accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of TD Capital’s accounts, including accounts not held at Fidelity. Fidelity may also make available to TD Capital other services intended to help TD Capital manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Fidelity may make available, arrange and/or pay for these types of services to be rendered to TD Capital by independent third parties. Fidelity may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to TD Capital, and/or Fidelity may pay for travel expenses relating to participation in such training. Finally, participation in the FIWS program provides TD Capital with access to mutual funds which normally require significantly higher minimum initial investments or are normally available only to institutional investors.

The benefits received through participation in the FIWS program do not necessarily depend upon the proportion of transactions directed to Fidelity. The benefits are received by TD Capital, in part because of commission revenue generated for Fidelity by TD Capital’s clients. This means that the investment activity in client accounts is beneficial to TD Capital, because Fidelity does not assess a fee to TD Capital for these services. This creates an incentive for TD Capital to continue to recommend Fidelity to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, TD Capital believes that Fidelity provides an excellent combination of these services.

Directed Brokerage

TD Capital does not allow directed brokerage accounts.

Aggregated Trade Policy

TD Capital typically directs trading in individual client accounts as and when trades are appropriate based on the client’s Investment Plan, without regard to activity in other client accounts. However, from time to time, TD Capital may aggregate trades together for multiple client accounts, most often when these accounts are being directed to sell the same securities at the same time. If such an aggregated trade is not completely filled, TD Capital will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by TD Capital or its officers, directors, or employees will be excluded first.

Item 13 - Review of Accounts

All accounts are reviewed on a monthly basis for consistency with objectives set forth by the client and such reviews are documented and dated. Any deviations from client objectives are considered and dealt with in these reviews. Team members include: Managing Member, N. Gordon Thompson, Managing Director, L. Douglas Smith, Portfolio Services: John Harrell, Lee Lacy, Jay McDonald, Rod Thompson, and Matt Sights; and Client Services: Peggy Campbell, and Molly Morrow. The team works together to review client portfolios, make trades, and assist with client requests. All portfolios and accounts receive monthly consideration. The level of the review and analysis of each portfolio is determined each month based on the needs of that portfolio including stage of phasing schedule, cash flow considerations, change in client needs, etc. Trades for portfolios are recommended by Messrs. G. Thompson, Smith, Harrell, Lacy, McDonald, R. Thompson, and ~~Matt~~ Sights and approved by another member of the portfolio services team.

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TD Capital encourages clients to review their monthly or quarterly statements and trade confirmations received directly from their broker/custodian. Clients have the option (through Fidelity) to receive paper statements or enroll in online access and/or delivery through Fidelity Investments. TD Capital prepares and mails or emails quarterly reports of the accounts under management directly to the clients. These reports also include explanations of the quarterly billings for investment management fees.

Item 14 - Client Referrals and Other Compensation

As noted above, TD Capital may receive some benefits from Fidelity based on the amount of client assets held at Fidelity. Please see ***Item 12 - Brokerage Practices*** for more information. However, Fidelity is not paid to refer clients to TD Capital. TD Capital does not use outside solicitors.

Item 15 - Custody

Fidelity is the custodian of nearly all client accounts at TD Capital. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify TD Capital of any questions or concerns. Clients are also asked to promptly notify TD Capital if the custodian fails to provide statements on each account held.

Based on the SEC definition of custody, it has been determined that TD Capital's management of client's retirement accounts (i.e. 401k, annuities, etc.) held outside of Fidelity Investments deems TD Capital to have custody. Additionally, TD Capital's assistance to its clients with depositing checks to their brokerage accounts, as well as establishing 3rd party standing payment instructions when needed, also deems TD Capital to have custody. The SEC requires that we submit to a third party examination of these items each year, which was completed this past June for 2016.

From time to time and in accordance with TD Capital's agreement with clients, TD Capital will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

Item 16 - Investment Discretion

As described above under ***Item 4 - Advisory Business***, TD Capital manages portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client's investment portfolio, TD Capital will execute that plan without specific consent from the client for each transaction. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving TD Capital the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. TD Capital then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with TD Capital and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between TD Capital and the client.

Item 17 - Voting Client Securities

As a matter of firm policy and practice, TD Capital does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. TD Capital may provide advice to clients regarding the clients' voting of proxies.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about TD Capital's financial condition. TD Capital Management LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

TD Capital does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore has no disclosure required for this item.

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On very rare occasions we are asked to provide advice or consultation on matters outside the core activities of portfolio management. We generally feel that these projects are best billed on an hourly basis, for which our fees are generally between \$100 and \$400 per hour depending upon the scope of the consultation. The circumstances surrounding when compensation is payable are dealt with on a case by case basis.

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

TD Capital Management LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). “Side by Side Management” refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because TD Capital has no performance-based fee accounts, it has no side-by-side management.

Item 7 - Types of Clients

TD Capital provides advisory services to individuals, families, businesses, trusts, estates, charitable institutions, pension and profit sharing plans, and other organizations. There are no firm minimum asset or income requirements to be a TD Capital client. However, we generally work with clients with investable portfolios of greater than \$250,000.

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

In accordance with the Investment Plan, TD Capital will primarily invest in ETF’s, mutual funds, bonds, and individual stocks.

Methods of Analysis

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. TD Capital may evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

Investment Strategies

TD Capital’s strategic approach is to invest each portfolio in accordance with the Plan that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client’s individual circumstances.

Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

Risk of Loss

While TD Capital seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plan in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money. ***Investing in securities involves risk of loss that clients should be prepared to bear.***

Below is a description of several of the principal risks that client investment portfolios face.

Management Risks. While TD Capital manages client investment portfolios based on TD Capital's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that TD Capital allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that TD Capital's specific investment choices could underperform their relevant indexes.

Risks of Investments in Mutual Funds, ETFs and Other Investment Pools. As described above, TD Capital will invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

Equity Market Risks. TD Capital may invest portions of client assets directly into equity investments, most often pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

Fixed Income Risks. TD Capital may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Foreign Securities Risks. TD Capital may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments

may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

Item 9 - Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to evaluation of TD Capital or the integrity of TD Capital's management. TD Capital Management LLC has no history of any disciplinary action of any kind.

Item 10 - Other Financial Industry Activities and Affiliations

N. Gordon Thompson, an owner and the Managing Member of TD Capital, is also employed by CBIZ MHM, LLC ("CBIZ"), a publicly held business services firm, & Mayer Hoffman McCann P.C. ("MHM"), a public accounting firm. N. Gordon Thompson is also a Board Member of Evolve Bancorp, Inc. L. Douglas Smith devotes all of his professional time working for TD Capital, while N. Gordon Thompson devotes the majority of his professional time working for TD Capital.

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

TD Capital Management LLC has adopted a Code of Ethics for the purpose of instructing personnel in their ethical obligations and to provide rules for their personal securities transactions. We owe a duty of loyalty, fairness, and good faith towards our clients and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. The Code of Ethics covers a range of topics that includes: general ethical principles, receipt and giving of gifts, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV, and supervisory procedures. All supervised persons of TD Capital must acknowledge the terms of the Code of Ethics annually, or as amended. We will provide a copy of the Code of Ethics to any client or prospective client upon request.

Members and employees of TD Capital from time to time purchase stocks, mutual funds, exchange traded funds, and/or bonds that TD Capital recommends or purchases under discretion for clients.

It is TD Capital's policy that the firm will not effect any principal or agency cross securities transactions for client accounts. TD Capital will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. TD Capital is not registered as a broker-dealer and does not have an affiliated broker-dealer.

Item 12 - Brokerage Practices

Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, TD Capital seeks “best execution” for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, TD Capital may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of TD Capital’s clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

TD Capital participates in the Fidelity Institutional Wealth Services (“FIWS”) program. While there is no direct link between the investment advice TD Capital provides and participation in the FIWS program, TD Capital receives certain economic benefits from the FIWS program. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of TD Capital’s fees from its clients’ accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of TD Capital’s accounts, including accounts not held at Fidelity. Fidelity may also make available to TD Capital other services intended to help TD Capital manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Fidelity may make available, arrange and/or pay for these types of services to be rendered to TD Capital by independent third parties. Fidelity may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to TD Capital, and/or Fidelity may pay for travel expenses relating to participation in such training. Finally, participation in the FIWS program provides TD Capital with access to mutual funds which normally require significantly higher minimum initial investments or are normally available only to institutional investors.

The benefits received through participation in the FIWS program do not necessarily depend upon the proportion of transactions directed to Fidelity. The benefits are received by TD Capital, in part because of commission revenue generated for Fidelity by TD Capital’s clients. This means that the investment activity in client accounts is beneficial to TD Capital, because Fidelity does not assess a fee to TD Capital for these services. This creates an incentive for TD Capital to continue to recommend Fidelity to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, TD Capital believes that Fidelity provides an excellent combination of these services.

Directed Brokerage

TD Capital does not allow directed brokerage accounts.

Aggregated Trade Policy

TD Capital typically directs trading in individual client accounts as and when trades are appropriate based on the client’s Investment Plan, without regard to activity in other client accounts. However, from time to time, TD Capital may aggregate trades together for multiple client accounts, most often when these accounts are being directed to sell the same securities at the same time. If such an aggregated trade is not completely filled, TD Capital will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by TD Capital or its officers, directors, or employees will be excluded first.

Item 13 - Review of Accounts

All accounts are reviewed on a monthly basis for consistency with objectives set forth by the client and such reviews are documented and dated. Any deviations from client objectives are considered and dealt with in these reviews. Team members include: Managing Member, N. Gordon Thompson, Managing Director, L. Douglas Smith, Portfolio Services: John Harrell, Lee Lacy, Jay McDonald, Rod Thompson, and Matt Sights; and Client Services: Peggy Campbell, and Molly Morrow. The team works together to review client portfolios, make trades, and assist with client requests. All portfolios and accounts receive monthly consideration. The level of the review and analysis of each portfolio is determined each month based on the needs of that portfolio including stage of phasing schedule, cash flow considerations, change in client needs, etc. Trades for portfolios are recommended by Messrs. G. Thompson, Smith, Harrell, Lacy, McDonald, R. Thompson, and ~~Matt~~ Sights and approved by another member of the portfolio services team.

All accounts are reviewed on a monthly basis for consistency with objectives set forth by the client and such reviews are documented and dated.

TD Capital encourages clients to review their monthly or quarterly statements and trade confirmations received directly from their broker/custodian. Clients have the option (through Fidelity) to receive paper statements or enroll in online access and/or delivery through Fidelity Investments. TD Capital prepares and mails or emails quarterly reports of the accounts under management directly to the clients. These reports also include explanations of the quarterly billings for investment management fees.

Item 14 - Client Referrals and Other Compensation

As noted above, TD Capital may receive some benefits from Fidelity based on the amount of client assets held at Fidelity. Please see ***Item 12 - Brokerage Practices*** for more information. However, Fidelity is not paid to refer clients to TD Capital. TD Capital does not use outside solicitors.

Item 15 - Custody

Fidelity is the custodian of nearly all client accounts at TD Capital. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify TD Capital of any questions or concerns. Clients are also asked to promptly notify TD Capital if the custodian fails to provide statements on each account held.

Based on the SEC definition of custody, it has been determined that TD Capital's management of client's retirement accounts (i.e. 401k, annuities, etc.) held outside of Fidelity Investments deems TD Capital to have custody. Additionally, TD Capital's assistance to its clients with depositing checks to their brokerage accounts, as well as establishing 3rd party standing payment instructions when needed, also deems TD Capital to have custody. The SEC requires that we submit to a third party examination of these items each year, which was completed this past June for 2016.

From time to time and in accordance with TD Capital's agreement with clients, TD Capital will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

Item 16 - Investment Discretion

As described above under ***Item 4 - Advisory Business***, TD Capital manages portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client's investment portfolio, TD Capital will execute that plan without specific consent from the client for each transaction. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving TD Capital the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. TD Capital then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with TD Capital and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between TD Capital and the client.

Item 17 - Voting Client Securities

As a matter of firm policy and practice, TD Capital does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. TD Capital may provide advice to clients regarding the clients' voting of proxies.

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about TD Capital's financial condition. TD Capital Management LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

TD Capital does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore has no disclosure required for this item.