

Taylor Frigon Capital Management LLC

SEC File Number: 801 – 67498

ADV Part 2A, Firm Brochure

Dated: March 9, 2017

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This Brochure provides information about the qualifications and business practices of Taylor Frigon Capital Management LLC. If you have any questions about the contents of this Brochure, please contact us at (805) 226-0280 or gfrigon@taylorfrigon.com. 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.

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

References herein to Taylor Frigon Capital Management LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

Since the March 26, 2016 annual update filing, this ADV Part 2A, Firm Brochure has been materially amended as follows:

- Items 4, 5, 10 and 11 now disclose that Taylor Frigon Capital Management LLC is the investment adviser to the “Taylor Frigon Core Growth Fund,” a mutual fund registered under the Investment Company Act of 1940, along with a description of the conflict of interest that arises as a result, and the way in which Taylor Frigon Capital Management LLC mitigates the conflict of interest.
- Item 5 reflects the updated fee schedule for Taylor Frigon Capital Management LLC’s investment advisory services, which is now generally 1.00% of the value of assets under management, subject to the terms and conditions of Items 5 and 7 below.
- Item 7 reflects Taylor Frigon Capital Management LLC’s increase of its minimum annual investment advisory fee to \$50,000, subject to the limitations described in Item 7.
- Item 12 reflects that Taylor Frigon Capital Management LLC receives “soft dollar benefits” as more fully described therein.

ANY QUESTIONS: Taylor Frigon Capital Management LLC’s Chief Compliance Officer, Gerard J. Frigon, remains available to address any questions that a client or prospective client has about this ADV Part 2A, Firm Brochure.

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Item 4 Advisory Business

- A. Taylor Frigon Capital Management LLC (the “Registrant”) is a limited liability company formed on November 21, 2006 in the state of California. The Registrant became registered as an Investment Adviser Firm in February 2007. The Registrant is owned by the “Frigon Revocable Trust 3/1/99.” Mr. Frigon is the Registrant’s Principal and Chief Compliance Officer.
- B. As discussed below, the Registrant offers to its clients (individuals, high net worth individuals, investment companies, pooled investment vehicles, pension and profit sharing plans, charitable organizations, business entities, etc.) investment advisory services, and, to the extent specifically requested by a client, Registrant may provide limited consultation services to its investment advisory clients on investment and non-investment related matters (including financial planning) that are generally ancillary to the investment advisory process.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide discretionary investment advisory services on a fee-only basis. The Registrant provides investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client’s investment objective(s). Thereafter, the Registrant will allocate client investment assets consistent with the designated investment objective(s). The Registrant primarily allocates client investment assets among various individual equity, fixed income securities, publicly traded Real Estate Investment Trusts, business development companies, closed-end investment companies, on a discretionary basis in accordance with the client’s designated investment objective(s).

MISCELLANEOUS

Limitations of Non-Investment Consulting/Implementation Services. To the extent requested by the client, the Registrant may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither the Registrant, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of the Registrant’s services should be construed as legal, accounting, or insurance implementation services. Accordingly, the Registrant does not prepare estate planning documents, tax returns, or sell insurance products. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Affiliated Private Fund. The Registrant is affiliated with Taylor Frigon Capital Partners, LP (the “Private Fund”). Therefore the Registrant may recommend that qualified clients consider allocating a portion of their investment assets to the Private Fund on a non-discretionary basis. The terms and conditions for participation in the

Private Fund, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund's offering documents. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Private Fund Risk Factors. Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Private Fund Valuation. In the event that the Registrant references private investment funds owned by the client on any supplemental account reports prepared by the Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If the fund sponsor does not provide a post-purchase valuation, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date) or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects the initial purchase price (and/or a value as of a previous date), then the current value(s) (to the extent ascertainable) **could be significantly more or less than original purchase price**. The client's advisory fee shall be based upon such reflected fund value(s).

Conflict Of Interest. Because the Registrant and/or its affiliates can earn compensation from the Private Fund (both management fees and incentive compensation) that may exceed the fee that the Registrant would earn under its standard asset based fee schedule referenced in Item 5 below, the recommendation that a client become a Private Fund investor presents a **conflict of interest**. No client is under any obligation to become a Private Fund investor. **The Registrant's Chief Compliance Officer, Gerard J. Frigon, remains available to address any questions regarding this conflict of interest.**

Affiliated Mutual Fund. Registrant serves as the investment adviser of the "Taylor Frigon Core Growth Fund," a mutual fund registered under the Investment Company Act of 1940 (the "Affiliated Mutual Fund"). Registrant is responsible for the Affiliated Mutual Fund's affairs and management, under the supervision of a Board of Trustees. The Affiliated Mutual fund seeks to generate long-term capital appreciation under normal market conditions. The Affiliated Mutual Fund invests primarily in common stocks of companies of all sizes, including small and micro-capitalization companies. The prospectus for the Affiliated Mutual Fund contains a complete description of the Affiliated Mutual Fund, its strategies, objectives, costs, and risks. Before allocating client investment assets to the Affiliated Mutual Fund, the Registrant will make a good faith determination about whether an such an investment would reasonably serve the applicable client's best interests by considering factors that may include but are not limited to the following: (1) the client's investment objectives; (2) the total amount of client assets currently being managed by Registrant; (3) the amount of anticipated future

contributions that the client will make to the account(s) being managed by the Registrant; (4) the cost and efficiency of managing the client's assets including and excluding an investment in the Affiliated Mutual Fund; and (5) the combined management fees and expense ratios of other non-affiliated mutual funds.

Conflict of Interest. Mutual funds charge administrative and investment management fees. Investing client assets in the Affiliated Mutual Fund therefore creates a potential **conflict of interest** because Registrant could earn more fees by allocating client investment assets to the Affiliated Mutual Fund than it would if it allocated client assets to an unaffiliated mutual fund. Specifically, Registrant could earn "dual fees" from both (1) serving as an investment adviser to clients who directly engage Registrant as an investment adviser in exchange for the investment advisory fees described in Item 5 below; and (2) administrative and investment management fees generated at the Affiliated Mutual Fund level. **To mitigate this conflict of interest, Registrant shall waive its investment advisory fee described in Item 5 below with respect to any client investment in the Affiliated Mutual Fund, and will only collect the administrative and investment management fees generated at the Affiliated Mutual Fund level. In addition, the client may direct Registrant, in writing at any time, not to invest account assets on a discretionary basis in the Affiliated Mutual Fund. The Registrant's Chief Compliance Officer, Gerard J. Frigon, remains available to address any questions regarding this conflict of interest.**

Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn an advisory fee on the rolled over assets. **No client is under any obligation to roll over retirement plan assets to an account managed by Registrant.**

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of the Registrant's written Brochure as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets

consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.

- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2016, the Registrant had \$160,251,568 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage the Registrant to provide discretionary advisory services on a fee-only basis.

INVESTMENT ADVISORY SERVICES

If a client determines to engage the Registrant to provide discretionary investment advisory services on a negotiable fee-only basis, the Registrant's annual investment advisory fee shall be generally be 1.00% of the market value of assets placed under the Registrant's management.

Registrant's annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, Registrant may provide limited consultation services to its investment advisory clients on investment and non-investment related matters (including financial planning) that are generally ancillary to the investment advisory process. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of the Registrant), the Registrant may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's Investment Advisory Agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Charles Schwab and Co., Inc. ("Schwab") serve as the broker-dealer/custodian for client investment advisory assets. Broker-dealers such as Schwab charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's investment advisory fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). When beneficial to the client, individual debt and/or equity transactions may be effected through broker-dealers with whom the Registrant and/or the client have entered into prime brokerage arrangements.

- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Investment Advisory Agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.
- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

The Registrant does not charge performance-based fees to its separate account clients. However, the Registrant may charge performance-based fees to the Private Fund or its investors, so long as they are a qualified client who have at least \$1,000,000 in portfolio assets managed by the firm, or who together with their spouse have a net worth of at least \$2,100,000 excluding their principal residence. Clients are advised that performance-based fees involve a sharing of any portfolio gains between the client and the investment manager. Such performance-based fees create an economic incentive for Registrant to take additional risks in the management of a client portfolio that may be in conflict with the client's current investment objectives and tolerance for risk. A complete description of the fees for investing in the Private Fund is set forth in the Private Fund's offering documents. Clients are advised that as a result of the standard asset-based fee and the performance-based fee, the investment manager has an economic incentive to recommend a performance-based fee structure.

Item 7 Types of Clients

The Registrant's clients shall generally include: individuals, high net worth individuals, investment companies, pooled investment vehicles, pension and profit sharing plans, charitable organizations, business entities, etc. For new clients, Registrant generally requires a minimum annual fee of \$50,000.00 (\$12,500.00 quarterly) for investment advisory services. The Registrant, in its sole discretion, may charge a lesser investment advisory fee and/or reduce or waive its annual minimum fee requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Due to the Registrant's minimum annual fee, clients who have less than \$5,000,000 under the Registrant's management may pay a fee in excess of 1.00%. In its sole discretion, for certain clients with less than \$5,000,000 under the Registrant's management, the Registrant may raise its annual percentage fee higher than 1.00%, but a client will still pay less than the \$50,000 minimum annual fee.

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

- A. The Registrant may utilize the “Fundamental” method of security analysis, which requires the analysis of historical and present data, with the goal of making financial forecasts.

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Margin Transactions (use of borrowed assets to purchase financial instruments)

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant’s methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant’s analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant’s primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client’s investment portfolio, the market value of the client’s account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential **conflict of interest** whereby the client’s decision to employ

margin may correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

- C. Currently, the Registrant primarily allocates client investment assets among various individual equity, fixed income securities, publicly traded Real Estate Investment Trusts, (“REITs”) business development companies, open and closed-end mutual funds, and individual bonds on a discretionary basis in accordance with the client’s designated investment objective(s).

REITs. REITs are subject to risks generally associated with investing in real estate, such as: possible declines in the value of real estate; adverse general and local economic conditions; possible lack of availability of mortgage funds; changes in interest rates; and environmental problems. In addition, REITs are subject to certain other risks related specifically to their structure and focus such as: dependency upon management skills; limited diversification; the risks of locating and managing financing for projects; heavy cash flow dependency; possible default by borrowers; the costs and potential losses of self-liquidation of one or more holdings; the possibility of failing to maintain exemptions from securities registration; and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility.

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Affiliated Private Fund.** The Registrant is affiliated with Taylor Frigon Capital Partners, LP (the “Private Fund”). The Registrant, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to the Private Fund. The terms and conditions for participation in the Fund, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund’s offering documents. Registrant’s clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Conflict Of Interest. Because the Registrant and/or its affiliates can earn compensation from the Private Fund (both management fees and incentive compensation) that may exceed the fee that the Registrant would earn under its standard asset based fee schedule referenced in Item 5 above, the recommendation that a client become a Fund investor presents a **conflict of interest**. No client is under any obligation to become a Private Fund investor. **The Registrant’s Chief**

Compliance Officer, Gerard J. Frigon, remains available to address any questions regarding this conflict of interest.

Affiliated Mutual Fund. Registrant serves as the investment adviser of the “Taylor Frigon Core Growth Fund,” a mutual fund registered under the Investment Company Act of 1940 (the “Affiliated Mutual Fund”). Registrant is responsible for the Affiliated Mutual Fund’s affairs and management, under the supervision of a Board of Trustees. The Affiliated Mutual fund seeks to generate long-term capital appreciation under normal market conditions. The Affiliated Mutual Fund invests primarily in common stocks of companies of all sizes, including small and micro-capitalization companies. The prospectus for the Affiliated Mutual Fund contains a complete description of the Affiliated Mutual Fund, its strategies, objectives, costs, and risks. Before allocating client investment assets to the Affiliated Mutual Fund, the Registrant will make a good faith determination about whether an such an investment would reasonably serve the applicable client’s best interests by considering factors that may include but are not limited to the following: (1) the client’s investment objectives; (2) the total amount of client assets currently being managed by Registrant; (3) the amount of anticipated future contributions that the client will make to the account(s) being managed by the Registrant; (4) the cost and efficiency of managing the client’s assets including and excluding an investment in the Affiliated Mutual Fund; and (5) the combined management fees and expense ratios of other non-affiliated mutual funds.

Conflict of Interest. Mutual funds charge administrative and investment management fees. Investing client assets in the Affiliated Mutual Fund therefore creates a potential **conflict of interest** because Registrant could earn more fees by allocating client investment assets to the Affiliated Mutual Fund than it would if it allocated client assets to an unaffiliated mutual fund. Specifically, Registrant could earn “dual fees” from both (1) serving as an investment adviser to clients who directly engage Registrant as an investment adviser in exchange for the investment advisory fees described in Item 5 below; and (2) administrative and investment management fees generated at the Affiliated Mutual Fund level. **To mitigate this conflict of interest, Registrant shall waive its investment advisory fee described in Item 5 above with respect to any client investment in the Affiliated Mutual Fund, and will only collect the administrative and investment management fees generated at the Affiliated Mutual Fund level. In addition, the client may direct Registrant, in writing at any time, not to invest account assets on a discretionary basis in the Affiliated Mutual Fund. The Registrant’s Chief Compliance Officer, Gerard J. Frigon, remains available to address any questions regarding this conflict of interest.**

- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. As disclosed above, the Registrant is affiliated with, and serves as adviser for the Taylor Frigon Capital Partners, LP (the "Private Fund"), a private investment fund whose objective is to seek capital appreciation over the long term primarily through investments in private and emerging public companies. The Registrant may recommend, on a non-discretionary basis, that qualified clients allocate a portion of their investment assets to the Fund. To the extent that Registrant's individual advisory clients qualify, and determine that an investment is appropriate given their investment objective(s) and financial situation, they may participate as Private Fund investors. The terms and conditions for participation in the Private Fund is set forth in the Private Fund's offering documents (discussing management and incentive fees, conflicts of interest, risk factors, and liquidity constraints) to be provided to each prospective investor. Each prospective investor shall be required to complete and submit the corresponding Fund Subscription Agreement in order to demonstrate qualification for investment in the Private Fund.

Conflict of Interest: Because Registrant, indirectly through its affiliation with the Private Fund, may receive an enhanced economic benefit from a client's Private Fund investment (i.e., a higher investment advisory fee and/or an incentive fee), the Registrant has a **conflict of interest** in recommending to clients that they consider investing in the Fund. **The Registrant's Chief Compliance Officer, Gerard J. Frigon, remains available to address any questions that a client or prospective client may have regarding the Fund and any corresponding conflicts of interest.**

As further indicated above Registrant serves as the investment adviser of the "Taylor Frigon Core Growth Fund," a mutual fund registered under the Investment Company Act of 1940 (the "Affiliated Mutual Fund"). To mitigate the potential conflict of interest with respect to the Registrant's management of the Affiliated Mutual Fund, Registrant shall waive its investment advisory fee described in Item 5 above with respect to any client investment in the Affiliated Mutual Fund, and will only collect the administrative and investment management fees generated at the Affiliated Mutual Fund level for such an investment. In addition, the client may direct Registrant, in writing at any time, not to invest account assets on a discretionary basis in the Affiliated Mutual Fund. **The Registrant's Chief Compliance Officer, Gerard J. Frigon, remains available to address any questions regarding this conflict of interest.**

- C. The Registrant and/or representatives of the Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a

security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons”. The Registrant’s securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant’s Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment advisory accounts be maintained at Schwab. Prior to engaging Registrant to provide investment advisory services, the client will be required to enter into a formal Investment Advisory Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client’s assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending Schwab (or another broker-dealer/custodian, investment platform and/or mutual fund sponsor) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant’s clients shall comply with the Registrant’s duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account

transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment advisory fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Soft Dollar Arrangement

Factors that the Registrant considers in recommending a particular broker-dealer/custodian to clients include historical relationship with the Registrant, financial strength, reputation, execution, pricing, research, and service.

In return for effecting securities transactions through a designated broker-dealer/custodian, Registrant may receive certain investment research products or services which assist the Registrant in its investment decision making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934 (generally referred to as a "soft-dollar" arrangement). Investment research products or services received by Registrant may include, but are not limited to, analyses pertaining to specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications, portfolio management systems, and statistical and pricing services. Although the commissions paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products or services that may be obtained by Registrant will generally be used to service all of Registrant's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. With respect to investment research products or services obtained by the Registrant that have a mixed use of both a research and non-research (i.e., administrative, etc.) function, Registrant shall make a reasonable allocation of the cost of the product or service according to its use - the percentage of the product or service that provides assistance to the Registrant's investment decision-making process will be paid for with soft dollars while that portion which provides administrative or other non-research assistance will be paid for by the Registrant with hard dollars. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee.

Non-Soft Dollar Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from Schwab (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, and/or product/fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such

institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis travel and attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by the Registrant to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant's Chief Compliance Officer, Gerard J. Frigon, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. The Registrant does not receive referrals from broker-dealers.
3. **Directed Brokerage.** The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts. **The Registrant's Chief Compliance Officer, Gerard J. Frigon, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that the Registrant provides investment advisory services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at

approximately the same time. The Registrant may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant’s Principal and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance (and, to the extent applicable, financial planning issues) with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Registrant provides investment supervisory services may also receive a quarterly report from the Registrant summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12. above, the Registrant receives economic benefits from various broker-dealers/custodians such as Schwab, including support services and/or products without cost or at a discount. Registrant’s clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by the Registrant to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant’s Chief Compliance Officer, Gerard J. Frigon, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. Registrant does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance. **Please Note:** To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian.

Please Also Note: The account custodian does not verify the accuracy of the Registrant's advisory fee calculation. The Fund is subject to an annual financial statement audit, which is distributed to each investor in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute Investment Advisory Agreement, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Registrant's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 Voting Client Securities

- A. Unless a client directs otherwise, in writing, the Registrant, in conjunction with the proxy voting due diligence and administrative services provided by Proxy Edge (an unaffiliated proxy service), shall be responsible for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, and tender offers. **However**, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the assets, including, but not limited to, class action lawsuits, except to the extent specifically agreed between the Registrant and the client in writing. The Registrant and/or the client shall correspondingly instruct each custodian of the assets to forward to the Registrant copies of all proxies and shareholder communications relating to the assets (except for legal proceedings). Absent mitigating circumstances and/or conflicts of interest (to the extent any such circumstance or conflict is presented, if ever, information pertaining to how the Registrant addressed any such circumstance or conflict shall be maintained by the Registrant), it is the Registrant's general policy to vote proxies consistent with the recommendation of the senior management of the issuer. The

Registrant, in conjunction with the proxy voting due diligence services provided by Proxy Edge, shall monitor corporate actions of individual issuers and investment companies consistent with the Registrant's fiduciary duty to vote proxies in the best interests of its clients. With respect to individual issuers, the Registrant may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), the Registrant may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. The Registrant, in conjunction with the services provided by Proxy Edge, shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how the Registrant voted on any specific proxy issue is also available upon written request.

- B. In the event the client, in writing, declines our authority to vote, the client will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular proxy solicitation.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, Gerard J. Frigon, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.