

Form ADV Part 2A Brochure

Item 1 – Cover Page

Sunbeam Capital Management, LLC

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This brochure provides you with information about the qualifications, business practices and nature of advisory services of Sunbeam Capital Management, LLC ("**Sunbeam**" or the "**Firm**"), all of which should be considered before becoming an advisory client of our Firm. If you have any questions about the contents of this brochure, please contact us at (901) 229-2132 or ellis@sunbeamcapmgmt.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.

The Firm is registered as an Investment Adviser with the SEC. Registration does not imply a certain level of skill or training. Additional information about our Firm is available on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number known as a CRD number. Our Firm's CRD number is 289723.

Item 2 – Material Changes

Sunbeam Disclosure Brochure

This Form ADV Part 2A, also known as our "**Brochure**," has 18 separate disclosure items that we must address, each of which must be presented in the order set forth in this Brochure. We will provide an updated Brochure or summary of material changes to our continuing clients at least annually. In the future, this Brochure section or a separate supplement will summarize any material changes from the disclosures in the Brochure previously delivered to you. At this time, the Firm has made no material changes.

Full Brochure Available

A current Form ADV Part 2A is available to our existing and prospective clients at no charge 24 hours a day through the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov or by contacting us at (901) 229-2132 or ellis@sunbeamcapmgmt.com.

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Item 4 – Advisory Business

A. FIRM DESCRIPTION

Sunbeam Capital Management, LLC (“**Sunbeam**” or the “**Firm**”) is organized as a Georgia limited liability company and was founded in 2017. Ellis A. Carson II is the Managing Member, Chief Compliance Officer and controlling owner of the Firm. He is currently the only Investment Adviser Representative of the Firm.

Sunbeam’s current business activities consist of providing investment advisory services to clients (each a “**Client**” and collectively, “**Clients**”) through separate managed accounts (each an “**Account**” and collectively, the “**Accounts**”).

B. TYPES OF ADVISORY SERVICES

Sunbeam provides fee-only investment management services through separate managed Accounts to Clients that include high net worth individuals and related investment entities. Sunbeam provides discretionary portfolio management services to Clients aimed at growing assets over the long-term. Subject to any written guidelines, which the Client may provide in regard to an Account, the Firm will be granted discretion and authority to manage each Account.

Sunbeam requires that a written Client agreement (a “**Client Agreement**”) be signed by each Client prior to the provision of services by the Firm. Among other things, the Client Agreement outlines the services rendered by Sunbeam and the fees that the Client will be charged.

Accordingly, Sunbeam is authorized to perform various functions, at the Client’s expense, without further approval from Client. Such functions include the determination of securities and other investments to be purchased or sold and the amount of securities and other investments to be purchased or sold in the Account. Clients that invest through an Account may impose restrictions on investing in certain securities or types of securities. Once the portfolio for an Account is constructed, Sunbeam will provide continuous monitoring and rebalancing of the portfolio as market conditions change and as Client circumstances may require.

Accounts under the Firm’s investment management supervision are usually treated as discretionary relationships. The Firm typically has full discretion over the investment management, security selection, and execution of related trades for each Account and each Fund. However, Clients may be permitted to direct the purchase or sale of certain securities within the portfolio of an Account.

C. TAILORED RELATIONSHIPS

Sunbeam provides asset allocation and portfolio management advice based on the individual needs, goals and risk tolerance of each Client. The asset management services offered by Sunbeam are based on the individual needs of each Client and the

suitability of products and services for such Client. Sunbeam will work with clients to understand their complete balance sheet, income needs, spending requirements now and into the future, risk tolerance, current investment exposures, and other factors to determine the best financial plan moving forward. Sunbeam will work with clients to understand any restrictions they may have and allocate the portfolio accordingly.

Securities selection will be based on a Client-by-Client basis generally based on the Client's portfolio size, goals and risk tolerance. All positions are actively monitored with a focus on managing volatility risk, sector risk and overall portfolio risk. Sunbeam reserves the right to advise a Client on any other types of investment that it deems appropriate based on the Client's stated goals and objectives.

Clients are advised to promptly notify Sunbeam if there are any material changes in a Client's financial situation, investment objectives, or in the event such Client wishes to alter any guidelines relevant to the investment management services provided by Sunbeam.

Agreements may not be assigned without prior consent.

D. WRAP FEE PROGRAMS

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks or other financial institutions and affiliated and unaffiliated investment advisers through which clients of such firms receive discretionary investment advisory, execution, clearing, and custodial services in a "bundled" form. In exchange for these "bundled" services, clients pay an all-inclusive (or "wrap") fee determined as a percentage of the assets held in the wrap account.

Sunbeam does not currently participate in and is not a sponsor of a wrap fee program.

E. ASSETS UNDER MANAGEMENT

When calculating regulatory assets under management, an Investment Adviser must include the value of Accounts over which it exercises continuous and regular supervisory or management services. As of December 31, 2018, Sunbeam had approximately \$46.3 million in assets under management on a discretionary basis with no non-discretionary Account assets.

Ira Rollover Considerations – Important Information

As part of our advisory services, we may provide the client recommendations and advice concerning the client's employer retirement plan or other qualified retirement account. Sunbeam's recommendations may include that the client consider withdrawing the assets from their employer's retirement plan or other qualified retirement account and roll the assets over to an individual retirement account ("**IRA**") that we can manage together with other client assets for compensation. If the client elects to roll the assets to an IRA that is subject to Sunbeam's management, Sunbeam

will charge the client an asset-based fee as described below under Item 5. This practice presents a conflict of interest because we have an incentive to recommend a rollover to the client to increase our fee revenue rather than solely based on the client's needs. The client is under no obligation, contractually or otherwise, to complete a rollover. Furthermore, if the client does complete a rollover, the client is under no obligation to have the assets in an IRA managed by us.

It is important for the client to understand that many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, the client should consider the costs and benefits of each.

An employee will typically have four options:

1. Leave the funds in the client's employer's (former employer's) plan.
2. Move the funds to a new employer's retirement plan.
3. Cash out and taking a taxable distribution from the plan.
4. Roll the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage the client to speak with their CPA and/or tax attorney.

If the client is considering rolling over their retirement funds to an IRA for Sunbeam to manage, it is important the client understand the following:

1. Determine whether the investment options in the client's retirement plan address their needs or whether the client might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.
 - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. The client's current plan may have lower fees than our fees.
 - a. If the client is interested in investing only in mutual funds, the client should understand the cost structure of the share classes available in the client's retirement plan and how the costs of those share classes compare with those available in an IRA.

- b. The client should understand the various products and services the client might take advantage of at an IRA provider and the potential costs of those products and services.
 - c. It is likely the client will not be charged a management fee and will not receive ongoing asset management services unless the client elects to have such services. In the event the client's plan offers asset management or model management, there may be a fee associated with the services that is more or less than Sunbeam's asset management fee.
- 3. Sunbeam's strategy may have higher risk than the option(s) provided in the client's plan.
- 4. The current plan may offer financial advice, guidance, and/or model management or portfolio options at no additional cost.
- 5. If the client keeps assets titled in a 401k or retirement account, the client could potentially delay the required minimum distribution beyond age 70.5 (70 ½).
- 6. The client's 401k may offer more liability protection than a rollover IRA; each state may vary. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so the client should consult an attorney if the client is concerned about protecting the retirement plan assets from creditors.
- 7. The client may be able to take out a loan on their 401k, but not from an IRA.
- 8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
- 9. If the client owns company stock in the plan, the client may be able to liquidate those shares at a lower capital gains tax rate.
- 10. The client's plan may allow the client to hire Sunbeam as the manager and keep the assets titled in the plan name.

It is important that the client understand the differences between these types of accounts and to decide whether a rollover is best for the client. Prior to proceeding, if the client has questions contact Sunbeam using the information on the cover page of this brochure.

Item 5 – Fees and Compensation

A. ADVISORY FEES AND BILLING

Sunbeam earns its fees and compensation by providing advice and investment management services. Clients pay Sunbeam a quarterly management fee in advance based on the net asset value of assets under management, with lower rates applicable to balances over stated amounts as set forth in the following table:

Account Value (Net Asset Value)	Quarterly Management Fee
Less than \$50 million	0.375% (1.5% <i>per annum</i>)
\$50 million to \$100 million	0.3125% (1.25% <i>per annum</i>)
\$100 million and over	0.25% (1.0% <i>per annum</i>)

Management fees are appropriately prorated to reflect any Account contributions that occur during a quarter with such amounts payable at the beginning of the next quarter, and proportionately adjusted with respect to amounts withdrawn from any Account during a quarter with an appropriate credit on the management fee due at the beginning of the next quarter. The net asset value of an Account includes all cash and all other assets of the Account (valued at liquidation value) under management after taking into account all brokerage commissions and fees, and other expenses of the Account.

If authorized by the Client, Sunbeam can instruct the Client's qualified custodian to debit Sunbeam's fees from the Client's Account. Pursuant to that authorization fees would be deducted directly from the account and paid to Sunbeam from the amount on deposit in the Account. If a Client prefers to be billed that can also be arranged.

All open positions are valued at their then market value, which means the settlement price as determined by the exchange on which the transaction is effected, or the most recent appropriate quotation as supplied by the clearing broker or banks through which the transaction is effected. If there are no trades on the date of the calculation due to operation of the daily price fluctuation limits or due to a closing of the exchange on which the transaction is executed, the contract will be valued at fair value as of the close of the then most recent trading day. Interest, if any, accrues monthly.

B. OTHER FEES AND EXPENSES

Sunbeam's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by Clients. Clients may incur certain charges imposed by custodians, brokers, third party investment managers and other third parties such as management fees, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange

traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Firm's fee, and Sunbeam shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Sunbeam considers in selecting or recommending broker-dealers for client transactions, determining the reasonableness of their compensation (e.g., commissions) and other expenses incurred by Clients in connection with their investments through Accounts.

C. REFUND POLICY

Any unearned management fees (based on days remaining in the quarter) will be refunded to a Client in the event the Client closes its Account or terminates its Client Agreement effective during a calendar quarter.

D. OTHER COMPENSATION

Sunbeam does not receive any compensation other than management fees described in this Brochure and Client Agreements. All fees are subject to negotiation.

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

Sunbeam 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 adviser manages accounts that are billed based only on a percentage of assets under management and at the same time manages other accounts for which fees are performance-based. Sunbeam does not currently manage any Accounts on a side-by-side basis.

Item 7 – Types of Clients

A. TYPES OF CLIENTS

Sunbeam provides portfolio management services to high net worth individuals and related entities such as retirement accounts, family trusts and limited partnerships.

B. CONDITIONS FOR ACCOUNT MANAGEMENT

The Firm does not require a specific minimum amount of Client assets, but does not expect to work with Clients that do not have several million dollars of investable assets.

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

A. METHODS OF ANALYSIS

Sunbeam will determine the most appropriate asset allocation for clients after in-depth discussions about current assets, liabilities, income needs now and in the future, investment goals, risk tolerance, tax status and other factors. Client portfolios will be invested over multiple asset classes with different weightings to achieve the desired risk and return profile. Each portfolio will be reviewed periodically for rebalancing to ensure the portfolio remains invested in accordance with the planned objectives. Sunbeam will choose the most effective investment vehicles to implement the asset allocation plan. Investment vehicles will be selected based on Sunbeam due diligence and third-party research providers and consultants, among other factors. Sunbeam believes that diversification across asset classes affords clients some level of protection from being overly exposed to one particular asset class. However, portfolios exposed to multiple asset classes can be volatile during any given time periods and may lose value.

Once the appropriate allocation has been determined, Sunbeam will generally select Exchange Traded Funds ("**ETFs**"), mutual funds, and in some limited cases individual stocks or bonds for client portfolios.

ETFs and mutual funds will be selected based on a number of factors including Sunbeam's due diligence, third party research and consultants, manager tenure, past performance, assets under management of the manager, fees, fund sponsor, fund rankings, fund ratings for risk versus return, and other factors.

Fixed income investments may be used as part of a strategic asset allocation or to generate income, possibly both. Individual bonds or bond funds will be selected based on a number of factors including Sunbeam's due diligence, third party research and consultants, manager tenure, past performance, assets under management of the manager, fees, fund rankings, rating of the bond(s), duration, yield, and other factors.

Should Sunbeam select individual stocks, Sunbeam will utilize its own due diligence, third party research and consultants, fundamental analysis, and other factors. The Firm's fundamental analysis consists of calculating financial ratios and reviewing cyclical trends of industries in conjunction with other monetary policy indicators to assess the overall performance and profitability of companies. Fundamental analysis is performed on historical and present data. There are risks associated in making financial forecasts on such data. Since fundamental analysis takes a long-term approach to analyzing markets and often looking at data over a number of years, patience is necessary and even an ultimately successful investment may not be evident for an extended period of time.

B. INVESTMENT STRATEGIES

Sunbeam strives at all times to meet the investment objectives of each Client. During an interview with a new Client, Mr. Carson will seek to understand the Client's goals and time horizon while also evaluating the Client's risk tolerance through discussion and feedback. Mr. Carson will use this experience to help design client portfolios that are geared to protect capital over the long term. Sunbeam will carefully examine the entire balance sheet and household wealth situation of each client before making any recommendations. Sunbeam aims to create balanced and conservative portfolios for clients to preserve wealth. **However, investing involves risk and any client may lose a substantial amount of its account value.**

Sunbeam may also utilize the following investment strategies, among others, when implementing investment advice given to clients:

Long Term Purchases - Securities purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen long-term changes in the company in which you are invested or in the overall market.

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. We may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

Securities used to build the investment portfolio will generally consist of mutual funds, exchange traded funds, individual stocks, and individual bonds. Security selection will be on a client-by-client basis but will generally be based on the client's portfolio size, goals, and risk tolerance.

Trading - Securities purchased with the expectation that they will be sold within a very short period of time, generally within 30 days. Trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. Frequent trading strategies may be used occasionally in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

Balance Strategy - A portfolio allocation and management method aimed at balancing risk and return. Such portfolios are generally divided equally between equities and fixed-income securities. Although the balanced investment strategy aims to balance risk and return, it does carry more risk than those strategies aiming at capital preservation or current income. In other words, the balanced investment strategy is a somewhat aggressive strategy, and is suitable for those investors who have some tolerance for risk with a longer time horizon (generally over five years).

Long Term Buy and Hold - Buy and hold is a long-term investment strategy based on the view that in the long run financial markets give a good rate of return despite periods of volatility or decline. This viewpoint also holds that short-term market timing

(the concept that one can enter the market on the lows and sell on the highs) does not work for small accounts or inexperienced investors, so it is better to simply buy and hold. The risk involved with this type of strategy is that, if you need your money in the short term, you may not be able to wait for the market to recover from a downturn.

Options - Purchasing and writing options is a strategy whereby a contract is sold by one party to another, which offers the purchaser the right to buy or sell a security at an agreed-upon price during a certain period of time or on a specific date. We may use this strategy to hedge a portion of a client's portfolio, or generate additional income. Options can be highly volatile instruments and can lose most or all of their value in a short amount of time, so clients must be willing to accept this risk.

C. MATERIAL RISKS OF METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Notwithstanding the method of analysis or investment strategy employed by Sunbeam, the assets of each Account are subject to risk of devaluation or loss. A prospective Client should carefully consider the following risks prior to retaining the Firm:

- *General Investment Risks:* An Account's success depends upon Sunbeam's ability to implement its investment strategy. Any factor that would make it more difficult to execute timely trades may also be detrimental to Account profitability.
- *Dependence on Key Personnel:* Sunbeam is entirely dependent on the services of Mr. Carson. His departure or incapacity would currently require termination of Client relationships and each Client would be responsible to reviewing Account positions or retaining an alternative investment adviser.
- *Investment and Trading Risks.* All investments involve the risk of a loss of capital. Sunbeam believes that its investment program and its research and risk-management techniques moderate this risk through the careful selection of securities and other financial instruments. No guarantee or representation is made that Sunbeam's investment program will be successful, and investment results may vary substantially over time.
- *Risks Relating to Markets.* The value of those securities in which Accounts invest and that are traded on exchanges or over-the counter and the risks associated therewith vary in response to events that affect such markets and that are beyond Sunbeam's control. Market disruptions such as those that occurred during October of 1987, on September 11, 2001 and following the systemic loss of confidence during the recent financial crisis of 2008 and 2009, could have a material effect on general economic conditions, market volatility, and market liquidity which could result in substantial losses to Clients.
- *Equity Securities.* The value of the equity securities held in an Account are subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. While offering greater potential for long-term growth, equity securities are more volatile and riskier than some other forms of investment.
- *Small- and Medium-Capitalization Stocks.* An Account may be invested in stocks of companies with smaller market capitalizations. Small- and medium-capitalization

companies may be of a less seasoned nature or have securities that may be traded in the over-the-counter market. These “secondary” securities often involve significantly greater risks than the securities of larger, better-known companies. In addition to being subject to the general market risk that stock prices may decline over short or even extended periods, such companies may not be well-known to the investing public, may not have significant institutional ownership and may have cyclical, static or only moderate growth prospects. Additionally, stocks of such companies may be more volatile in price and have lower trading volumes than larger capitalized companies, which results in greater sensitivity of the market price to individual transactions. Accordingly, these assets require a longer-term investment horizon.

- *Mutual Funds.* A substantial portion of Account assets may be allocated to registered investment companies, which are subject to all of the risks described in this Brochure that apply to direct investments. In addition, Accounts will incur a second layer of investment management fees and expenses when invested in mutual funds.
- *Municipal Bonds.* The firm may use municipal bonds or municipal bond funds owing to the tax-advantaged nature of the income and relatively low incidences of default. However, municipal bonds do have risks including call risk, credit risk, interest rate risk, inflation risk, liquidity risk, among other possible risks.
- *U.S. Treasury Notes and Bonds.* The firm may use U.S. Treasury Notes and Bonds owing to the relatively low credit risk. However, Treasury securities do have risks including interest rate risk and inflation risk.
- *Exchange Traded and Closed-End Funds.* Accounts will typically be invested in a type of investment company called an exchange traded fund. ETFs are a type of investment security that can represent an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry, sector or asset class, multiples of the foregoing or the inverse of any of the foregoing. Some ETF portfolios are actively managed. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. In addition to bearing the risks related to investments in equity securities and leveraged investments, investors in ETFs intended to replicate a securities index bear the risk that the ETFs performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs.
- *Illiquid Investments.* Accounts may invest in securities, loans or other assets for which no (or only a limited) liquid market exists or that are subject to legal or other restrictions or transfer. It may take longer to liquidate these positions (if they can be liquidated) than would be the case for more liquid investments. The prices realized on the resale of illiquid investments could be less than those originally paid. The

market prices, if any, for such assets tend to be volatile, and may fluctuate due to a variety of factors that are inherently difficult to predict including, but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry, and the financial condition of obligors. An Account may not be able to sell assets when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of illiquid assets and restricted securities often requires more time and may result in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

- *Highly Volatile Instruments.* The prices of financial instruments in which an Account invests can be highly volatile. Price movements of the securities and derivative contracts in which an Account may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Accounts are subject to the risk of failure of any of the exchanges on which its positions trade or of their clearinghouses.
- *OTC Transactions.* An Account may engage in transactions involving securities traded on “over the counter” (“OTC”) markets. In general, there is less governmental regulation and supervision in the OTC markets than of transactions entered into on an organized exchange. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, will not be available in connection with OTC transactions. This exposes a Client to the risks that a counterparty will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the contract. Therefore, to the extent that Accounts engage in trading on OTC markets, Clients could be exposed to greater risk of loss through default than if it confined its trading to regulated exchanges.

While this information provides a synopsis of the events that may affect Client Accounts, this listing is not exhaustive. **ANY CLIENT MAY LOSE A SUBSTANTIAL AMOUNT OF ITS ACCOUNT VALUE.**

D. RECOMMENDATION OF SPECIFIC TYPES OF SECURITIES

Sunbeam recommends investments to Accounts which are designed for investors who are able to bear the risk of such investments. Permissible investments for Accounts may include, but are not limited to, equity securities, fixed income and debt securities, mutual funds, exchange-traded funds, options and other derivatives.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Sunbeam or the integrity of Sunbeam's management. None of the Firm, its principals or its employees have been involved in any legal or disciplinary proceedings related to past or present investment advisory client.

Item 10 – Other Financial Industry Activities and Affiliations

A. FINANCIAL INDUSTRY ACTIVITIES

Sunbeam is not a registered broker-dealer and does not have an application pending to register as a broker-dealer. Furthermore, none of Sunbeam management or supervised persons is a registered representative of a broker-dealer and no such person has an application pending to become a registered representative of a broker-dealer.

B. FINANCIAL INDUSTRY AFFILIATIONS

Sunbeam is not a registered futures commission merchant, commodity pool operator, a commodity trading advisor and does not have an application pending to register as such. Furthermore, none of Sunbeam management or supervised persons is an associated person of the foregoing entities or has an application pending to become such an associated person.

C. OTHER MATERIAL RELATIONSHIPS

Sunbeam does not have any other arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser, futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships other than those already disclosed herein.

D. OTHER INVESTMENT ADVISERS

Sunbeam does not have any material arrangements with other investment advisers that would be material to its advisory Clients.

Item 11 – Code of Ethics

A. CODE OF ETHICS

All employees of Sunbeam must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, Sunbeam has determined to adopt a Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or at least the potential for or the appearance of such a conflict), and to establish reporting requirements and enforcement procedures relating to personal

trading by Sunbeam personnel. Sunbeam's Code of Ethics, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes standards for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. Sunbeam will provide a copy of its Code of Ethics to any client or prospective client upon request.

B. PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS

Neither Sunbeam nor any related person recommends to Clients, or buys or sells for Client accounts, securities in which Sunbeam or a related person has a material financial interest.

C. PROPRIETARY AND SIMULTANEOUS TRADING

Sunbeam personnel, including Mr. Carson, often buy and sell securities and other investments for their own personal accounts (and the accounts of family members and other affiliates) that Sunbeam has also recommended to Clients. Sunbeam has adopted a personal trading policy to mitigate the conflicts of interest inherent from such proprietary or simultaneous trading. Sunbeam will not intentionally favor a proprietary account over a Client Account, nor will Sunbeam knowingly permit a proprietary account to trade ahead of a Client Account unless the Client's investment strategy or objective is deemed to be "buy and hold". That is, if the Client's objective seeks to avoid raising cash at any given time (for tax purposes or otherwise) or the Client prefers not to sell particular investments, Sunbeam may consider such Account (or particular investments in such Account) differently for purposes of Sunbeam's personal trading policy. Sunbeam documents transactions where a conflict of interest is deemed to be present. Sunbeam strives to uphold its fiduciary duties to all Clients as it relates to issues present in proprietary or simultaneous trading.

Sunbeam anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which the Firm has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Sunbeam, its affiliates and/or clients, directly or indirectly, have a position or interest. Sunbeam's employees and persons associated with Sunbeam are required to follow the Firm's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Sunbeam and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Sunbeam's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Sunbeam will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based on a determination that these would not materially conflict with the best interest of the Firm's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee

trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Sunbeam and its clients.

Certain affiliated accounts may trade in the same securities with Client Accounts on an aggregated basis when consistent with Sunbeam's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Sunbeam will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

The Firm's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Mr. Carson.

It is Sunbeam's policy that the firm will not effect any principal or agency cross securities transactions for Client Accounts. Sunbeam will also not cross trades between Accounts. Principal transactions are generally defined as transactions where the Firm, 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. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. 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 the Firm is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

A. SELECTION AND RECOMMENDATION

Sunbeam does not maintain custody of Client assets, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account to pay management fees (see Item 15 – Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We expect to request that our clients use a specified broker-dealer firm that offers a platform that facilitates the management of multiple client accounts (the "**Broker**"), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with any potential Broker. The Broker will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we request that you use the Broker as custodian/broker, you will decide whether to do so and open your account with the Broker by entering into an account agreement directly with them. We do not open the account for you. If you do not wish to place your assets with the Broker, then we can still manage your account, and even if your account is maintained at the Broker, we can still use other brokers to execute trades for your account, as described in the next paragraph.

How We Select Brokers/Custodians to Recommend

We seek to recommend or use a custodian or broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including these:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- Reputation, financial strength, and stability of the provider
- Their prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us from the Broker”)

Your Custody and Brokerage Costs

For our clients’ accounts it maintains, the Broker generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Broker account. The Broker’s commission rates and fees applicable to our client accounts were negotiated based on our commitment to maintain a specified minimum of our clients’ assets statement equity in accounts at the Broker. This commitment benefits you because the overall commission rates and fees you pay are lower than they would be if we had not made the commitment. In addition to commissions and other fees the Broker charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Broker account. These fees are in addition to the commissions or other compensation you pay the executing broker- dealer. Because of this, in order to minimize your trading costs, we will have the Broker execute most trades for your account.

Products and Services Available to Us from the Broker

The Broker serves independent investment advisory firms like Sunbeam. They provide our clients and us with access to its institutional brokerage — trading, custody,

reporting, and related services — many of which are not typically available to the Broker retail customers. The Broker also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Here is a more detailed description of the Broker's support services:

Services That Benefit You. The Broker's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through the Broker include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. The Broker's services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You. The Broker also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both the Broker's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at the Broker.

In addition to investment research, the Broker also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Services That Generally Benefit Only Us. The Broker also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

The Broker may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. The Broker may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. The

Broker may also provide us with other benefits such as occasional business entertainment of our personnel.

Sunbeam generally recommends that Clients establish an Account with the Broker. This allows for certain operational efficiencies for Sunbeam as it relates to trade allocations and Account monitoring, among others. However, with Sunbeam's agreement, Clients are free to open accounts at another broker of such Client's choosing.

B. ORDER AGGREGATION

Sunbeam may aggregate purchase and sale orders for Accounts to obtain the best pricing, minimize trading costs, or otherwise achieve operational efficiency. This practice is reasonably likely to result in administrative convenience or an overall economic benefit to the Client. Clients also generally benefit from better execution prices, lower commission expenses, beneficial timing of transactions, or a combination of these and other factors. The Firm's policies and procedures permit order aggregation. Aggregated orders will be allocated to Client Accounts in a systematic, non-preferential manner, according to Sunbeam's trade allocation policy.

Item 13 – Review of Accounts

A. PERIODIC REVIEWS

Sunbeam reviews the investment activity and positioning of Client Accounts continually, and not less frequently than quarterly, to determine conformity with investment objectives and strategies. If a re-allocation of investments is necessary, the Firm generally sells underperforming investments in order to buy new investments that are better aligned with the investment objective of the Account. Such reviews are conducted by Mr. Carson.

B. INTERMITTENT REVIEW FACTORS

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or by changes in your financial status (such as retirement, termination of employment, relocation, or inheritance).

Clients are advised to notify Sunbeam promptly if there are any material changes in their financial situation or investment objectives.

C. CLIENT REPORTS

Clients will receive reports at least quarterly from the Account custodian detailing the Account performance and holdings. Sunbeam will not necessarily send any additional reports regarding Client Accounts.

Item 14 – Client Referrals and Other Compensation

A. ECONOMIC BENEFITS FROM OTHERS

The Firm does not receive and does not have any arrangement with any third-party to receive any economic benefit (such as sales awards or other prizes) for providing investment advice or other advisory services to its Clients.

B. COMPENSATION TO UNAFFILIATED THIRD PARTIES

At this time, neither Sunbeam nor its related persons compensate directly or indirectly any person who is not a supervised person for Client referrals.

Item 15 – Custody

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them. Sunbeam does not have physical custody of any Client funds or securities and Sunbeam will not maintain physical possession of Client funds or securities. Physical custody of Client funds and securities are held by the Broker and such other qualified custodians as Sunbeam or a Client may designate.

With respect to Client Accounts, the physical assets of such Accounts are maintained with the Broker or with another broker designated by Client. Sunbeam will be deemed to have custody of the Account assets where Sunbeam has been given the authority under the applicable Client Agreement to withdraw fees directly from the Account. As part of the billing process, the Account's custodian is advised of the amount of Sunbeam's fees to be deducted from that Account. On at least a quarterly basis, the custodian is required to send the Client a statement showing all transactions within the Account during the reporting period.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian which holds and maintains client's investment assets. When you receive these statements, please review the statements carefully. Please compare asset values, holdings, and fees to the Account statement issued for the previous period and raise any concerns directly with the custodian of record and with the Firm.

Item 16 – Investment Discretion

It is Sunbeam's customary procedure to obtain full discretionary authority in order to supervise and direct the investments of Client Accounts. Each Client grants this authority to Sunbeam by executing the applicable Client Agreement. This authority is for the purpose of making and implementing investment decisions, without a Client's prior consultation. The Firm's discretionary authority does not give the Firm authority to take or have possession of any assets in the Account or to direct delivery of any securities or payment of any funds held in the Account to Sunbeam. Furthermore, the Firm's authority granted through the Client Agreement does not allow Sunbeam to

direct the disposition of such securities or funds to anyone except the Client. Further, any activity in a Client's Account directed by Sunbeam will be made only in accordance with such Client's previously stated investment objectives and risk tolerance. For managed Accounts, Clients may impose reasonable restrictions on this authority. (Please refer to Item 4 above).

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Sunbeam 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. The Firm 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 Sunbeam's financial condition. Sunbeam 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.

Privacy Policy

Sunbeam Capital Management, LLC ("**Adviser**") recognizes the importance of protecting our client's non-public information, and we are committed to maintaining the confidentiality, integrity and security of our current and former clients' non-public information.

Adviser collects information about our clients (such as name, address, social security number, assets and income) from discussions with such clients, documents provided by clients and in the course of providing service to our clients.

Adviser will not disclose non-public information about our clients except as necessary to carry out transactions Client has requested or authorized in connection with our services, as required by law, or to non-affiliated third parties who assist us in administering client accounts. Any party that receives this information will use it only for the services required and as allowed by applicable law or regulation, and is not permitted to share or use this information for marketing or any other purpose. Because the disclosures made are only those necessary to manage and service accounts, clients cannot limit the scope of the disclosures that we make.

Adviser restricts access to our clients' non-public information to those employees and third-party service providers who need to know such information in order to provide products or services to our clients. Adviser maintains physical, electronic, and procedural safeguards that comply with federal standards to guard each client's non-public information.

Brochure Supplement

(Part 2B of Form ADV)

ELLIS A. CARSON II
Managing Member and Chief Compliance Officer

Sunbeam Capital Management, LLC
886 Cumberland Road NE
Atlanta, Georgia 30306
(901) 229-2132

March 26, 2019

NOTICE: This Brochure Supplement provides information about Mr. Carson, an Investment Adviser Representative of Sunbeam Capital Management, LLC ("**Sunbeam**" or the "**Firm**"). In addition to this Brochure Supplement, you should have received a copy of the Firm Brochure for Sunbeam, CRD No. 289723. Please contact Mr. Carson, Managing Member, if you did not receive a copy of the Firm Brochure (Part 2A of Form ADV). You can also contact Mr. Carson if you have any questions about the content of this Brochure Supplement.

Additional information about the Firm's investment adviser representatives is available on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number known as a CRD number. Mr. Carson's CRD number is 4780927.

Generally, Sunbeam requires employees to hold a college or advanced degree or have relevant working experience in the securities industry. Any employee of Sunbeam acting in a representative capacity will be appropriately licensed or registered. Sunbeam currently has one investment adviser representative employed by the Firm. This Brochure Supplement provides information about that sole representative, Ellis A. Carson II.

Item 2 Education and Business Experience

Ellis A. Carson II

CRD No. 4780927

Year of Birth: 1979

EDUCATIONAL BACKGROUND:

B.A., University of Notre Dame, 2001

M.B.A., UCLA Anderson School of Management, 2006

RELATED BUSINESS EXPERIENCE:

Managing Member/Chief Compliance Officer
Sunbeam Capital Management, LLC

April 2017 – Present

Director, Institutional Equity Sales
Credit Suisse Securities USA

February 2008 – April 2017

Associate, Institutional Equity Sales
Banc of America Securities

August 2006 -- January 2008

Analyst, Investment Banking
Deutsche Bank Securities

July 2001 -- July 2004

Item 3 Disciplinary Information

Mr. Carson does not have any legal or disciplinary events material to a client's or prospective client's evaluation.

Item 4 Other Business Activities

Mr. Carson is not actively engaged in any other investment-related business or occupation and does not spend more than 10% of his business time or derive more than 10% of his income from any other business activities.

Item 5 Additional Compensation

Mr. Carson does not receive any other economic benefit from any third party for providing advisory services.

Item 6 Supervision

Mr. Carson is the Managing Member, Chief Compliance Officer and only Investment Adviser Representative of Sunbeam. Sunbeam provides investment advisory and supervisory services in accordance with its policies and procedures manual. Mr. Carson has sole responsibility for implementation of the Firm's policies and procedures.