

**Item 1 – Cover Page**

**Part 2A of Form ADV**

**Brochure for:**

**Stumpf Capital Management LLC**

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Scottsdale, AZ 85255  
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**March 19, 2019**

**This Brochure provides information about the qualifications and business practices of Stumpf Capital Management LLC (“SCM” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. 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.**

**Stumpf Capital Management LLC is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.**

**Additional information about SCM is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). SCM’s CRD number is: 174508.**

## **Item 2 – Material Changes**

Item 2 discusses material changes to the Brochure since the last annual updating amendment on March 8, 2018.

Since the last annual updating amendment, the Firm has updated its principal place of business address to: 20842 N. 102nd Street Scottsdale, AZ 85255.

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## Item 4 – Advisory Business

### A. Description of the Advisory Firm

Stumpf Capital Management LLC (“SCM” or the “Firm”), a Delaware limited liability company, was formed on December 16, 2015. Joshua J. Stumpf is the principal owner and Manager of SCM. Mr. Stumpf is also the Chief Executive Officer and Chief Investment Officer of SCM.

### B. Types of Advisory Services

SCM provides investment advice and portfolio management services to separate accounts, including individuals, small businesses, and business and institutional clients (the “Clients”). The Firm may decide in the future to provide services to additional types of clients.

Pursuant to each Client’s investment advisory agreement with SCM (each, an “Advisory Agreement”), the Firm invests Clients’ assets utilizing mix of fundamental, technical and customized financial analysis focused on Client needs and risk tolerance.

### C. Client Tailored Services and Client Imposed Restrictions

Advisory services are tailored to achieve Clients’ investment objectives. Generally, SCM has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Clients.

### D. Wrap Fee Programs

SCM does not participate in wrap fee programs.

### E. Amounts Under Management

SCM manages the assets of the Clients and has the following assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$150,634,349	\$0	December 31, 2018

## Item 5 – Fees and Compensation

### A. Fee Schedule

The fees and compensation payable to SCM are negotiable and vary among its Clients. However, the range of compensation is generally as follows:

#### 1. Management Fee

SCM typically receives a quarterly asset-based management fee calculated as a percentage of each Client's account, payable quarterly in arrears. The management fee is generally equal to 0.5% (per annum). The Firm may, in its sole discretion, reduce, waive or calculate differently the management fee with respect to any Client.

#### 2. Incentive Fee

SCM does not currently receive an incentive fee from its Clients. This Brochure will be updated accordingly if the Firm anticipates receiving an incentive fee from its Clients in the future.

#### 3. Fee Comparison

The expenses of the Clients, including the management fee, may constitute a higher percentage of average net assets than would be found in other investment vehicles or with other investment advisers.

### B. Payment of Fees

Management fees and third-party fees (discussed below) are deducted from Client assets. Management fees, which are paid in arrears, are withdrawn at the end of the quarter.

### C. Third-Party Fees

The Clients shall pay such costs and expenses as SCM shall reasonably determine to be necessary, appropriate, advisable or convenient to realize each Client's investment objective, including but not limited to: (i) management fees; (ii) all general investment expenses; (iii) all operating and administration expenses, including but not limited to, all custodial fees, accounting, brokerage commissions, clearing fees, borrowing charges, interest on margin and other borrowings, and withholding or transfer taxes incurred in connection with the Client account; and (v) such other expenses as may be set forth in each Client's Advisory Agreement.

SCM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Clients. Such charges, fees and commissions are exclusive of and in addition to the Firm's management fee, and the Firm shall not receive any portion of these commissions, fees, and costs.

Please see Item 12 of this Brochure regarding brokerage.

D. Prepayment of Fees

SCM does not expect Clients to prepay fees.

E. Outside Compensation for the Sale of Securities

Neither SCM nor its supervised persons accept compensation for the sale of securities or other investment products outside of its association with the Firm.

**The foregoing discussion in Item 5 represents SCM's basic compensation arrangements. The fees described above are structured to comply with Rule 205-3 under the Advisers Act and applicable state laws. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Client may vary. Although the Firm believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

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

As discussed in Item 5.A., SCM does not currently receive an incentive fee from its Clients. This Brochure will be updated accordingly if the Firm anticipates receiving an incentive fee from its Clients in the future.

### **Item 7 – Types of Clients**

SCM provides investment advice and portfolio management services to separate accounts, including individuals, small businesses, and business and institutional clients.

The minimum amount of assets under management for a Client account is \$500,000. The Firm may, in its sole discretion, waive the minimum investment requirement for any Client. Generally, similar terms will apply to Clients, though certain Clients may have terms that differ or are more favorable than those for other Clients.

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

A. Methods of Analysis

SCM's utilizes fundamental, technical and customized financial analysis, as further described below, focusing on financial newspapers and magazines; research materials prepared by others; annual reports, prospectuses, and filings with the SEC.

B. Investment Strategies

Pursuant to each Client's Advisory Agreement, SCM invests Clients' assets based on each Client's stated investment objectives and risk tolerance. Generally, investment strategies will include asset allocation and diversification, along with a mix of growth and value strategies. The main securities recommended for Client accounts will generally include mutual funds, closed end funds, exchange traded funds ("ETFs"), bonds, and stocks.

*Fundamental Analysis:* SCM may utilize valuation ratios such as Price to Earnings (P/E/), Price to Book (P/B), profit margins, and growth forecasts for each nation (GDP) to evaluate whether the market is expensive or cheap relative to historical valuations. SCM believes such validation ratios also provide a good idea of the risk-reward available for each security/asset class. Other valuation components may include Return on Equity (ROE), Return on Assets (ROA), projected growth, Free Cash Flow, and Debt to Equity Ratio.

*Technical Analysis:* SCM may utilize 200-day, 50-day simple and exponential moving averages to help display overbought or oversold conditions relative to the current price of securities. The Firm intends to use this for specific asset classes to make tactical recommendations for Client portfolio construction.

*Customized Financial Analysis:* SCM evaluates Clients' investments to ascertain that the fundamental features are synchronized with the Clients' financial objectives.

C. Risks of Investments and Strategies Utilized

**Investing in securities involves risk of loss that Clients should be prepared to bear.**

Investment and trading risk factors may include:

**General Investment and Trading Risks.** Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. The investment program utilizes such investment techniques as option transactions, margin transactions, short sales, leverage and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a Client may be subject.

**Common Stocks and Equity-Related Securities.** Prices of common stock react to the economic conditions of the company that issued the security, industry and market conditions, and other factors and may fluctuate widely. Investments related to the value of stocks may rise and fall based on an issuer's actual and anticipated earnings, changes in management, the potential for takeovers and acquisitions, and other economic factors. Similarly, the value of other equity-related securities, including preferred stock, warrants and options may also vary widely.

**Small- and Mid-Cap Risks.** Securities of small-cap issuers may present greater risks than those of large-cap issuers. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers.

**Risks Associated with Investments in Distressed Securities.** A Client may invest in “below investment grade” securities and obligations of domestic and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Some of these securities may not be publicly traded, and it therefore may be difficult to obtain information as to the true condition of such issuers. Additionally, in certain periods, there may be little or no liquidity in markets for these securities. Such investments also may be affected adversely by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court’s power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies’ securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies.

**Investing in High Yield Securities.** High-yield securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. High-yield securities face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer’s inability to meet timely interest and principal payments.

**Derivative Investments.** The prices of derivative instruments, including options, are highly volatile. Price movements of options contracts 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. The value of options also depends upon the price of the instruments underlying them. In addition, client assets are also subject to the risk of the failure of any of the exchanges on which its positions trade or of its clearinghouses or counterparties.

**Convertible Securities.** The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the investment value of convertible securities. The conversion value of a convertible security is determined by the market price of the underlying common stock. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security is called for redemption, a client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party.

Any of these actions could have an adverse effect on the client's ability to achieve its investment objective.

**Exchange Traded Funds.** Exchange Traded Funds ("ETFs") are a type of index fund bought and sold on a securities exchange. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

**Highly Volatile Markets.** The prices of financial instruments can be highly volatile. Price movements of forward and other derivative contracts 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. Clients are also subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.

**Use of Leverage and Financing.** A Client may pledge its securities in order to borrow additional funds for investment purposes. Any event which adversely affects the value of an investment by the Client would be magnified to the extent the Client is leveraged. The cumulative effect of the use of leverage by a Client in a market that moves adversely to the Client's investments could result in a substantial loss that would be greater than if the client were not leveraged.

**Hedging Transactions.** While a Client may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Client than if it had not engaged in any such hedging transactions. For a variety of reasons, SCM may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent a Client from achieving the intended hedge or expose the Client to risk of loss.

**Derivatives and Hedging.** Derivatives are financial instruments or arrangements in which the risk and return are related to changes in the value of other assets, reference rates or indices. A Client's ability to profit or avoid risk through investment or trading in derivatives will depend on SCM's ability to anticipate changes in the underlying assets, reference rates or indices.

**Short Selling.** Short selling involves selling securities which are not owned and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Client of

buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position are available for purchase at or near prices quoted in the market. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

**Limited Diversification.** Investments may be primarily focused geographically in certain countries. Furthermore, broad diversification of investments in number or by industry or geography is not a primary investment of SCM. This limited diversity could expose Clients to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments.

**Non-U.S. Securities.** Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers.

**Emerging Markets.** In addition to the risks associated with investments outside of the United States, investments in emerging markets (i.e., the developing countries) may involve additional risks. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally, and transactions will need to be made on a neighboring exchange. Volume and liquidity levels in emerging markets are lower than in developed countries. When seeking to sell emerging market securities, little or no market may exist for the securities. In addition, issuers based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices and requirements comparable to those applicable to issuers based in developed countries, thereby potentially increasing the risk of fraud or other deceptive practices.

**Illiquid Investments.** Securities and other assets, may be subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and a Client may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale.

**Counterparty Risk.** Transactions may be affected in “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes Clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing Clients to suffer a loss.

More information about the Client’s investments is available in the Advisory Agreement.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with SCM. Prospective Clients should read the entire Brochure as well as the Advisory Agreement and other materials that may be provided by the Firm and consult with their own advisers prior to engaging the Firm's services.**

### **Item 9 – Disciplinary Information**

SCM and its management persons have not been a party to any legal or disciplinary events that would be material to a client's or prospective client's evaluation of its investment advisory business or the integrity of its management.

### **Item 10 – Other Financial Industry Activities and Affiliations**

A. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither SCM nor its management persons are registered as a broker-dealer or broker-dealer representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither SCM nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading advisor.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

There are no other relationships or arrangements that are material to this advisory business.

SCM currently provides management and investment advisory services to clients and managed accounts that follow investment programs similar to or different from one another. A number of actual and potential conflicts of interest between the Clients could exist, including the possibility of conflict with respect to the allocation of investment opportunities among the Clients. The Firm has sole discretion to resolve such conflicts as it determines to be appropriate, consistent with its fiduciary duties to Clients.

D. Selection of Other Advisors or Managers

SCM does not utilize nor select other advisors or third-party managers. All assets are managed by the Firm.

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

### **A. Code of Ethics**

SCM has adopted a Code of Ethics (the “Code”) that governs the activities of each member, officer, director and employee of SCM (collectively, “Employees”). The Firm holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Client. In serving its Client, the Firm strives to avoid conflicts of interest or the appearance of conflicts of interest. Employees covered by the Code may not engage in personal trading and have certain reporting obligations of their personal securities accounts. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

SCM will provide a copy of its Code of Ethics to Clients and prospective Clients upon request. Such a request may be made by submitting a written request to the Firm at the address on the cover page to this Brochure.

### **B. Recommendations Involving Material Financial Interests**

Neither SCM nor its related persons recommend to Clients, or buy or sell for Client accounts, securities in which the Firm or a related person has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

Although SCM’s policies and procedures prohibit its Employees and related persons from engaging in personal trading. There may be circumstances in which SCM, its Employees and/or related persons have holdings in the same instruments that SCM buys or sells for Client accounts, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Client accounts because of SCM’s recommendations regarding a particular security. The Firm’s policy as to such transactions is that neither the Firm nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for Client accounts. The Firm addresses this conflict by requiring Employees to sign and adhere to the Firm’s Code of Ethics and to report personal securities holdings to the Firm.

### **D. Trading Securities At/Around the Same Time as Clients’ Securities**

As discussed above, SCM, its Employees, or related persons of SCM may not engage in personal trading.

## Item 12 – Brokerage Practices

### A. Factors Used to Select or Recommending Broker-Dealers

SCM will always have discretion as to the placement of brokerage (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions, the Firm considers such factors as price, quality of execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by clients and certain brokerage or research services ("soft dollar items") provided by such brokers and clearing and settlement capabilities. The Firm is subject at all times to principles of best execution, in accordance with the Firm's policies and procedures. In selecting broker/dealers to execute transactions, the Firm need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Firm believes that the broker-dealers that it recommends provide competitive transaction and custody costs, helping clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, the Firm seeks to pre-negotiate preferred terms for its clients providing clients with the benefits associated with the economy of scale and custodial knowledge of the Firm.

Certain brokers utilized by SCM may provide general assistance to the Firm, including, but not limited to technical support, consulting services, and consulting services related to staffing needs. In selecting a broker, SCM may consider the broker's general assistance and consulting services. To the extent the Firm would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

#### 1. Research and Other Soft Dollar Benefits

SCM currently does not currently receive, and does not anticipate receiving, research or other products or service other than execution from a broker-dealer or third-party in connection with Client securities transactions ("soft dollar benefits"). However, in the future, the Firm shall have the right if, in good faith, it considers it to be in the best interest of the Client and consistent with the Firm's obligations to do so, to enter into "soft dollar" arrangements with one or more broker-dealers. All "soft dollar" arrangements will fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act, as that safe harbor is currently interpreted by the Securities and Exchange Commission. If in the future the Firm obtains "soft-dollar" benefits, this Brochure will be appropriately amended.

#### 2. Brokerage for Client Referrals

SCM does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. The Firm may receive referrals in the future and if it does it will appropriately amend this Brochure.

### 3. Directed Brokerage

SCM does not direct brokerage. Securities transactions are executed by brokers selected by SCM in its discretion and without the consent of the Clients. The Firm may enter into directed brokerage arrangements in its discretion.

#### B. Aggregating Trading for Multiple Client Accounts

SCM may (but is not required to) combine orders on behalf of one Client account with orders for other Client accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. When it does, SCM will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. The Firm believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of the Firm's relationship to the Clients it manages by virtue of its position as an investment manager, there may be circumstances in which transactions for those entities may not, under certain laws, regulations and internal policies, be combined with those of some of the Firm's and its affiliates' other Clients, which may result in less advantageous execution for those Clients.

SCM may place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client.

In addition, SCM and/or its related persons or Clients may buy or sell specific securities for its or their own account that are not deemed appropriate for Client accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in client accounts are made. Where execution opportunities for a particular security are limited, the Firm attempts in good faith to allocate such opportunities among Clients in a manner that, over time, is equitable to all clients.

## **Item 13 – Review of Accounts**

#### A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

SCM reviews Client accounts on a weekly basis to ensure consistency with the Clients' strategy and performance objectives. Asset allocation, cash management, market prospects and individual issue prospects are considered. The reviews are conducted by Joshua J. Stumpf.

#### B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may take place more frequently if triggered by economic, market, or political conditions.

C. Content and Frequency of Regular Reports

The Clients' custodian provides quarterly reports to Clients showing the assets in each Client account, the market value, and each account's performance for the quarter. Reports will generally be provided in an electronic format.

**Item 14 – Client Referrals and Other Compensation**

A. Economic Benefits Provided by Third Parties

SCM does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to the Client.

B. Compensation to Non-Advisory Personnel for Client Referrals

Currently, neither SCM nor its related persons directly or indirectly compensate any person who is not advisory personnel for Client referrals. If in the future the Firm enters into such arrangements, this Brochure will be appropriately amended.

**Item 15 – Custody**

SCM does not take custody of Client assets. Separate Account Clients receive at least quarterly account statements directly from their custodians, listing account balance(s), transaction history and any fee debits or other fees taken out of the account. Upon opening an account with a qualified custodian on a Client's behalf, the Firm promptly notifies the Client in writing of the qualified custodian's contact information.

**Item 16 – Investment Discretion**

The Advisory Agreement generally authorizes SCM to invest and trade the Clients' assets in a broad range of investments, to be selected at SCM's sole discretion, with no specific limitations as to type, amount, concentration, or leverage. Further, the Firm may enter into any type of investment transaction and employ any investment methodology or strategy it deems appropriate.

Each Client designates SCM as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out the Clients' business and affairs.

### **Item 17 – Voting Client Securities**

SCM will not have authority to vote proxies on behalf of the Clients. If in the future, the Firm obtains authority to vote proxies, this Brochure will be appropriately amended.

### **Item 18 – Financial Information**

SCM 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 petition.

A. Balance Sheet

SCM does not require nor solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

SCM has discretionary authority over the Clients' assets. At this time, neither the Firm nor its management persons have any financial conditions that are likely to reasonably impair its ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Years

SCM has not been the subject of a bankruptcy petition in the last ten years.

### **Item 19 – Requirements for State-Registered Advisers**

Not applicable.