

Spring Capital Management, L.L.C.

600 S. Tyler, Suite 1515

Amarillo, Texas 79101

(806) 322-5000

springcapitalmanagement.com

Form ADV Part 2A Appendix 1

Wrap Fee Brochure

January 2024

This wrap fee program brochure provides information about the qualifications and business practices of Spring Capital Management, L.L.C. ("SCM" or "the Adviser") If you have any questions about the contents of this Brochure, please contact us at (806) 322-5000 or via email at richard@springcapitalmanagement.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.

Spring Capital Management, L.L.C. is a Registered Investment Adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information that you may use to determine whether to hire or retain them.

Additional information about Spring Capital Management, L.L.C. is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by using a unique identifying number, known as CRD number. The CRD number for Spring Capital Management, L.L.C. is 282842. The SEC's web site also provides information about any persons affiliated with Spring Capital Management, L.L.C. who are registered, or are required to be registered, as Investment Adviser Representatives of Spring Capital Management, L.L.C.

Item 2 – Material Changes

Since our last annual amendment filing on January 24, 2023, Charles Schwab & Co. (Schwab) acquired TD Ameritrade (TDA). In September of 2023 all accounts held at TDA were transitioned to Schwab.

In the future, this section of the Brochure will discuss only the specific material changes that were made to the Brochure and will provide you with a summary of all material changes that have occurred since the last filing of this Brochure. This section will also identify the date of our last annual Brochure update.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 90 days of the close of our business' fiscal year end which is December 31st. We will provide other ongoing disclosure information about material changes as they occur. We will also provide you with information on how to obtain the complete brochure. Currently, our Brochure may be requested at any time, without charge, by contacting Richard McElreath at (806) 322-5000.

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Item 4 – Services, Fees and Compensation

SCM is a Registered Investment Adviser which offers this wrap fee program for its advisory clients.

We provide investment advice through Investment Adviser Representatives (“IAR”) associated with us. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on our behalf.

Wrap Fee Program

We provide portfolio management services to individuals, high net worth individuals, businesses, trusts and estates. Our focus is on helping you to build and preserve your wealth. We currently provide our asset management services in investment programs that bundle or “wrap” services (investment advice, trade execution, custody, etc.) together and charge a single fee based on the value of assets under management through the Spring Capital Management wrap program. Our fee is not tied to or based on the transaction fees being charged by the custodian, nor the amount of trading in the client’s account.

We will meet with you to discuss your financial circumstances and investment objectives. We will ask you to provide statements summarizing current investments, income and other earnings, recent tax returns, retirement plan information, other assets and liabilities, wills and trusts, insurance policies, and other pertinent information. Based on the discussions we have with you during our initial meeting, we will determine if our Model is a fit with your stated investment objectives and risk tolerance. The investments in the Model may include mutual funds, stocks, bonds, equity options, futures, ETF’s, etc.

The Spring Capital ADEPT Strategy

Our primary offering of investment management is the Advancing Dividend Equity Portfolio Theory which is a total return strategy based on the analysis that a large percentage of long term total market returns are attributed to dividends. We focus on companies that not only have a long dividend history, but also a history of compounding dividends on a regular basis. Guided by metrics such as strong balance sheets, good product lines, sound management, and limiting exposure to high yielding stocks, we select the companies that look to continue past trends. With a strong set of sell disciplines and economic cycle basis for our sector weightings, our portfolio seeks opportunities in companies in relative value while also processing stock price appreciation, growth characteristics, and company fundamentals for exiting a position. In addition, we do not limit our opportunities by market capitalization, industry sector, or geographic location.

While most of the assets managed are to the specifics of the Model, in unique situation circumstances do arise where management of other securities fits the needs of the clients and are within the abilities of Spring Capital. In those situations, both the client and the firm can evaluate solutions to those needs and agree on a different asset allocation from the model to accommodate the client.

As part of our asset management services provided with our Wrap Fee Programs, we will:

- Review your present financial situation
- Determine your tolerance for risk

- Monitor and track assets under management
- Manage asset selection
- Determine market divisions through asset allocation
- Monitor our portfolios and provide portfolio rebalancing as necessary
- Assist you in setting and monitoring goals and objectives
- Provide personal consultations as necessary upon your request or as needed.

You must notify us promptly when your financial situation, goals, objectives, personal circumstances, or needs change.

Our strategy is specific to our model. You shall have the ability to impose reasonable, but limited, restrictions on the management of your account, including the ability to instruct us not to purchase certain mutual funds, stocks or other securities. These restrictions may be a specific company security, industry sector, asset class, or any other restriction you request. Excessive restrictions may cause Spring Capital to be unable to manage an account that may lead to them terminating their service as a manager with a 30 day written notice to the client

We manage assets on a discretionary basis, which means you have given us the authority to determine the following without your consent:

- Securities to be bought or sold for your account
- Amount of securities to be bought or sold for your account
- Broker-dealer to be used for a purchase or sale of securities for your account
- Commission rates to be paid to a broker or dealer for your securities transaction.

Trading may be required to meet initial allocation targets, after substantial cash deposits that require investment allocation, and/or after a request for a withdrawal that requires liquidation of a position. On rare occasions your account may be rebalanced or reallocated in order to maintain the objective of the model. This rebalancing or reallocation will occur on the schedule we have determined together. You will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account. We are not tax professionals and do not give tax advice. However, we will work with your tax professional to assist you with tax planning. You will have the opportunity to meet with us periodically to review the assets in your account.

We will help you open a custodial account(s). The funds in your account will be held in a separate account, in your name, at an independent custodian, and not with us. We recommend Charles Schwab as the independent custodian for all accounts that we manage, and at the request of the client will utilize the services of a different custodian of the client's choice.

You will also receive our Advisory Agreement which describes what services you will receive and what fees you will be charged. We are available during normal business hours either by telephone, fax, email, or in person by appointment to answer your questions.

Fees and Compensation

A wrap fee program allows you to pay a specified fee for portfolio management services and the execution of transactions. The fee is not based directly upon transactions in your account. The fee is bundled with our costs for executing transactions in your account(s). Through his career, Richard McElreath has always managed his client accounts through a wrap fee program. We have opted to manage our client accounts through the Spring Capital Management wrap program as Richard McElreath and his long-term clients agree that a simple flat fee without additional expense is to the client liking vs. that of an asset-based fee combined with additional custodial charges. Please note that other fees outside of the custodian or the Adviser exist and could be charged in addition the stated fees, I.E., government or regulatory charges. Please note that in some cases there may be no transaction fees charged by the custodian and times when there will be infrequent trading. Under these circumstances our fee will not be reduced due to the lack of any transactional charges. Any negotiation of fees will be based solely on the services being provided by the Adviser and not tied to any charges incurred from the services being provided by the custodian.

The Adviser currently utilizes the services of Charles Schwab. The choice of custodian is ultimately the clients. Our minimum account opening balance is \$1,000,000 (one million), which may be negotiable based upon certain circumstances. Fees are charged quarterly, in advance or arrears, depending on the client's needs. Payments are due and will be assessed within 21 days of the last day of each quarter, based on the daily average balance of the account under management for the preceding quarter. The Adviser charges 1.5% annually. Fees are calculated on the daily average balance of the client's account(s).

Our Advisory Agreement defines what fees are charged and their frequency. The fee stated above is an annual fee and may be negotiable based upon certain circumstances. Fees for partial periods will be charged on a pro rata basis based on the number of days remaining in the billing period. No increase in the wrap fee shall be effective without prior written notification to you. We believe our fee is reasonable considering the fees charged by other investment advisers offering similar services/programs. Our fees will not be based upon a share of capital gains or capital appreciation of the funds or any portion of your funds.

If the Wrap Fee Brochure is not delivered to the Client at least 48 hours prior to entering into the management agreement, the Client may terminate the agreement for services within five business days of execution without penalty. After the five-day period, either party, upon 30 days written notice to the other, may terminate the management agreement. The management fee will be pro-rated for the month in which the cancellation notice was given and any unearned fees will be returned to the client via check.

You will authorize the custodian to directly debit fees from your account held at the custodian and to pay us. You will be provided with a custodial statement reflecting deduction of the advisory fees.

By participating in a wrap fee program, Clients may end up paying more or less than they would through a non-wrap fee program. The relative cost of the program includes trade execution costs that would typically be passed directly through to the Client by the executing broker in addition to the annual fee. Clients could invest in debt and equities directly, without the Adviser's services. In that case, Clients would not receive the services provided by the Adviser which are designed, among other things, to assist in determining which investments are appropriate for the portfolio and the Client's Account.

In our wrap fee program, we include all trade charges for your account; however, our fees do not include other related costs and expenses. You may incur certain charges imposed by custodians, and other third parties. These include custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, money market funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as "12(b)(1) fees". These 12(b)(1) fees come from fund assets, and thus indirectly from clients' assets. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge.

Since the Adviser does not charge Clients fees based on trading activity, the Adviser may have an incentive to limit trading activities in Client account(s) because the Adviser is charged for executing trades. In addition, the amount of compensation received by the Adviser may be more than what the Adviser would receive if the Client paid separately ("unbundled") for investment advice, brokerage, and other services. Therefore, the Adviser may have a financial incentive to recommend the wrap fee program over other programs or services. The Adviser monitors all Client accounts to ensure that the Adviser's fiduciary duty is met for all Clients. Any breaches of the Adviser's fiduciary duty are noted and appropriate repercussions are initiated to deter such behavior.

The Client can terminate the relationship without penalty within the first five (5) days after the signing of the advisory agreement. After the initial five days, the Agreement will continue in effect until terminated by either party with a thirty (30) day written notice to the other, in person or by mail to the address of record.

Item 5 – Account Requirements and Types of Clients

The Adviser provides portfolio management services to individuals, high net worth individuals, businesses, trusts and estates. Our minimum account opening balance is \$1,000,000 (one million), which may be negotiable based upon certain circumstances.

Item 6 – Portfolio Manager Selection and Evaluation

Portfolio Managers

Richard McElreath serves as the portfolio managers for all Client accounts for the Model managed through the wrap fee program. All wrap accounts are managed in-house by Richard McElreath. The portfolio manager's background information can be found in the Form ADV Part 2B Brochure Supplement attached.

Advisory Business

As previously stated in Item 4 – Services, Fees and Compensation, Spring Capital's sole advisory service is asset management services provided through its Wrap Fee Program. Please refer to Item 4 for all

information pertaining to our advisory business. Under certain circumstances we will tailor our services for individual client needs or allow clients to impose restrictions on investing in certain securities or types of securities. We will review your financial circumstances, investment goals and objectives, and to determine your risk tolerance and then use this information to determine if the Model investment portfolio is appropriate for your circumstances.

For those invested in the Model, if the client does choose to impose investment restrictions, the Client will experience a different investment return than what will be realized by the Model itself. Such performance may be better or worse than the Model. For these reasons, if a Client wishes to make a request concerning restrictions based on specific securities, it may be more appropriate for the Client to discuss the possibility of meeting with the Adviser to discuss the prospect of creating a more tailored portfolio. It should be noted, any standardized reports of model performance will not reflect the performance of the particular model with restrictions applied. However, performance reports of the Client's account will accurately reflect the Client's actual account performance with restrictions.

Performance-Based Fees and Side-by-Side Management

The Adviser does not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a client. As we do not charge performance-based fees, the Adviser does not perform side-by-side management.

Methods of Analysis, Investment Strategies and Risk of Loss

1. Methods of Analysis

We use fundamental analysis methods as part of our overall investment management discipline and tend to implement long term investment strategies to meet the investment objectives of our clients.

Fundamental Analysis

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the underlying factors that affect a company's actual business and its future prospects. Fundamental analysis is about using real data to evaluate a security's value. It refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

The end goal of performing fundamental analysis is to produce a value that we can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

2. Investment Strategies

In order to perform this analysis, we use many resources, such as:

- Morningstar
- Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- Annual reports, prospectuses, filings
- Company press releases and websites

3. Risk of Loss

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to bear. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance.

A list of all risks associated with the strategies, products and methodology we offer are listed below:

Bond Fund Risk

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- **Call Risk** - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- **Credit Risk** — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- **Interest Rate Risk** — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.
- **Prepayment Risk** — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

Fundamental Analysis Risk

Fundamental analysis, when used in isolation, has a number of risks:

- There are an infinite number of factors that can affect the earnings of a company, and its stock price, over time. These can include economic, political and social factors, in addition to the various company statistics.
- The data used may be out of date.
- It is difficult to give appropriate weightings to the factors.
- It assumes that the analyst is competent.
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on.

Exchange Traded Fund ("ETF") Risk

Most ETFs are passively managed investment companies whose shares are purchased and sold on a securities exchange. An ETF represents a portfolio of securities designed to track a particular market segment or index. ETFs are subject to the following risks that do not apply to conventional funds:

- The market price of the ETF's shares may trade at a premium or a discount to their net asset value;
- An active trading market for an ETF's shares may not develop or be maintained; and
- There is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged

Insurance Product Risk

The rate of return on variable insurance products is not stable, but varies with the stock, bond and money market subaccounts that you choose as investment options. There is no guarantee that you will earn any return on your investment and there is a risk that you will lose money. Before you consider purchasing a variable product, make sure you fully understand all of its terms. Carefully read the prospectus. Some of the major risks include:

- **Liquidity and Early Withdrawal Risk** – There may be a surrender charges for withdrawals within a specified period, which can be as long as six to eight years. Any withdrawals before a client reaches the age of 59 ½ are generally subject to a 10 percent income tax penalty in addition to any gain being taxed as ordinary income.
- **Sales and Surrender Charges** – Asset-based sales charges or surrender charges. These charges normally decline and eventually are eliminated the longer you hold your shares. For example, a surrender charge could start at 7 percent in the first year and decline by 1 percent per year until it reaches zero.
- **Fees and Expenses** – There are a variety of fees and expenses which can reach 2% and more such as:
 - Mortality and expense risk charges
 - Administrative fees
 - Underlying fund expenses
 - Charges for any special features or riders.
- **Bonus Credits** – Some products offer bonus credits that can add a specified percentage to the amount invested ranging from 1 percent to 5 percent for each premium payment. Bonus credits, however, are usually not free. In order to fund them, insurance companies typically impose high mortality and expense charges and lengthy surrender charge periods.
- **Guarantees** – Insurance companies provide a number of specific guarantees. For example, they may guarantee a death benefit or an annuity payout option that can provide income for life. These guarantees are only as good as the insurance company that gives them.
- **Market Risk** – The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- **Principal Risk** – The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

Mutual Funds Risk

The following is a list of some general risks associated with investing in mutual funds.

- **Country Risk** - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- **Currency Risk** -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- **Income Risk** - The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- **Industry Risk** - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- **Inflation Risk** - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- **Manager Risk** -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- **Market Risk** -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- **Principal Risk** -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

Stock Fund Risk

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.

Overall Risks

Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.

Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of

investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

Voting Client Securities

As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We are authorized to instruct the custodian to forward you copies of all proxies and shareholder communications relating to your account assets. Further, the Adviser will not be required to take any action or render any advice with respect to any securities held in the Account, which are named in or subject to class action lawsuits. The Adviser will, however, forward to the Client any information the Firm receives regarding class action legal matters involving any security held in the Account and discuss such information if the Client so desires.

Item 7 – Client Information Provided to Portfolio Managers

The Adviser has access to all Client information obtained by the Adviser with respect to the particular Client accounts that they manage. The Adviser does not provide Client information to any other portfolio managers.

Item 8 – Client Contact with Portfolio Managers

The primary point of contact for Clients with respect to this wrap fee program is Richard McElreath. Clients are always free to directly contact Mr. McElreath with any questions or concerns they have about their portfolios or other matters.

Item 9 – Additional Information

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 us or the integrity of our management. We do not have any information to disclose concerning Spring Capital or any of our IARs. We adhere to high ethical standards for all IARs and associates. We strive to do what is in your best interests.

Other Financial Industry Activities and Affiliations

Spring Capital is not registered as, nor does it have a pending application to register as, a broker-dealer. Richard McElreath is a registered representative of Purshe Kaplan Sterling Investments CRD # 35747.

Neither Spring Capital nor any of its management persons are registered as a commodity pool operator, futures commission merchant, and/or commodity trading advisor.

Other Financial Industry Affiliations

The IARs of Spring Capital have the following outside business activities and/or affiliations to disclose:

Richard McElreath is a registered representative of Purshe, Kaplan, Sterling Investments CRD # 35747 ("PKS"). As a registered representative of PKS he may recommend securities products that will pay him a commission through their broker-dealer relationship. When such recommendations or sales are made, a conflict of interest exists as registered representatives may receive more commissions from the sale of these products than from providing you with advisory services. Mr. McElreath spends approximately 10-15% of his time in this role. We require that all IARs disclose this conflict of interest when such recommendations are made. We also require IARs to disclose to clients that they may purchase recommended products from other representatives not affiliated with us. Our Code of Ethics requires our IARs do what is in the client's best interests at all times. Our CCO monitors all transactions to ensure that representatives put their clients first, not the commission they may receive. The broker-dealer also monitors all transaction to make certain they are suitable for the client.

Mr. McElreath may recommend insurance products and may also, as an independent insurance agent, sell those recommended insurance products to clients. When such recommendations or sales are made, a conflict of interest exists as the insurance licensed IARs earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. We require that all IARs disclose this conflict of interest when such recommendations are made. Also, we require IARs to disclose that clients may purchase recommended insurance products from other insurance agents not affiliated with us.

Bob Rathbun is a registered representative of Purshe, Kaplan, Sterling Investments CRD # 35747 ("PKS"). As a registered representative of PKS he may recommend securities products that will pay him a commission through their broker-dealer relationship. When such recommendations or sales are made, a conflict of interest exists as registered representatives may receive more commissions from the sale of these products than from providing you with advisory services. Mr. Rathbun spends approximately 60% of his time in this role. We require that all IARs disclose this conflict of interest when such recommendations are made. We also require IARs to disclose to clients that they may purchase recommended products from other representatives not affiliated with us. Our Code of Ethics requires our IARs do what is in the client's best interests at all times. Our CCO monitors all transactions to ensure that representatives put their clients first, not the commission they may receive. The broker-dealer also monitors all transaction to make certain they are suitable for the client.

Mr. Rathbun may recommend insurance products and may also, as an independent insurance agent, sell those recommended insurance products to clients. When such recommendations or sales are made, a conflict of interest exists as the insurance licensed IARs earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. We require that all IARs disclose this conflict of interest when such recommendations are made. Also, we require IARs to disclose that clients may purchase recommended insurance products from other insurance agents not affiliated with us.

Code of Ethics, Participation or Interest in Client Accounts and Personal Trading

General Information

We have adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to you, our client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor

mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

Participation or Interest in Client Accounts

We may recommend securities to you that we have purchased for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices
- Participating in client accounts

Clients and prospective clients may request a copy of the firm's Code of Ethics by contacting the Chief Compliance Officer.

Personal Trading

We may recommend securities to you that we will purchase for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your orders when those like orders are placed on the same day. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with our obligation of best execution. When trades are aggregated, all parties will share the costs in proportion to their investment. We will retain records of the trade Order (specifying each participating account) and its allocation. 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.

We have established the following restrictions in order to ensure our fiduciary responsibilities regarding insider trading are met:

- No securities for our personal portfolio(s) shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of IAR(s) of Spring Capital, unless the information is also available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of yours.

Spring Capital Management, L.L.C. has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of "Access Persons". The policy requires that an Access Person of the firm 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 Adviser selects; provided, however that at any time that the Adviser has only one Access Person, he or she shall not be required to submit any securities report described above.

Conflicts of Interest

Spring Capital Management, L.L.C. representatives may employ the same strategy for their personal investment account(s) as they do for clients. However, orders will not be placed in a way to benefit from the purchase or sale of a security. These transactions are executed through block trades when practical so that all participants are receiving an average price and no employee receives better pricing than any of the Adviser's clients. This practice eliminates any conflict of interest that may arise between the clients of Spring Capital and any other individual participating in the Model. Please note that we utilize more than one custodial broker dealers. There may be instances where trades in client accounts held at one custodian may receive better pricing than the trades in the same security with our other custodian.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interests of all the accounts we advise.

Review of Accounts

Reviews will be conducted at least annually or as agreed to by the Adviser and client. Reviews will be conducted by our Chief Compliance Officer Richard McElreath. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, we will monitor for changes and shifts in the economy, changes to the management and structure of a mutual fund or company in which client assets are invested, and market shifts and corrections.

Reports

You will be provided with account statements reflecting the transactions occurring in the account on at least a quarterly basis. These statements will be written or electronic depending upon what you selected when you opened the account. You will be provided with paper confirmations for each securities transaction executed in the account. You are obligated to notify us of any discrepancies in the account(s) or any concerns you have about the account(s).

Client Referrals and Other Compensation

We do not receive any economic benefit from someone who is not a client for providing investment advice or other advisory services to our clients nor do we directly or indirectly pay any compensation to another person if they refer clients to us.

Financial Information

We do not solicit fees of more than \$500, per client, six months or more in advance. We are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings.

Economic Benefits

Other Economic Benefits

Spring Capital may recommend/require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Spring Capital is independently owned and operated and not affiliated with Schwab. Schwab provides Spring Capital with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Spring Capital client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Spring Capital other products and services that benefit Spring Capital but may not benefit its clients' accounts. These benefits may include national, regional or Spring Capital specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Spring Capital by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Spring Capital in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Spring Capital's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Spring Capital's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to Spring Capital other services intended to help Spring Capital manage and further develop its business enterprise. These

services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to Spring Capital by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Spring Capital. While, as a fiduciary, Spring Capital endeavors to act in its clients' best interests, Spring Capital's recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Spring Capital of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.