



**Taurus Capital Advisors, LLC
Form ADV Part 2A
Disclosure Brochure
March 29, 2024
CRD #137633**

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This brochure provides information about the qualifications and business practices of Taurus Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 503-452-7131. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

You can find more information about us at the SEC's website www.advisorinfo.sec.gov.

We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training.

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ITEM 2 – MATERIAL CHANGES

The following is a summary of material changes that were made to the Taurus Capital Advisors, LLC Investment Adviser Firm Brochure (Form ADV Part 2A) in the most recent revision dated March 24, 2023. Full details are outlined in the Firm Brochure, which is available upon request. Please contact our office for a free copy by phone at (503) 658-9529 or by email to saliba@tauruscap.com. The Brochure is also available on our website at www.tauruscap.com.

- Amy Oh, CFF®, CPA, joined Taurus Capital as an Advisor.
- Company set a minimum assets under management requirement of \$500,000. This limit can be waived at our discretion.
- As of December 31, 2023, assets under management increased to \$152,413,916.
- Primary custodian changed from TD Ameritrade to Charles Schwab due to merger.
- No other material changes to report.

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ITEM 4 – ADVISORY BUSINESS

The Company

Taurus Capital Advisors, LLC ("we", "us" or "Taurus Capital") is an Oregon limited liability company registered as an investment adviser with the Securities and Exchange Commission ("SEC"). Our principal place of business is located in Lake Oswego, Oregon. Taurus Capital was founded in 2005 by Gregory G. Saliba, who is the sole owner and manager of the company. Mr. Saliba is a registered investment adviser representative of Taurus Capital and directs its investment policies and strategies.

Taurus Capital is an independent, fee-only investment advisory firm that offers professional investment and financial planning services to individual and institutional clients. We have a legal and ethical fiduciary responsibility to act in the best interests of our clients. We sell no products and collect no commissions or rebates. Our firm is distinguished by the extensive financial and investment expertise of its owner and portfolio managers. Our advisory services include advice on complex financial matters such as:

- Wealth management
- Concentrated stock strategies
- Portfolio management and diversification
- Retirement planning
- Succession planning

Investment Advisory and Wealth Planning Services

We provide investment portfolio management and wealth planning services for individual and institutional clients. We manage portfolios that often consist of multiple account types, which may include individual, joint, trust, IRA, 401(k), etc.

Taurus Capital uses an asset allocation approach using index funds and factor-based funds to build low-cost, tax efficient, and well-diversified portfolios for our clients. Portfolios are constructed in a manner that is appropriate for our clients' age, life circumstances, risk tolerances, and return objectives. The investment process relies heavily on a disciplined approach with a foundation utilizing index funds to maximize long-term returns by minimizing costs and taxes. Individual securities may be purchased to meet client requests. For the fixed-income portion of portfolios, we most heavily rely on U.S. Treasury Exchange-Traded Funds (ETFs), but may also use other investment options, including but not limited to exchange-traded index funds, mutual funds, and individual corporate, municipal, and treasury securities.

Taurus Capital does not use frequent trading or market timing strategies.

By developing a personalized investment strategy for each client, we help our clients identify both short-term and long-term financial objectives and implement an investment plan aligned with those objectives. We also advise clients on other important areas of their financial lives, including retirement and succession planning, concentrated positions, college savings plans, cash flow management, estate planning, financial reporting, and risk management.

To the extent requested by a client, Taurus Capital may recommend the services of other professionals for certain non-investment implementation purposes (i.e., estate attorneys, tax accountants, insurance providers, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Taurus Capital. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Client Obligations

In performing its services, Taurus Capital shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, clients must promptly notify Taurus Capital if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, and revising Taurus Capital's investment recommendations, advice, and financial plans, if applicable.

Tailored Advisory Services

Clients may impose restrictions on investing in certain securities, industries, or sectors, and must advise Taurus Capital of any such restrictions in writing. Clients may also direct us to purchase, hold, or sell securities we might not recommend. In those instances, we require written instruction from the client to transact in those securities.

Institutional Clients

Institutional clients generally provide Taurus Capital with an investment policy or set of objectives to follow, which we regularly review with the client. If no investment policy exists or if circumstances warrant a new policy, we will work with the organization to develop and implement an appropriate investment policy. We invest the client's assets in accordance with its investment policy.

Individual Clients

Our relationships with our individual clients are in-depth and personalized. We tailor our advisory services to meet each client's particular needs. We work directly with clients to build and protect their wealth over the long term.

We ask clients to complete an investor questionnaire to assist us in developing investment objectives that reflect their unique goals, needs, risk tolerance, and time horizon. Clients may have multiple accounts with us, and each may have a different investment objective. We discuss the client's objectives annually at a minimum to be sure the objectives continue to meet their particular needs and goals.

Our wealth planning process begins with a thorough evaluation of the client's current financial state and future goals, needs, and expectations. We utilize a third-party software platform to aggregate a client's financial information, which includes details about their cash flow, savings, debts, investments, insurance, and other elements of their financial life. From this, we establish a baseline model of the client's current and projected future financial picture. We then work with the client to help identify their long-term objectives for financial security and well-being, and provide a detailed savings and investing strategy for achieving those objectives, as well as the timeframes involved.

We do not participate in any wrap-fee programs.

Assets Under Management

As of December 31, 2023, we managed \$147,337,643 on a discretionary basis and \$5,076,273 on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

We are a fee-only advisory firm, meaning we are compensated only by our clients and do not receive compensation or commissions from any other parties. We believe this method of compensation minimizes conflicts of interest.

Investment Advisory Services

For accounts managed under our standard Investment Advisory Agreement ("IAA"), clients pay a management fee quarterly in arrears in an amount set forth in the IAA. The fee is a percentage per annum calculated on the amount of assets under management ("AUM") held in the account on the last trading day of the previous quarter. Our standard fee schedule for investment advisory services is as follows:

1.00% of account balances of up to \$1,000,000
0.50% of account balances over \$1,000,000

For purposes of determining value, securities, mutual funds, and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded. Notwithstanding the above standard fee schedule, fees are generally negotiable based on investment strategy and amount

of household account management. However, in no event will the fee ever exceed the amount in the schedule.

Fees are calculated and deducted from the client's account each calendar quarter following the billing date as stated in the IAA. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee calculated based on the number of calendar days from the date the IAA is signed until the end of the calendar quarter. Other than at the beginning and termination of a client relationship, we do not adjust a client's quarterly fee due to assets added or withdrawn during a quarter. Payment of fees may result in the liquidation of the client's securities if there is insufficient cash in the account. Clients bear the responsibility for verifying the accuracy of fee calculations. The amount of the fee deducted from the account is reflected on our quarterly reports and monthly custodial statements.

The IAA may be terminated at any time by either party by written notice to the other party as set forth in the IAA. The value of the assets in the account will be calculated based on the sum of the values of all the assets in the account, adjusted by any margin debit. Fees for partial quarters at the commencement or termination of the IAA will be billed or refunded on a pro rata basis, contingent on the number of days the account was open during the quarter. Quarterly fee adjustments for additional assets received into an account during a quarter or for partial withdrawals will also be provided on the above pro rata basis.

Wealth Planning Services

Comprehensive wealth planning consists of an ongoing fee that is paid quarterly, in arrears, at the rate of \$1,250 per quarter. Wealth planning is included as a service without an additional fee for clients with \$500,000 or more in managed assets. Clients with managed assets of less than \$500,000 will be subject to an annual minimum fee of \$5,000, billed quarterly in arrears. If there are not enough assets under management to cover this fee, the difference will be paid via separate invoice, for a total minimum fee of \$5,000 annually. This fee will cover wealth planning and investment management services. We may waive the minimum for any client in our sole discretion.

Other Fees and Expenses

In addition to our advisory fees, clients may incur certain charges imposed by custodians, brokers, and other third parties, such as fees charged by mutual fund and exchange traded managers, 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 and exchange-traded funds (ETFs) charge internal management fees, which are disclosed in a fund's prospectus. When considering an investment in a mutual fund or ETF, we use a no-load, open-end fund when appropriate. We evaluate the relative annual fund costs as a part of our decision process. Taurus Capital shall not receive any portion of these commissions, fees, or costs.

An investor could invest in a mutual fund or ETF directly, without our services. In that case, the investor would not receive the services we provide, which are designed in part to help determine which, if any, mutual funds and ETFs are best suited to their financial condition and objectives. Investors should review the fees charged by the mutual fund and/or ETFs and our fees to fully understand the total amount of fees charged and to evaluate the advisory services we provide.

Item 12 further describes the factors that Taurus Capital considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Taurus Capital may be hired to conduct advisory services outside the scope of investment management or wealth planning services. These services may include debt advisory services, financial analysis of a specific project, or other services as requested by a client or prospective client. The hourly fee for such services will be \$250 per hour.

No Compensation from Sales of Securities

Taurus Capital and its employees do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Taurus Capital and its employees do not accept "performance-based fees" (fees based on a share of capital gains on or capital appreciation of a client's assets).

ITEM 7 – TYPES OF CLIENTS

We generally provide advice to the following types of clients:

- individuals, including their taxable accounts and trusts, individual retirement accounts (IRAs), and self-directed 401(k) accounts
- charitable organizations and endowments
- corporations and other businesses, including their retirement plans

Minimum Account Size

Our minimum AUM requirement for new clients is \$500,000, which may be waived at Taurus Capital's sole discretion.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Our investment process is team-driven. Our approach to developing investment strategies allows for vetting of ideas and timely decision-making. Our investment committee meets at least monthly to review general market conditions, as well as events and disclosures relevant to individual securities in client portfolios. At our investment committee meetings, the team follows a decision process that starts with a traditional top-down assessment of the overall economy, followed by allocation strategy discussions based on our economic assessment. During our conversations, team members may make specific investment recommendations on securities. Clients may wish to invest in one investment strategy as part of a larger portfolio. For others, we use multiple asset classes to build a portfolio that seeks to optimize the risk/return tradeoff in the forecasted economic environment based on client objectives.

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

Asset Allocation

Our investment management strategy utilizes asset allocation as the foundation for portfolio development. Academic studies show that asset allocation, which is the weighted ownership of various assets classes such as stocks, bonds, real estate, international securities, etc., is the primary determinant of investment performance.

Taurus Capital's asset allocation decisions are primarily derived from the return objectives, risk tolerances, and cash flow needs of our clients. Consequently, our client's investment time horizon and risk parameters will significantly determine the overall structure of the portfolio.

Investing in capital markets involves uncertainty and variability of returns, or "risk". It requires giving up a great deal of control and subjects investors to sudden and severe short-term drops in the price of their investments. However, with risk comes the potential for higher returns over time, which may reduce other risks—the risk of failing to reach long-term goals and the risk of inflation eroding the purchasing power of a client's principal.

Taurus Capital constructs investment portfolios consisting of U.S. stocks, international stocks (developed and emerging markets), U.S. and international real estate (via income-producing real estate investment trusts, also known as REITs), bonds, and cash or cash equivalents (for example, money market funds). Widely accepted research has shown that combining such asset classes in a portfolio has historically resulted in higher returns with less risk as compared to non-diversified portfolios.

Security Selection

Once a client's asset allocation is determined, Taurus Capital will heavily rely upon index funds and factor-based funds in many asset classes. An index fund is a portfolio of stocks that includes most or all of the securities in a specific market or market sector. In the management of an index fund, no attempt is made to pick "attractive" over "unattractive" securities or to time the market. Rather, by owning all the securities in the market sector, an index fund mimics the market's performance. Index funds typically have lower investment costs (management fees, transaction costs, and tax costs) as compared to "actively managed" funds. Factor-based funds are similar to index funds, except that they tilt a portfolio towards specific exposures in the market. As an example, academic research has shown that over time, value stocks may outperform growth stocks. Consequently, some of our factor-based funds will add additional portfolio exposure to value stocks as a means of adding possible higher expected long-term returns to a client's portfolio. This expectation for higher returns may never materialize.

Infrequently, actively managed mutual funds or exchange-traded funds may also be used for the purposes of broad diversification and/or to access asset classes that are not as well represented by an index. We may also choose to retain a client's mutual funds or other securities for tax management or other reasons until a time when it makes sense to shift to our typically recommended securities.

In general, we utilize investment choices that are readily marketable and that have lower overall costs and higher tax efficiency. Most assets managed by Taurus Capital have a long-term investment horizon. Consequently, the long-term focus in portfolio construction may result in increased volatility over shorter time periods. As a result of that volatility, short-term losses could result, and there is no guarantee that any specific investment strategy will prove successful, even over a longer time horizon.

Over time, differences in performance of the various asset classes will cause them to drift from their allocation targets. A rebalancing strategy may restore the portfolio's target allocation once a minimum or maximum threshold has been exceeded. This process serves to keep risk at the appropriate level while minimizing trading costs and taxable gains.

We believe that frequent trading with an account can have a negative effect on overall returns; therefore, we aim to avoid frequent trading in our clients' accounts.

Portfolio Construction – Fixed-Income Instruments

Our primary objective in fixed-income investing is to generate income return and preservation of capital, with capital appreciation being a secondary area of focus. We balance our income objective with a focus on total return and portfolio risk reduction.

We select fixed-income instruments for clients by:

1. Taking into consideration the specific objectives, risk tolerance, and financial condition of the particular client for whom we are building the portfolio. The primary fixed income holdings will be U.S. Treasury Bills and Notes as well as inflation-protected securities.
2. We may periodically select individual fixed-income securities that have a rating of at least “Ba3” by Moody’s and “BB-” by S&P Global Ratings rating agencies. We may select fixed-income securities that include individual securities of various types, bond exchange-traded funds, and closed- and open-ended bond mutual funds. These investment options may hold lower rated securities within their portfolios, and therefore clients’ portfolios may be exposed to these lower rated fixed-income instruments.

Risks Associated with Our Methods of Analysis and Investment Strategies

All investments in securities include a risk of losing principal (invested amount) and any unrealized profits. Investors should be prepared to bear that risk. Stock markets and bond markets fluctuate substantially over time. The profitable performance of any investment is not guaranteed.

As stated in the IAA, we are not liable for:

- any loss that a client may suffer by reason of any investment decision made, or other action taken or omitted in good faith, by Taurus Capital advisors with that degree of care, skill, prudence, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- any loss arising from our adherence to a client’s instructions; or
- any independent act or failure to act by a custodian of a client’s account.

Nothing in the IAA constitutes a waiver of any legal right under applicable federal or state securities laws or any other law whose applicability may not be waived through contract. If there is a discrepancy between the information in this brochure and the client’s agreement with us, the agreement will control.

Risks Associated with Client Investments

We primarily invest client assets in equity and fixed-income securities. The principal risks of these investments are specified below.

Equity Securities face risks such as:

- General Equity Market Risk (Systematic Risk) – Overall stock market risks may affect the value of investments in equity strategies. Factors such as U.S. economic growth and market conditions, interest rates, and political events affect the equity markets.

- **Company-Specific Risk (Unsystematic Risk)** – Individual company securities are susceptible to risks unique to the company's given business, industry, or other factors including bad management decisions, natural disasters, volatile commodity costs, among many possible risks.

Fixed-Income Securities face specific risks, such as:

- **Interest Rate Risk** – Fixed-income securities increase or decrease in value based on changes in interest rates. If rates increase, the value of fixed-income securities generally declines. On the other hand, if rates fall, the value of the fixed-income securities generally increases.
- **Credit Risk** – There is a risk that issuers and counterparties will not make interest and/or principal payments on the securities they issue, or that their payments will not be made when due. In addition, the credit quality of securities may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security, and that may affect liquidity and our ability to sell the security.
- **Call Risk** – There is a risk that falling interest rates will cause an issuer of fixed-income securities to redeem (call) its high-yielding fixed-income securities before their maturity date.

Mutual Funds and ETFs face risks based on the investments they hold. For example:

- **Sector Stock Fund Risks** – A sector stock fund (which invests in a single industry, such as telecommunications) is at risk that its price will decline due to developments in its industry.
- **Small- and Mid-Cap Company Risks** – Investments in small- and mid-cap companies may be riskier than investments in larger, more established companies. The securities of these companies may trade less frequently and in smaller volumes than securities of larger companies. In addition, small- and mid-cap companies may be more vulnerable to economic, market, and industry changes. Because smaller companies may have limited product lines, markets, or financial resources, or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than larger-capitalization companies.
- **Foreign Securities and Emerging Market Risks** – Foreign securities face risks due to political, social, and economic developments abroad, as well as due to differences between U.S. and foreign currency and regulatory practices. These risks are greater in emerging markets.

- Investment Manager Risk – The Fund’s performance is substantially dependent on the performance of its investment managers. The Fund’s success depends on its continuing ability to identify, attract, and retain highly qualified personnel in the future and the failure to do so could have a material adverse effect on the Fund’s investment decisions and financial condition. There can be no assurance that investment managers will not leave the Fund or compete against the Fund.

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 a client’s evaluation of us or the integrity of our management.

Taurus Capital has no legal or disciplinary events to report.¹

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We are obligated to disclose if we, any of our “supervised persons” (meaning our employees and independent contractors), or any of our affiliates are involved in other financial industry activities, such as broker-dealers, commodity pool operators, futures commission merchants, banking, or pooled investment fund managers. We are also obligated to disclose if we receive compensation from other advisers for recommending or selecting those advisers for our clients.

We do not have any other financial industry activities or affiliations to report. We are not affiliated with any other company. Furthermore, we do not receive compensation from other advisers for recommending or selecting them.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

We take our fiduciary obligations seriously, which requires us to put our clients’ interests ahead of our own. We adopted a Code of Ethics which documents our ethical principles, client confidentiality, reporting personal trading, gifts, and more. Our Code of Ethics applies to all our supervised persons. Each supervised person must comply with our Code of Ethics as a condition to working with us. Our Chief Compliance Officer ("CCO") administers and enforces our Code of Ethics.

¹ We note that registered advisers are required to report, in Part 1A of Form ADV, all disciplinary events regardless of whether they are material. Taurus Capital has no disciplinary events of any kind to report.

Our Code of Ethics requires our supervised persons to:

- comply with applicable federal and state securities laws
- conduct themselves with integrity and act ethically in their dealings with the public, clients, and professional associates
- fulfill their duty of loyalty by acting solely in our clients' best interests
- strive to provide long-term client satisfaction
- disclose any conflict of interest
- adhere to our policies limiting the giving or receiving of gifts and business entertainment
- adhere to our policies limiting the giving of political contributions
- report any violation of our compliance manual to our CCO as soon as possible
- submit or make accessible reports of securities beneficially owned by them and their related persons and submit reports of securities transactions by them and their related persons, subject to certain permitted exceptions

We prohibit our supervised persons from investing in initial public offerings, and they must receive the approval of our CCO before they invest in any private placement.

Our clients or prospective clients may request a copy of our Code of Ethics by contacting our CCO, Gregory G. Saliba, at (503) 658-9529 or using the contact information on the cover page of this brochure.

Participation or Interest in Client Transactions and Personal Trading

Our supervised persons may: (a) buy or sell the same securities we buy or sell for your account; or (b) buy or sell the same securities we buy or sell for your account and engage in this transaction at the same time. As a result, there may be a conflict of interest that arises between you and Taurus Capital [or one of our supervised persons] in the allocation of profitable trades. To address potential conflicts, supervised persons must obtain approval from the CCO prior to executing a personal trade. The CCO reviews proposed trades for potential conflicts of interest with client transactions.

If one of our clients is employed by a publicly traded company, the firm and/or its supervised persons may invest client assets in that company's securities during periods when the firm does not have any material, nonpublic information about that company.

ITEM 12 – BROKERAGE POLICIES

Broker Selection

Unless a client directs us otherwise in writing, Taurus Capital will use its management discretion in recommending securities, the amount of securities to be purchased or sold, the broker to be used, and the commission to be paid. We select brokers based on the broker's overall assistance in effecting the transaction. We consider many factors, including:

- adequate execution capabilities

- commission rate
- financial responsibility
- responsiveness to us
- any research-related products and services provided to us

Commission rates paid may be higher than the lowest commission rate available. Custodians generally charge a minimum fee for each transaction in your account. Because of this minimum fee, it is typically not economically feasible to select any broker other than your custodian for your equity, mutual fund, and ETF transactions. See Item 14 below for our discussion of benefits we and our clients receive from our individual clients' custodial arrangements.

When practicable, we trade fixed-income securities through a bidding process that considers similar factors, as they apply, in agents we use to facilitate trades in those securities.

Restricted Brokerage Accounts

Our individual clients generally utilize Charles Schwab as the custodian to maintain custody of our clients' assets and to affect trades for their accounts. We may utilize other custodians upon client request. These brokerage accounts tend to utilize a custodian that applies clearing fees or "ticket charges" to each trade, and that practice often makes that custodian's owned broker-dealer the most economically responsible location for us to execute a trade in accordance with our duty of best execution. Such fees generally make executed trades with other broker-dealers impractical for equity, mutual fund, and exchange-traded fund ("ETF") transactions.

Client-Directed Brokerage

Client-directed brokerage can make it difficult for Taurus Capital to effectively negotiate brokerage compensation and obtain favorable net pricing and execution. We typically do not allow clients to direct brokerage.

Trading, Execution, and Allocation Generally

Aggregating (grouping) our trades may allow us to execute equity trades in a timelier, more equitable manner. We generally aggregate trades among clients whose accounts can be traded at a given broker. We will not aggregate a transaction if the practice is prohibited by or inconsistent with your advisory agreement with us or our firm's order allocation policy. We will not favor any client or account over another. Furthermore, orders for shares of mutual funds or ETFs are generally fully filled and do not present allocation issues.

Ad-hoc equity trades that are not part of strategy decisions made by the investment team can be submitted any time during the day and are, therefore, not required to be aggregated. If the employee responsible for executing trades notices like trades (i.e., same security, direction, and broker) that have not yet been executed, they may aggregate the orders for execution.

Accounts that execute fixed-income orders away from their custodian will be subject to “trade away” fees. Taurus Capital takes these into account when seeking best execution for all client accounts.

Trade Errors

A trade error is an error committed in connection with an order placed with a broker-dealer by Taurus Capital. Examples of trade errors are:

- buying/selling a security when the reverse was intended
- buying/selling a security in the wrong account
- buying/selling the wrong number of shares
- buying/selling the wrong security
- buying/selling a security which violates account trading restrictions

Supervised persons must notify the CCO as soon as an error or potential error is discovered. The error’s resolution will be approved by the CCO. Taurus Capital will compensate the client wholly for any loss resulting from the error correction. Taurus Capital is not responsible for hypothetical losses such as lost opportunity costs. The details of the trade error are then input into the trade error log and a trade error memo, which is maintained by the CCO.

Operational errors that do not result in a trade error should still be reported as an operational incident, which will be documented and logged with the CCO.

Over purchasing of shares of an equity security or bond is considered a trade error. Those extra shares or bonds may be reallocated to eligible accounts if the following criteria are met:

- the error is discovered prior to settlement
- the accounts that would have received an allocation if the error had not occurred are readily identifiable
- the accounts to which the securities will be reallocated are still eligible at the time the decision to reallocate is made

In the case of U.S. Treasuries, commercial paper, or certificates of deposit purchases, any extra shares may be allocated to a firm account so that the order does not have to be cancelled. Doing so does not preclude the trade from being a trade error. Firm accounts do not include personal accounts of employees.

All decisions to reallocate must be approved by the CCO.

Commission Sharing and Soft Dollar Benefits

Charles Schwab may also make available to Taurus Capital other products and services that benefit Taurus Capital but may not benefit its clients’ accounts. Some of these other products and services assist Taurus Capital in managing and administering clients’ accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitating trade execution (and allocation of

aggregated trade orders for multiple client accounts); providing research, pricing information, and other market data; facilitating payment of Taurus Capital's fees from its clients' accounts; and assisting with back-office functions, record keeping, and client reporting. Many of these services may be used to service all or a substantial number of Taurus Capital's accounts.

Charles Schwab also makes available to Taurus Capital other services intended to help Taurus Capital manage and further develop its business enterprise. These services may include:

- consulting,
- publications and conferences on practice management,
- asset class performance analysis,
- trading and portfolio management strategies via webinars,
- information technology,
- business succession,
- regulatory compliance, and
- marketing.

We do not receive client referrals from any brokerage firms.

Each year we review the relationship we have with our custodians to ensure that our clients receive good value, execution, and services. When performing this review, we weigh the costs and benefits of moving accounts to other custodians.

ITEM 13 – REVIEW OF ACCOUNTS

We review each of our clients' portfolios on a regular basis and no less than annually. We ask our clients to notify us of any significant personal or financial changes and, if such changes exist, to contact us to schedule a meeting to consider whether any changes to the investment policy is needed. Additional reviews may be triggered when there is a deposit into or significant withdrawal from a client's account, or when securities are transferred. During a review, accounts are analyzed by a manager of that client's portfolio, and the following areas are assessed:

- Account investment selections and asset allocation.
- Tax efficiency, for taxable accounts and whenever applicable.
- Ensuring individual portfolio performance is in line with market expectations.
- Ensure portfolios meet the liquidity needs of the client.

We issue written reports to our clients on an ad-hoc basis. Our reports generally include a list of assets in an account, investment results, and other statistical data about the account. We urge you to carefully review these reports and compare them to the statements you receive from your custodian. The information in our reports may vary from the custodial statements based on different accounting procedures, reporting dates, or valuation methodologies of certain securities.

You can provide us with a trusted third-party contact at any time by notifying your financial advisor or the CCO. You may select what information can be shared with the third-party contact, and you may revoke those permissions at any time. No third-party may exercise discretion over the transaction in your account or otherwise make any changes to your account without a Financial Power of Attorney.

For the protection of our clients, Taurus Capital may wait to act upon directives received from clients until the validity of the request can be confirmed.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

We do not have any third-party solicitation arrangements for client referrals.

We receive no compensation for recommending a particular broker or bank as your custodian. However, certain custodians provide products and services that benefit us and our client accounts. Some of these other products or services assist us in managing and administering client accounts. These include software and other technology 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 our fees from our clients' accounts
- Assist with back-office support, recordkeeping, and client reporting

Many of these services may be used to service all or a substantial number of our accounts, including accounts not maintained by that particular broker. These products and services benefit us by allowing us to more quickly and accurately service our clients.

Various brokers also make available to us other services intended to help us manage and further develop our business. These services may include:

- Publications and conferences on practice management
- Information technology
- Business succession planning
- Regulatory compliance
- Marketing

In addition, brokers may make available, arrange, and/or pay for these types of services when provided to us by independent third parties. The brokers may discount or waive fees they would otherwise charge for some of these services or pay all or a portion of the fees of a third party providing these services to us. As a fiduciary, we seek to act in our clients' best interests. However, our recommendation that clients maintain their accounts with these brokers may be based in part on the benefits of these products and services, and not solely on the nature, cost, or quality of the custody or brokerage services these brokers provide. Although this may create

a potential conflict of interest, we believe these products and services are in the best interests of our clients.

ITEM 15 – CUSTODY

Client assets are required to be held with a qualified custodian. Taurus Capital is not a qualified custodian and does not have custody of any client assets. Unless otherwise agreed through your signature authorization in the IAA, we deduct advisory fees directly from your account, which is considered limited custody. We have custody of assets in certain circumstances where clients have provided us with a standing letter of authorization (“SLOA”) with your custodian to transfer money or move money from your account to a third party. For any situation where we are deemed to have custody of your assets, your approval is required in advance. Although we are deemed to have custody due to SLOAs, the SLOAs are limited in scope and comply with the SEC’s guidance on limited scope SLOAs. As such we are not required to have an annual surprise custody exam. We will not transfer client funds or securities without a clients prior authorization.

All funds are held with a financial institution as the custodian, which provides regular statements and online access to client accounts. It is important that clients carefully review statements from the custodian and compare the figures with the reports provided by Taurus Capital. If any discrepancies are found, they should be addressed with Taurus Capital staff immediately.

Since client assets are held at a qualified custodian, we have no liability to the client for any loss or other harm to any property in the account, including harm resulting from the insolvency of the custodian or any independent acts of the agents or employees of the custodian and whether or not the full amount of such loss is covered by the Securities Investor Protection Corporation (“SIPC”) or any other insurance which may be carried by the custodian. SIPC provides only limited protection for the loss of property held by a broker-dealer.

ITEM 16 – INVESTMENT DISCRETION

Taurus Capital maintains discretionary authority to purchase, sell, and exchange securities and other instruments; exercise all rights conferred on the holder of such assets; and reinvest all proceeds. This authority is authorized by our clients through the IAA and in your brokerage account applications.

Allowing Taurus Capital to have discretionary authority over a client’s account(s) does not allow us to do any of the following without prior written consent:

- Change the address or beneficiaries on an account
- Withdraw funds from a client’s account, except client fees
- Transfer assets from a client’s account to other non-affiliated accounts.

Class Action Claims

Unless specifically directed otherwise in writing by a client, we do not provide class action litigation monitoring or securities claim filing services.

ITEM 17 – VOTING CLIENT SECURITIES

Taurus Capital invests in many securities that allow shareholders to vote on various issues, typically at an annual shareholder meeting. Investors who cannot attend the meeting have the ability to vote by proxy. Unless specifically directed in writing by a client, we are not authorized to receive and vote proxies on issues held in client accounts. We are available to help clients with questions they have regarding ballot items. Clients typically receive annual proxy forms from the custodian where their assets are held.

ITEM 18 – FINANCIAL INFORMATION

Taurus Capital does not require prepayment of fees and therefore is not required to include a financial statement.

As noted in Item 15, we do not have custody of clients' funds or securities excepting the ability to deduct fees and through SLOAs.

- We have no financial commitments which would impair our ability to meet the contractual and fiduciary commitments to our clients, and have not been the subject of any bankruptcy proceeding.

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