

Pence Capital Management, LLC

CRD# 281739

ADV Part 2A, Firm Brochure

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This brochure provides information about the qualifications and business practices of Pence Capital Management, LLC (the “Registrant”). If you have any questions about the contents of this brochure, please contact us at (949)-660-8777. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Pence Capital Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

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

Item 2 Material Changes

There have been no material changes made to Pence Capital Management's Brochure since last year's Annual Amendment filing made on March 31, 2023.

Item 3 Table of Contents

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business	3
Item 5	Fees and Compensation	6
Item 6	Performance-Based Fees and Side-by-Side Management	7
Item 7	Types of Clients.....	7
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9	Disciplinary Information	8
Item 10	Other Financial Industry Activities and Affiliations	8
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	9
Item 12	Brokerage Practices	10
Item 13	Review of Accounts.....	12
Item 14	Client Referrals and Other Compensation.....	12
Item 15	Custody.....	12
Item 16	Investment Discretion.....	13
Item 17	Voting Client Securities.....	13
Item 18	Financial Information	13

Item 4 Advisory Business

- A. Pence Capital Management, LLC (the “Registrant”) is a limited liability company that was formed on October 20, 2015 in the state of Delaware. The Registrant became registered as an Investment Adviser Firm in December 2015. Eldon Dryden Pence III (also known as Dryden Pence) and Laila Marshall-Pence are the Registrant’s Principal Owners. Eldon Dryden Pence III is the Registrant’s Managing Member.
- B. As discussed below, the Registrant offers to its clients advisory and sub-investment services on a fee basis. The Registrant may also be engaged to provide investment consulting services on a separate fee basis.

EXCHANGE TRADED FUND & SEPARATELY MANAGED ACCOUNTS

The Registrant advises Separately Managed Accounts (“SMAs”) (accounts managed by an independent manager). When engaged as an investment manager for an SMA, the Registrant has the authority to direct trading activity within the account according to the SMA’s investment objective. SMAs generally allow for tax control of individual positions and the ability to block or restrict certain types of securities from purchase (i.e., tobacco, alcohol etc.). However, unlike UMAs, each SMA requires its own custodial account.

The Registrant advises the AAM Transformers ETF, which tracks the Pence Transformers Index (“PTI”). The PTI follows a rules-based methodology that aims to target companies whose products and services show compelling potential to transform consumer behavior, technological innovation, and the global economy.

The Registrant provides ongoing supervision of accounts. Before engaging Registrant to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

INVESTMENT ADVISORY SERVICES

The Registrant provides advisory services on a separate fee basis to structure or design investment strategies for Unit Investment Trusts (“UITs”). The Registrant generally provides regular and ongoing advice with regard to the investment positions held within each UIT it advises.

The Registrant may also be engaged to structure, design and advise on investment strategies for SMAs. When engaged to provide consulting services regarding SMAs, the Registrant will be responsible for the recommendation of changes within the SMA as well as prompting reallocations.

Prior to engaging Registrant to provide investment advisory services on a stand-alone basis, the client will generally be required to enter into an agreement with Registrant setting forth the terms and conditions of the engagement, describing the scope of the services to be provided and the fee that is due from the client. In performing its services,

Registrant shall not be required to verify any information received from clients or from the clients' other professionals and is expressly authorized to rely thereon.

MISCELLANEOUS

Independent Managers. The Registrant may allocate a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors that Registrant shall consider in recommending Independent Manager[s] include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fee charged by the Independent Manager[s] is separate from, and in addition to, Registrant's investment advisory fee disclosed at Item 5 below.

Non-Discretionary Service Limitations. Clients that determine to engage Registrant on a non-discretionary investment advisory basis must be willing to accept that Registrant cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Therefore, in the event that Registrant would like to make a transaction for a client's account, and client is unavailable, Registrant will be unable to effect the account transaction (as it would for its discretionary clients) without first obtaining the client's consent.

Separately Managed Account Programs. The Registrant may allocate a portion of a client's investment assets among unaffiliated Separately Managed Account programs in accordance with the client's designated investment objective(s). In such situations, the Separately Managed Account Manager shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending Separately Managed Account programs include the client's designated investment objective(s) as applied to the Separately Managed Account program: management style, performance, reputation, financial strength, reporting, pricing, and research.

Cash Positions. Registrant continues to treat cash as an asset class. As such, unless determined to the contrary by Registrant, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Registrant's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Registrant may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Registrant's advisory fee could exceed the interest paid by the client's money market fund.

Socially Responsible Investing Limitations. Socially Responsible Investing involves the incorporation of Environmental, Social and Governance ("ESG") considerations into

the investment due diligence process. ESG investing incorporates a set of criteria/factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that meet an acceptable ESG mandate can be limited when compared to those that do not and could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange-traded funds are limited when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Registrant), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful. Registrant does not maintain or advocate an ESG investment strategy but will seek to employ ESG if directed by a client to do so. If implemented, Registrant shall rely upon the assessments undertaken by the unaffiliated mutual fund, exchange traded fund or separate account portfolio manager to determine that the fund's or portfolio's underlying company securities meet a socially responsible mandate.

Asset-Based Pricing Arrangements and Limitations. Registrant generally recommends that clients enter into an "Asset-Based" pricing agreement with the account broker-dealer/custodian. Under an asset based pricing arrangement, the amount that a client will pay the custodian for account commission/transaction fees is based upon a percentage (%) of the market value of the account, generally expressed in basis points and/or a percentage. One basis point is equal to one one-hundredth of one percent (1/100th of 1%, or 0.01% (0.0001). This differs from transaction-based pricing, which assesses a separate commission/transaction fee against the account for each account transaction. Account investment decisions are driven by security selection and anticipated market conditions and not the amount of transaction fees payable by you to the account custodian. Under either the asset-based or transaction-based pricing scenario, the fees charged by the respective broker-dealer/custodian are separate from, and in addition to, the advisory fee payable by the client to Registrant per Item 5 below. Registrant does not receive any portion of the asset-based transaction fees payable by you to the account custodian. You are under no obligation to enter into an asset-based arrangement, and, if you do, you can request at any time to switch from asset-based pricing to transactions-based pricing. However, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Thus, given the variances in trading volume, any decision by the client to switch to transaction-based pricing could prove to be economically disadvantageous.

Portfolio Activity. Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will conduct reviews on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the account's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to an account are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

Client Obligations. In performing its services, the Registrant shall not be required to verify any information received from the client or from the client's other professionals

and is expressly authorized to rely thereon. Moreover, each client is advised that it remains its responsibility to promptly notify the Registrant if there is ever any change in an underlying client's financial situation or investment objectives for the purpose of reviewing, evaluating or revising the Registrant's previous recommendations and/or services.

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

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will obtain the underlying client's investment objective from the client. Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. As of December 31, 2023, the Registrant had \$1,082,682,405 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT CONSULTING SERVICES

The Registrant's investment consulting fees are typically based upon the value of the assets that a client directs to a UIT and/or SMA structured or designed by the Registrant. The Registrant's consulting fee relating to UITs is generally between 0.50% and negotiable, depending upon the level and scope of the service(s) required and the complexity of the engagement. When engaged to provide consulting services on SMAs the Registrant's consulting fee is generally between 0.85% and negotiable.

Fee Differentials. Registrant shall generally price its advisory services based upon various objective and subjective factors. As a result, our clients could pay diverse fees based upon the type, amount and market value of their assets, the anticipated complexity of the engagement, the anticipated level and scope of the overall investment advisory services to be rendered, and negotiations. Additional factors affecting pricing can include related accounts, employee accounts, competition, and negotiations. As a result of these factors, similarly situated clients could pay diverse fees, and the services to be provided by Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

Clients may elect to have the Registrant's advisory fees deducted from underlying client's custodial accounts. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall generally deduct fees and/or bill clients quarterly in arrears based upon the value of the average daily account balance during the previous quarter.

- B. Broker-dealers charge brokerage commissions and/or transaction fees for effecting certain securities transactions. In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).
- C. The Registrant's annual investment advisory fee shall be pro-rated and paid quarterly, in arrears, based upon the value of the average daily account balance during the previous quarter.

The agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the agreement. Upon termination, the Registrant shall debit any earned and unpaid advisory fee due based upon the number of days the account was serviced during the final billing quarter.

- D. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither the Registrant nor any supervised person of the Registrant is a party to any performance or incentive-related compensation arrangements with its clients.

Item 7 Types of Clients

The Registrant's clients shall generally include individuals and other investment advisory firms or institutional clients.

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

- A. The Registrant may utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Cyclical - (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical - (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

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

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies: Long Term Purchases, Short Term Purchases, and Trading are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

- C. Currently, the Registrant primarily allocates client investment assets among various mutual funds, stocks, bonds, ETFs, separately managed accounts, and unit investment trusts, on a discretionary basis in accordance with the client's designated investment objective(s). (See Independent Managers above).

Item 9 Disciplinary Information

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

Item 10 Other Financial Industry Activities and Affiliations

- A. **Registered Representative of unaffiliated Broker-Dealer.** The Registrant's Managing Member is also a registered representative of LPL Financial, LLC ("*LPL*"), an unaffiliated FINRA member broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

- C. **Licensed Insurance Agents.** Certain of the Registrant's related persons are, in their individual capacities, licensed insurance agents. No client is under any obligation to purchase any commission products from the Registrant's related persons.

Real Estate Broker. Laila Marshall-Pence, one of the Registrant's principal owners, is also a licensed real estate broker. Ms. Marshall-Pence does not hold herself out to clients in this separate capacity. Furthermore, no client is under any obligation to engage Ms. Marshall-Pence in her capacity as a licensed real estate broker.

- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients. However, to the extent that the Registrant selects an adviser on behalf of a client, the Registrant, as part of its due diligence on any such adviser, shall to the extent applicable, determine whether the adviser is registered as an investment adviser.

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

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

The Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of the Registrant recommends, buys, or sells for client accounts securities in which the Registrant or any related person of the Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The Registrant's securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a

date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

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

Item 12 Brokerage Practices

- A. The Registrant does not generally recommend a broker-dealer/custodian for execution and/or custodial services when engaged to provide services on a sub-advisory basis. In such instances, prior to engaging the Registrant to provide investment management services, the client will be required to enter into a formal *Sub-Advisory Agreement* with the Registrant setting forth the terms and conditions under which the Registrant shall manage assets designated by the client. The client shall be responsible for ensuring that the Registrant has access and authority to transact through the designated broker-dealer/custodian where the underlying client's assets are held.

The client shall remain responsible for ensuring that the underlying client obtains best execution, noting however that the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness.

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

Factors that the Registrant considers in recommending *LPL* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers such as LPL can charge transaction fees for effecting certain securities transactions. To the extent that a transaction fee will be payable by the client to Schwab, the transaction fee shall be in addition to Registrant's investment advisory fee referenced in Item 5 above.

To the extent that a transaction fee is payable, Registrant shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to effect

the same transaction where Registrant determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions.

1. Research and Additional Benefits. Although not material, the Registrant receives from broker-dealer/custodians, without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be available to the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by the Registrant in furtherance of its investment advisory business operations.

There is no corresponding commitment made by the Registrant to any broker-dealer/custodian or any other entity to direct any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally recommend broker-dealer/custodians. Instead, clients are responsible for the selection of a specific broker-dealer. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs the Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through the Registrant.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

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

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, the Registrant receives an economic benefit from broker-dealer/custodians.

There is no corresponding commitment made by the Registrant to any broker-dealer/custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result any arrangement.

- B. Registrant does not maintain solicitor arrangements/pay referral fee compensation to non-employees for new client introductions.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. In addition, the Registrant is deemed to have custody of client assets as per Rule 206(4)-2 and maintains custody in accordance with the Rule requirements. Client assets are maintained with qualified custodians. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Item 16 Investment Discretion

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

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

Item 17 Voting Client Securities

- A. The Registrant does not vote proxies. Clients and/or underlying clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the underlying client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the underlying client's investment assets.
- B. Clients and/or underlying clients will receive their proxies or other solicitations directly from their custodian.

Item 18 Financial Information

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