



BRUCE G. ALLEN INVESTMENTS, LLC

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Chief Compliance Officer

Form ADV Part 2A – Firm Brochure

Version: March 2024

This brochure provides information about the qualifications and business practices of Bruce G. Allen Investments, LLC ("Bruce G. Allen Investments"). If you have any questions about the contents of this brochure, please contact us at (303) 592-5535. 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. Bruce G. Allen Investments is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Bruce G. Allen Investments, LLC is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as an IARD number. The IARD number for Bruce G. Allen Investments, LLC is 287859.

ITEM 2 – MATERIAL CHANGES

Summary of Material Changes

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.

Since our most recent annual amendment filed on March 3, 2023, we have the following material change(s) to disclose.

- Item 12- Our firm has updated language to clarify our process regarding the use of aggregate transactions.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above, or you may contact our Chief Compliance Officer, Bruce G. Allen, at (303) 592-5535 with any questions that you may have about the changes.

We encourage you to read this document in its entirety.

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ITEM 4 – ADVISORY BUSINESS

This Disclosure document is being offered to you by Bruce G. Allen Investments, LLC (“Bruce G. Allen Investments”, “we”, “our” “us”) about the investment advisory services we provide. It discloses information about the services we provide and how those services are made available to you, the client.

We are an investment management firm located in Denver, Colorado. The firm was established by Bruce G. Allen in 2017. We specialize in investment advisory services for individuals, high-net-worth individuals, charitable organizations, foundations, corporations, trusts, and retirement plans.

We are committed to helping clients build, manage, and preserve their wealth and providing assistance that helps them achieve their stated financial goals. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and Bruce G. Allen Investments execute an engagement letter or client agreement.

Investment and Wealth Management and Supervision Services

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investments, quarterly portfolio reports, financial commentaries, and ongoing monitoring of client portfolios. We primarily allocate client assets among equity securities (stocks), individual debt (bonds), cash, various mutual funds, and exchange-traded funds (“ETFs”), in accordance with their stated investment objectives. If deemed appropriate, we may select ESG holdings for various clients if requested.

We will work with you to obtain the necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This information enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or other professionals. If you request, we will recommend you engage the services of other professionals for implementation purposes. You have the right to decide whether or not to engage the services of any recommended professional.

Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing investment review and management services. This approach requires us to review your portfolio at least quarterly.

We will rebalance the portfolio as we deem appropriate to meet your financial objectives. We trade these portfolios and rebalance them based on the combination of our market views and your objectives using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with your appropriate written authorization.

We provide advice on legacy positions or other investments held in client portfolios. Clients will engage us to advise on certain investment products that are not maintained by their primary custodian, such as variable life insurance and annuity contracts and assets held in employer-sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and expected to understand that our past performance does not guarantee future results. Certain market and economic risks may adversely affect an account's performance. This could result in capital losses in your account.

Nitrogen (Formerly RISKALYZE)

To further fine-tune our understanding of a client's risk tolerance, our Firm utilizes Nitrogen, a third-party vendor tool, to assist in identifying the client's risk tolerance.

Nitrogen technology assists financial planners in two critical tasks: (1) measuring the risk preferences of investors and (2) applying these preference measurements to portfolio selection. Nitrogen summarizes an investor's mean-variance risk aversion on a 99-point scale. In connection with this output, the Nitrogen tool "quantifies" the client's indicated investment risk tolerance through the illustration of expected return (plus/minus) and investment volatility (investment variance), which uses past data to calculate expected variance.

Financial Planning

Through the Financial Planning process, we strive to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term and future generations. With each family's unique goals and circumstances in mind, we offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer, and family legacy objectives. We partner with your other advisors (CPA, Estate Attorney, Insurance broker, etc.) to ensure a coordinated effort of all parties toward your stated goals. Such services

include various reports on specific goals and objectives, general investment and/or planning recommendations, guidance to outside assets, and periodic updates.

Our specific services in preparing your plan include:

- Review and clarification of your financial goals.
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning.
- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession, and other personal goals.
- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans and taxable and trust accounts that require special attention.
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation, and transfer, including liquidity, as well as various insurance and possible company benefits.
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.

A written evaluation of your initial situation or Financial Plan is provided to you. An annual review will be provided by us, if indicated by you and per the Financial Planning Agreement. More frequent reviews occur but are not necessarily communicated to you unless immediate changes are recommended.

MoneyGuide Pro Advisor Platform

Our Firm makes available to Clients the “MoneyGuide Pro” platforms to provide periodic comprehensive reporting services that can incorporate all the Client’s investment assets, including those investment assets that are not part of the assets managed by our Firm (“Excluded Assets”). The Client and their other advisors that maintain trading authority, and not our Firm, shall be exclusively responsible for the investment performance of the excluded assets.

Unless otherwise expressly agreed to in writing, our Firm’s service relative to the excluded assets is limited to reporting only. Therefore, we shall not be responsible

for the investment performance of the excluded assets. Instead, the Client and the Client's designated outside investment professional(s) maintain supervision, monitoring, and trading authority for the excluded assets. If our Client prefers, we'll make recommendations as to any excluded assets. The Client has no obligation to accept the recommendation, and we shall not be responsible for any implementation error (timing, trading, etc.) relative to the excluded assets. The Client may engage us under the terms and conditions of a Consulting or Investment Advisory Agreement between our Firm and the Client.

MoneyGuide Pro Platform may also provide access to other types of information, including financial planning concepts, which should not be construed as our Firm's personalized investment advice or recommendations. We shall not be held responsible for any adverse results a Client may experience if the Client engages in financial planning or other functions available on the MoneyGuide Pro Platform without our assistance or oversight.

Third-Party Managers

We provide investment advice and recommendations on the investment strategies of Third-Party Managers ("Managers" or "TPM"). Selected Managers are evaluated by Bruce G. Allen Investments for client use. Our services include assisting you in identifying your investment objectives and matching personal and financial data with a select list of Managers. The intent of this service is to have a selected list of high-quality and recognizable third-party investment management firms from which you select one or more Managers to handle the day-to-day management of your account(s). Following our recommendations, you will have final authority to select a Manager. We will assist you in completing the appropriate documents.

We will assist you with identifying their risk tolerance and investment objectives. We will recommend TPMs in relation to your stated investment objectives and risk tolerance. You select a recommended TPM based on your needs. Clients will enter a Third-Party Advisory Program Agreement directly with Bruce G. Allen Investments.

Managers selected for your investments must meet several quantitative and qualitative criteria established by Bruce G. Allen Investments. Among the criteria that may be considered are the Manager's experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process.

You are advised and should understand that:

- **A Manager's past performance is no guarantee of future results;**

- There is a certain market and/or interest rate risk that may adversely affect any Manager's objectives and strategies and could cause a loss in a client's account(s); and
- Client risk parameters or comparative index selections provided to Bruce G. Allen Investments are guidelines only; there is no guarantee that they will be met or exceeded.

We will be available to answer questions you may have regarding your account and act as the communication conduit between you and the Manager. Managers will have discretionary authority to determine the securities to be purchased and sold for your account. Neither Bruce G. Allen Investments nor its associated persons will have any trading authority with respect to a client's managed account with the TPM(s).

All accounts are managed by the selected Manager, and we do not have any discretionary trading authority with respect to such accounts. Information collected by our Firm regarding Managers is believed to be reliable and accurate, but we do not necessarily independently review or verify it on all occasions. All performance reporting will be the responsibility of the respective Manager. Such performance reports will be provided directly to you and Bruce G. Allen Investments. We do not audit or verify that these results are calculated on a uniform or consistent basis as provided by a Manager directly to us or through the consulting service utilized by the Manager.

Bruce G. Allen Investments has entered into agreements with various independent Managers. Under these agreements, we offer clients various types of programs sponsored by these Managers. All third-party Managers to whom Bruce G. Allen Investments will refer clients will be licensed as registered investment advisors by their resident state and any applicable jurisdictions or registered investment advisors with the Securities and Exchange Commission.

Third-party managed programs generally have account minimum requirements varying from investment advisor to investment advisor. Account minimums are generally higher on fixed income accounts than equity-based accounts. A complete description of the Manager's services, fee schedules and account minimums will be disclosed in the Manager's Form ADV or similar Disclosure Brochure which will be provided to clients at the time an agreement for services is executed and an account is established.

Retirement Plan Advisory Services

Retirement Plan Advisory Services consists of helping employer plan sponsors to establish, monitor and review their company's retirement plan. As the needs of the plan sponsor dictate, areas of advising could include investment selection and monitoring, plan structure, and participant education.

We offer management of 401(k), 457, and 403(b) accounts both on a plan level and on the individual participant level. On the plan level, we manage the investment line-up making changes as necessary as well as providing risk-based investment models for the participants. On the individual participant level, we manage risk-based models using the current investment lineup based on risk tolerance of the individual investor.

Plan Level

We will establish the plan's needs and objectives through an initial meeting to collect data, review plan information, and assist in developing or updating the plan's provisions. Ongoing services may include recommendations regarding the selection and review of unaffiliated mutual funds that, in our judgment, are suitable for plan assets to be invested. We periodically review the investment options selected and make recommendations to keep or replace plans investment options as appropriate. We perform a comprehensive review of Investment options and will assist with converting from incumbent service providers to a new service provider if appropriate.

We will provide quarterly recommendations for the plan's investment allocation. Upon receipt we will review the investment options and provide positions for accounts in accordance with the management style chosen by the client. Analysis is provided for each fund held by the Plan. A report shows historical performance, asset allocation, and the performance of each fund, including its performance in comparison to its appropriate benchmark. The report also contains information regarding each Fund's managers, capitalization, investment style, expenses, portfolio composition and other qualitative factors relevant to the Fund's performance and adherence to the Plan's Investment Policy Statement. Clients are responsible for making the fund changes within the account.

Participant Level

We can also be engaged to provide financial education to plan participants. The scope of education provided to participants will not constitute "investment advice" within the meaning of ERISA and participant education will relate to general principles for investing and information about the investment options currently in the plan. We may also participate in initial enrollment meetings and periodic workshops and enrollment meetings for new participants.

Consulting Services

We also provide clients investment advice on a more-limited basis on one-or-more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice or any other business advisory / consulting services for equity or debt investments in privately held businesses.

Wrap Fee Programs

We do not place client assets into a wrap fee program.

Assets

As of December 31, 2023, our Firm manages \$210,514,027 regulatory assets under management on a discretionary basis.

ITEM 5 - FEES AND COMPENSATION

Investment Management Fees and Compensation

Bruce G. Allen Investments charges a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account-maintenance activities. Our custodian charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

The fees for portfolio management are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rata basis and billed quarterly in advance. The initial fee will be based upon the portfolio's market value on the last business day of the partial quarter, prorated for the number of days in the quarter that your account is under management. Thereafter, the quarterly fee will be calculated on last day of the calendar quarter. The market value will be determined as reported by the Custodian. Unless otherwise agreed upon and stated in the Investment Management Agreement, fees are assessed on all assets under management, including securities, cash, and money market balances.

Our maximum annual advisory fee is for accounts paying a percentage of assets under management is typically less than 1.25%. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. Additional deposits and withdrawals will be added or subtracted from portfolio assets, as the case may be, which may lead to an adjustment of the account fee. Our employees and their family-related accounts are charged a reduced fee for our services.

Unless instructed by the client, we will aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We would do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a lower advisory fee.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. At our discretion, you may pay the advisory fees by check. You are encouraged to review your account statements for accuracy.

Either Bruce G. Allen Investments or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the month in which the cancellation notice was given and refunded to you. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of a client's death or disability, Bruce G. Allen Investments will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

Administrative Services Provided by Black Diamond Performance Reporting, LLC

We have contracted with Black Diamond Performance Reporting, LLC (referred to as "Black Diamond") to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Black Diamond will have access to client accounts, but Black Diamond will not serve as an investment advisor to our clients. Bruce G. Allen Investments and Black Diamond are non-affiliated companies. Black Diamond charges Bruce G. Allen Investments an annual fee for each account administered by Black Diamond. The annual fee is paid from the portion of the management fee retained by us.

Financial Planning Fees

Bruce G. Allen Investments will negotiate the planning fees with you. Fees may vary based on the extent and complexity of your individual or family circumstances and the amount of your assets under our management. We will determine your fee for the designated financial advisory services based on a fixed fee arrangement.

Under our fee arrangement, any fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed-upon deliverables, and whether or not you intend to implement any recommendations through Bruce G. Allen Investments. Fixed fees for financial plans range from \$1,000 to \$15,000.

Typically, we complete a plan within a month and will present it to you within 90 days of the contract date, provided that you have provided us all information needed to prepare the financial plan. One hundred percent (100%) of the fee will be due and payable at the time you enter into the financial planning agreement. You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$550.00. We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

In no case are our fees based on, or related to, the performance of your funds or investments.

When both investment management or plan implementation and financial planning services are offered, there is a conflict of interest since there is an incentive for us offering financial planning services to recommend products or services for which Bruce G. Allen Investments receives compensation. However, Bruce G. Allen Investments will make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs. As a financial planning client, you have the right not to act upon any of our recommendations and not affect the transaction(s) through us if you decide to follow the recommendations.

Third-Party Management ("TPM Program" or "TPM") Fees

Fees and billing methods are outlined in each respective Manager's Brochure and Advisory Contract. The client pays an on-going fee directly to the Manager based upon a percentage of your assets under management with respect to each Manager. You will receive disclosure of all fees by the TPM, including the terms of the compensation arrangement and a description of the compensation paid, when signing an advisory agreement with the TPM. The TPM establishes and maintains their separate billing processes over which we have no control. It should also be noted that the TPM's fee shall be in addition to our Firm's Investment Management fees published above.

The minimum account size for participating in a TPM Program will vary from Manager to Manager. All such minimums will be disclosed in the respective Manager's Brochure. We may have the ability to negotiate such minimums for you.

You may terminate your relationship in accordance with the respective Managers' disclosure documents. Pre-paid fees will be refunded in accordance with the respective Manager's agreement and disclosure documents.

A Manager relationship may be terminated at your or our discretion. We may terminate the relationship with a Manager who manages your assets at any time. We will notify you of instances where we have terminated a relationship with any Manager you are investing

with. We will not conduct on-going supervisory reviews of the Manager following such termination.

Factors involved in the termination of a Manager may include a failure to adhere to their stated management style or your objectives, a material change in the professional staff of the Manager, unexplained poor performance, unexplained inconsistency of account performance, or our decision no longer to include the Manager on our list of approved Managers.

We offer several investment management programs. Account custodial services may be provided by several account custodians depending on the investment management program offered. Programs may have higher or lower fees than those available through Bruce G. Allen Investments or elsewhere. Investment management programs may differ in the services provided and method or type of management offered, and each may have different account minimums. Client reports will depend upon the management program selected. Please see complete details in the program brochure and custodial account agreement for each program recommended and offered.

Retirement Plan Advisory Services

For Retirement Plan Advisory Services compensation, we charge an annual fee as negotiated with the client and disclosed in the Investment Advisory Agreement. The compensation method is explained and agreed upon prior to any services being rendered. Fees range from 0.25% to 1.00% annually.

Plan advisory services begin with the Agreement's effective date, which is the date you sign the Investment Advisory Agreement. For that calendar quarter, fees will be adjusted pro rata based on the number of calendar days in the calendar quarter that the Agreement was effective. Our fee is billed in advance on the last business day of the calendar quarter. Invoices are sent out each quarter to either the client or the custodian of the Plan. For Plans where our fee is billed to the custodian, the fee is deducted directly from the participant accounts. Written authorization permitting us to be paid directly from the custodial account as outlined in the Investment Advisory Agreement.

Either party may terminate the Agreement at any time upon immediate notice. You are responsible for paying for services rendered until the termination of the agreement.

Consulting

We provide consulting services for clients who need advice on a limited scope of work. We will negotiate consulting fees with you. Fees may vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination, and any unearned portion of the fee will be refunded to you as described above.

Additional Fees and Expenses:

Clients will incur transaction fees for trades executed by their chosen custodian, via individual transaction charges. These transaction fees are separate from our Firm's advisory fees and will be disclosed by the chosen custodian. It is important to note that our custodian, Schwab, no longer charges transaction fees for U.S. listed equities and exchange traded funds.

In addition, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively "Financial Institutions"). These additional charges may include holding charges for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses), initial or deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Our Firm does not receive a portion of these fees. More information about this is found in our brokerage practices described at length in Item 12, below.

Commissionable Securities Sales

Bruce Allen is a registered representative of M.S. Howells & Co. ("M.S. Howells"), a securities broker/dealer, and a member of the Financial Industry Regulatory Authority, Inc. ("FINRA") and an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). Mr. Allen, in his capacity as registered representatives of M.S. Howells, or as agents appointed with various life, disability or other insurance companies, receives commissions, 12(b) -1 fees, trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for you. However, you should note that you are under no obligation to purchase any investment products through Mr. Allen.

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

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) nor engage in side-by-side management.

ITEM 7 - TYPES OF CLIENTS

We provide investment advice to high-net-worth individuals, family foundations, trusts, retirement plans and businesses. Our minimum initial account value is \$1,000,000; however, we may accept accounts for less than the minimum at our sole discretion.

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

Investment Strategies, Philosophy, and Methodology

We seek to recommend investment strategies that will give a client a diversified portfolio consistent with the client's investment objective. We analyze the various securities, investment strategies, and money management firms. We often utilize "Modern Portfolio Theory" to attempt to develop optimal long-term strategy portfolios. Modern Portfolio Theory involves describing a portfolio of securities in terms of its projected long-term rate of return and its projected short-term risk. The goal is to identify a client's risk tolerance, and then find a portfolio with the maximum expected return for that level of risk. We also often use asset allocation as a means of diversification where we can spread out the portfolio risks amongst differently correlated asset classes in hopes of garnering a maximum risk-adjusted return. Although Modern portfolio theory, asset allocation, and diversification can help control risk, none of the theories eliminate the general market risks that come with investing in securities. Not all portfolios are constructed using Modern Portfolio Theory and Asset Allocation.

We primarily use equity securities (stocks), individual debt (bonds), cash, various mutual funds, and exchange-traded funds ("ETFs"), within our portfolios but are not limited to the exclusive use of these securities. We employ a system for analyzing mutual fund investment selections available to our Advisory clients. We will evaluate certain aspects of the mutual fund and, given the results of said evaluation, will determine the fund's suitability. The criteria evaluated for each fund include but are not limited to, manager tenure, expense ratios, and fees, level of assets under management, correlation to style and/or peer group, performance relative to peer group, and its reputation in the industry. When we are unable to find an active manager that, in our opinion, provides better risk-adjusted returns than its given benchmark, we will often use an index ETF for the exposure to that asset class in order to keep costs down.

When individual securities are an appropriate investment for a particular client, we use other portfolio construction methods. These individual securities include but are not limited to individual stocks, bonds, and ETFs. We often use traditional methods of fundamental security analysis, which make a basic assumption that markets may misprice a security in the short term but that the correct price will eventually be reached. Fundamental security analysis involves estimating the value of a particular security and

then comparing that estimate with the current price for the security. Fundamental security analysis involves assumptions that may or may not turn out to be accurate.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Environmental, Social, and Governance (ESG) Investing

Environmental, social, and governance criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments.

Environmental criteria consider how a company performs as a steward of nature and its ability to sustain operations over the long run. Environmental criteria may include a company's energy use, waste, pollution, natural resource conservation, and treatment of animals. The criteria can also be used in evaluating any environmental risks a company might face and how the company is managing those risks.

Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Does it work with suppliers that hold the same values it claims to hold? Does the company donate a percentage of its profits to the local community or encourage employees to volunteer there? Do the company's working conditions show high regard for its employees' health and safety? Are other stakeholders' interests taken into account?

Governance specifically concerns a company's leadership, executive pay, audits internal controls, and shareholder rights. Investors may want to know that a company uses accurate and transparent accounting methods and that stockholders are allowed to vote on important issues. They may also want assurances that companies avoid conflicts of interest in their choice of board members, don't use political contributions to obtain unduly favorable treatment, and don't engage in illegal practices.

Risks associated with ESG Investing include:

- ***Lack of Standardization Risk:*** Variability and imprecision of industry ESG definitions and terms can create confusion among investors if investment advisers and funds have not clearly and consistently articulated how they define ESG and how they use ESG-related terms, especially when offering products or services to retail investors. Additionally, actual portfolio management practices of investment

advisers and funds may not be consistent with their disclosed ESG investing processes or investment goals.

- **Implementation Risk:** Actual implementation of ESG investment practices may result in:
 - The actual implementation practices differ from client disclosures in required documents (e.g., Form ADV Part 2A) and other client/investor-facing documents (e.g., advisory agreements, offering materials, responses to proposal requests, and due diligence questionnaires). For example, a firm that claims adherence to global ESG frameworks may lack adherence to these standards during their day-to-day trading activities.
 - A firm holding funds that are predominated by issuers with low ESG scores.
 - A firm not having adequate controls around implementation and monitoring of clients' negative screens (e.g., prohibitions on investments in certain industries, such as alcohol, tobacco, or firearms), especially if the directives were ill-defined, vague, or inconsistent.
 - A firm not having adequate systems to consistently and reasonably track and update clients' negative screens leading to the risk that prohibited securities could be included in client portfolios.
 - Client preferences to favor certain industries or issuers not being effectuated because of challenges with implementation and monitoring, despite contrary marketing claims touting processes for implementing clients' positive screens.
- **Proxy Voting Risk:** Inconsistencies between public ESG-related proxy voting claims and internal proxy voting policies and practices may occur, such as public statements that ESG-related proxy proposals would be independently evaluated on a case-by-case basis to maximize value, while internal guidelines generally do not provide for such case-by-case analysis.
- **Disclosure Risk:** Lack of policies and procedures to ensure firms obtained reasonable support for ESG-related marketing claims and inadequate policies and procedures regarding oversight of ESG-focused sub-advisers is also a risk. Firms have also had difficulties in substantiating adherence to stated investment processes, such as supporting claims made to clients that each fund investment

had received a high score for each separate component of ESG (*i.e.*, environmental, social, and governance), when relying instead on composite ESG scores provided by a sub-adviser.

Third-Party Manager Analysis

We seek to recommend investment strategies that will give a client a diversified portfolio consistent with the client's investment objective. We analyze the various securities, investment strategies, and third-party management firms. The goal is to identify a client's risk tolerance, and then find a manager with the maximum expected return for that level of risk.

We examine the experience, expertise, investment philosophies, and past performance of independent third-party managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the managers' underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due diligence process, we survey the managers' compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a manager's portfolio, there is also a risk that the manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the managers' daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current, and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves the risk of loss. Further, depending on the different types of investments, there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss, including loss of original principal.

Because of the inherent risk of loss associated with investing, Bruce G. Allen Investments is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

Market Risk — Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

Foreign Securities and Currency Risk — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

Capitalization Risk — Small-cap and mid-cap companies may be hindered due to limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

Credit Risk — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

Cybersecurity Risk - Increased Internet use makes a portfolio susceptible to operational and informational security risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include but are not limited to infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through "hacking" or other means to misappropriate assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches of third-party service providers may cause disruptions at third-party service providers and impact our business operations, potentially resulting in financial losses; the inability to transact business; violations of applicable privacy and other laws, regulatory fines, or penalties; reputational damage; unanticipated expenses or other compensation costs; or additional compliance costs. Our Firm has an established business continuity and disaster recovery plan and related cybersecurity procedures designed to prevent or reduce the impact of such risks; there are inherent limitations in such plans and systems due in part to the evolving nature of technology and cyberattack tactics.

Derivative Risk — Derivatives are securities, such as futures contracts, whose value is derived from that of other securities or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will achieve the desired results.

Equity Risk - Equity instruments are subject to equity market risk, the risk that common stock prices fluctuate over short or extended periods. Equity securities generally have greater price volatility than fixed-income securities. The market price of equity securities may increase or decrease, sometimes rapidly or unpredictably. Equity securities may

decline in value due to factors affecting markets generally, industries, sectors or geographic regions represented in those markets, or individual security concerns.

Exchange-Traded Funds — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

Interest Rate Risk — In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.

Legacy Holding Risk - Investment advice may be offered on any investment a Client holds at the start of the advisory relationship. Depending on tax considerations and Client sentiment, these investments will be sold over time, and the assets invested in the appropriate strategy. As with any investment decision, there is the risk that timing with respect to the sale and reinvestment of these assets will be less than ideal or even result in a loss to the Client.

Mutual Fund or ETF Risk - Our models and accounts may use certain ETFs and mutual funds to invest primarily in alternative investments or strategies. Investing in these alternative investments and strategies may only be suitable for some of our Clients. These include special risks, such as those associated with commodities, real estate, and leverage, selling securities short, use of derivatives, potential adverse market forces, regulatory changes, and potential ill-liquidity. Special risks are associated with ETFs that invest principally in real estate securities, such as sensitivity to changes in real estate values or changes in interest rates and price volatility due to the ETF's concentration in the real estate market.

The risks with mutual funds include the costs and expenses within the fund that can impact performance, change of Managers, and the fund straying from its objective (i.e., style drift). Mutual funds have certain costs associated with underlying transactions and operating costs, such as marketing and distribution expenses and advisory fees. Mutual fund costs and expenses vary from fund to fund and will impact a mutual fund's performance. Additionally, mutual funds typically have different share classes, as further discussed below, that trade at different Net Asset Values ("NAV") as determined at the daily market close and have different fees and expenses.

Performance of Underlying Managers — We select the mutual funds and ETFs in the asset allocation models. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

Securities Lending Risk — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund

could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

Socially Responsible Investing & ESG Risk - Clients utilizing responsible investing strategies and environmental, social responsibility, and corporate governance (ESG) factors may underperform strategies that do not utilize responsible investing and ESG considerations. Responsible investing and ESG strategies may operate by excluding certain issuers' investments or by selecting investments based on compliance with factors such as ESG. This strategy may exclude certain sectors or industries from a Client's portfolio, potentially negatively affecting the Client's investment performance if the excluded sector or industry outperforms. Responsible investing and ESG are subjective by nature. Our Firm may rely on analysis and 'scores' provided by third parties in determining whether an issuer meets our Firm's standards for inclusion or exclusion. A Client's perception may differ from our Firm or a third party on how to judge an issuer's adherence to responsible investing principles.

ITEM 9 - DISCIPLINARY INFORMATION

Bruce G. Allen Investments does not have any legal, financial, or other "disciplinary" item to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Registered Representative of a Broker-Dealer

Bruce Allen is a registered representative of M.S. Howells. Mr. Allen, in his capacity as registered representatives of M.S. Howells, or as agents appointed with various life, disability or other insurance companies, receives commissions, 12(b) -1 fees, trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for you. However, you should note that you are under no obligation to purchase any investment products through Mr. Allen.

Insurance

Bruce G. Allen Investments, LLC, is a licensed insurance agency with the State of Colorado and licensed in various other states. Investment Adviser Representatives ("IAR") of Bruce G. Allen Investments may act as agents of Bruce G. Allen Insurance appointed with various life, disability, or other insurance companies, receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. However, clients should note that they are under no obligation to purchase any insurance products through Bruce G. Allen Investments.

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

Bruce G. Allen Investments and persons associated with us are allowed to invest for their own accounts or to invest in the same securities or other investments that we recommend or acquire for your account and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information, and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients, detect and deter misconduct, educate personnel regarding the Firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Bruce G. Allen Investments, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the Firm's ethical principles.

We have established the following restrictions to ensure our Firm's fiduciary responsibilities:

- A director, officer or employee of Bruce G. Allen Investments shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of Bruce G. Allen Investments shall prefer his or her own interest to that of the advisory client.
- We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Bruce G. Allen Investments.
- We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.

- We emphasize the unrestricted right of the client to select and choose any custodian (except in situations where we are granted discretionary authority) he or she wishes.
- We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone, or email on the cover page of this Part 2; Attn: Chief Compliance Officer.

ITEM 12 - BROKERAGE PRACTICES

The Custodian and Brokers We Use

Investment Management Services

Clients must maintain assets in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. Advisor Services (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when we instruct them to.

While we recommend that clients use Schwab as custodian/broker, clients must decide whether to do so and open accounts with Schwab by entering into account agreements directly with them. The client opens the accounts with Schwab. The accounts will always be held in the name of the client and never in Bruce G. Allen Investments’ name. Even though clients maintain accounts at Schwab, we can still use other brokers to execute trades for client accounts (see Client Brokerage and Custody Costs, below).

How We Select Brokers/Custodians

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

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for client accounts)

- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to Bruce G. Allen Investments and our other clients
- Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Schwab)

Client Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services. However, Schwab receives compensation by charging ticket charges or other fees on trades that it executes or settles into clients' Schwab accounts. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different custodian but where the securities bought or the funds from the securities sold are deposited (settled) into a client's Schwab account. These fees are in addition to the ticket charges or other compensation the client pays the executing custodian. Because of this, in order to minimize trading costs, we have Schwab execute most trades for client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek the "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Brokers/Custodians).

Products and Services Available to Us from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide Bruce G. Allen Investments and our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered soft dollar benefits

because there is an incentive to do business with Schwab. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

Following is a more detailed description of Schwab's support services:

Services That Benefit Our Clients

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

Services That May Not Directly Benefit Our Clients

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions. We believe that our selection of Schwab as custodian and broker is in the best interests of our clients.

Some of the products, services and other benefits provided by Schwab benefit Bruce G. Allen Investments and may not benefit our client accounts, including ongoing registered investment advisory regulatory compliance. Our recommendation or requirement that you place assets in Schwab's custody may be based in part on benefits Schwab provides to us, or our agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

We place trades for our clients' accounts subject to its duty to seek best execution and its other fiduciary duties. We may use custodians other than Schwab to execute trades for your accounts maintained at Schwab, but this practice may result in additional costs to clients so that we are more likely to place trades through Schwab rather than other custodians. Schwab's execution quality may be different than other custodians.

Brokerage for Client Referrals

Bruce G. Allen Investments does not receive client referrals from any custodian or third-party in exchange for using that custodian or third party.

Aggregation and Allocation of Transactions

Bruce G. Allen Investments may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all planned transactions in that security on a given business day. In certain cases, client request or specific needs will trigger an unplanned transaction in a security where an aggregate transaction occurred previously during the day. Under these circumstances, client transactions will be excluded from the block transaction and ultimately receive differing pricing. Occasionally, when trading in the same securities as clients, Bruce G. Allen Investments will aggregate trades of our personnel with those of client accounts.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the

particular circumstances, we will base the allocation on other relevant factors, which may include:

- When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash;
- With respect to sale allocations, allocations may be given to accounts low in cash;
- We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates;
- We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block;
- If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed;
- If a pro-rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, we may exclude the account(s) from the allocation and disgorge any profits. Generally, de minimis allocations do not exceed 5% of the total allocation. Additionally, we may execute the transactions on a pro-rata basis.
- We will document the reasons for any deviation from a pro-rata allocation.

Trade Errors

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole, and we will absorb any loss resulting from the trade error if the error was caused by the Firm. If the error is caused by the custodian, the custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

We do not routinely recommend, request, or require that you direct us to execute transaction through a specified custodian. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties. As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers or third parties, on a soft dollar basis.

ITEM 13 - REVIEW OF ACCOUNTS

Account Reviews and Reviewers – Investment Supervisory Services

The underlying securities within the investment supervisory services are monitored on at least a monthly basis. These reviews will be made by Bruce G. Allen. An annual review with the client is usually conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More-frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

Statements and Reports

Through an agreement with Black Diamond, we will have the ability to provide clients with Performance/Position summary reports upon request. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per calendar quarter.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly. You are urged to compare the reports provided by Bruce G. Allen Investments against the account statements you receive directly from your account custodian.

Financial planning/Consulting clients (i.e. those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Our Firm receives economic benefit from Schwab in the form of the support products and services made available to our Firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our Firm, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab's products and services is not based on our Firm giving particular investment advice, such as buying particular securities for our clients.

Bruce G. Allen Investments refers clients to a Third-Party Manager and will be paid an on-going fee by the Manager based upon a percentage of your assets under management with respect to each Manager. You will receive disclosure of all fees paid to Bruce G. Allen Investments by the TPM, which include the terms of the compensation arrangement and a description of the compensation paid at the time of signing an advisory agreement with the TPM.

Per Rule 206 (4)-1 of the Investment Advisers Act of 1940, our Firm does not provide cash or non-cash compensation directly or indirectly to unaffiliated persons for testimonials or endorsements (including client referrals).

ITEM 15 - CUSTODY

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

We are deemed to have custody of client funds and securities whenever we are given the authority to deduct fees directly from client accounts. However, this is the only form of custody we will ever maintain. It should be noted that regulators do not deem authorization to trade in client accounts to be custody.

For accounts where we have the authority to have fees deducted directly from client accounts, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and, therefore, are aware of the qualified custodian's name, address, and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client or the client's independent representative at least quarterly. You should carefully review those statements and are urged to compare them against reports received from Bruce G. Allen Investments. When you have questions about your account statements, contact us or the qualified custodian preparing the statement.

Clients will provide written authorization permitting the fees to be paid directly from their account held by the qualified custodian. When fees are deducted from an account, we calculate the fee and deliver instructions to the custodian.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule and clarified that an adviser who has the power to disburse

client funds to a third party under a standing letter of instruction (“SLOA”) is deemed to have custody. As such, our Firm has adopted the following safeguards in conjunction with our custodian, Schwab:

- The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client’s qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

ITEM 16 - INVESTMENT DISCRETION

For discretionary accounts, prior to engaging Bruce G. Allen Investments to provide investment advisory services, you will enter a written Agreement with us granting the Firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client’s investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable us, in our sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange, and trade any investment company registered under the Investment Company Act of 1940 and (2) determine the

amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by Bruce G. Allen Investments for you are: (1) For discretionary clients, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.; (2) Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

Research products and services received by us from custodians will be used to provide services to all our clients.

ITEM 17 - VOTING YOUR SECURITIES

Bruce G. Allen Investments will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not act with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients are able to contact our office with questions about a particular proxy solicitation by phone at (303) 592-5535.

ITEM 18 - FINANCIAL INFORMATION

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.