

Item 1 – Cover Page

Enhancing Capital LLC

Form ADV Part 2A Disclosure Brochure

5300 Derry Street
Harrisburg, PA 17111

Phone: (717) 561-4491
service@enhancingcapital.com
<https://enhancingcapital.com/>

March 12, 2024

This Form ADV Part 2A Brochure (“Brochure”) provides information about the qualifications and business practices of Enhancing Capital LLC (“EC” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (717) 561-4491. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration with the SEC does not imply that EC or any individual providing investment advisory services on behalf of EC possesses a certain level of skill or training.

Additional information about EC is available on the SEC’s website at www.adviser.sec.gov.

Item 2 – Material Changes

Item 2 identifies material changes to Enhancing Capital LLC (“EC,” the “Firm,” “we,” or “us”) since the filing of the Firm’s last annual updating amendment with the SEC on March 27, 2023. The Firm has the following changes to report:

- The Firm changed its principal business address from 7300 Derry Street to 5300 Derry Street.
- The Firm amended Item 8 to reflect changes in its investment strategies.

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	4
Item 5 – Fees and Compensation	6
Item 6 – Performance-Based Fees and Side-By-Side Management.....	8
Item 7 – Types of Clients	8
Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss	8
Item 9 – Disciplinary Information	16
Item 10 – Other Financial Industry Activities and Affiliations	16
Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading	17
Item 12 – Brokerage Practices.....	18
Item 13 – Review of Accounts	19
Item 14 – Client Referrals and Other Compensation	19
Item 15 – Custody.....	20
Item 16 – Investment Discretion	20
Item 17 – Voting Client Securities	21
Item 18 – Financial Information	21

Item 4 – Advisory Business

A. Description of the Advisory Firm

EC is a Limited Liability Company organized in the State of Pennsylvania. The Firm was formed in March 2010, and the principal owner is Parmer 2016 Family Continuity Trust, which maintains co-beneficial owners, including Adam Parmer (“Mr. Parmer”), who serves as the Firm’s Chief Investment Officer (CIO).

B. Types of Advisory Services

Portfolio Management Services

EC offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client (also referred to herein as “you” or “your”). EC creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, net worth, time horizon, existing portfolio holdings, investment experience, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client’s specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Personal investment policy
- Asset allocation
- Asset selection
- Risk tolerance
- Active portfolio monitoring

EC evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. EC will request discretionary authority from clients in order to select securities and execute transactions without obtaining permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client. EC seeks to ensure that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of the Firm’s economic, investment, or other financial interests. To meet its fiduciary obligations, EC attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, the Firm’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is EC’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

EC has partnered with LinkBank to offer our clients a special rate on cash deposits. This partnership will serve clients who are looking for specialized cash management as well as accounts for which we are implementing an investment strategy. Assets will be held on deposit at LinkBank and will transfer to the client’s brokerage account as needed. To participate in this program, which is voluntary, clients will be required to open an account with LinkBank and authorize EC to transfer assets between the LinkBank account and the client’s account at the custodian. Assets are fully liquid and are not held to a specific term. LinkBank and EC are not related entities. There is no cost in addition to our fee agreement related to these services. Potential risks include limited FDIC coverage for large accounts, better rates through money market funds, and the liquidity and solvency of LinkBank. EC will continue to monitor rates on available money market instruments. If a more advantageous rate is found, we intend to shift client assets to that higher rate instrument.

Services Limited to Specific Types of Investments

EC generally limits its investment advice to mutual funds; fixed income securities, including U.S. Treasury inflation-protected securities (“TIPS”) and inflation-linked bonds; real estate funds (including REITs); equities, including common stocks and exchange-traded funds (“ETFs”); derivatives, options, and alternatives; and private placements, including the Firm’s sponsored private fund offering. EC may use other securities as well to help diversify a portfolio where deemed necessary. Where appropriate, EC may also provide advice about any type of legacy position or other investments held in client portfolios. Clients may engage EC to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, EC directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company, or the custodian designated by the product’s provider.

Written Acknowledgment of Fiduciary Status

When EC provides investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, we must:

- Meet a professional standard of care when making investment recommendations (furnish prudent advice);
- Never put our financial interests ahead of yours when making recommendations (offer loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

C. Client-Tailored Services and Client-Imposed Restrictions

EC tailors a program for each individual client. This includes an interview session to get to know the client’s specific needs and requirements as well as a plan that EC will execute on the client’s behalf. EC may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may not impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs. Although EC is the sponsor and investment manager of a private fund, Enhancing Capital Partners, LP (“ECP”), and may recommend third-party private fund offerings, the underlying investor (“Limited Partner”) may not request restrictions with regard to the management of those investments. The private placement memorandum (“PPM”) applicable to each private-fund investment will describe the investment strategies, risks, and other pertinent information. Investors are encouraged to read the PPM carefully before investing.

EC, as an accommodation, may accept portfolio holdings that were acquired by investors prior to their onboarding with the Firm ("Legacy Assets").

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. EC does not participate in any wrap fee programs.

E. Regulatory Assets Under Management

As of December 31, 2023, EC had approximately \$297,667.943.00 in regulatory assets under management, all of which were managed on a discretionary basis.

Item 5 – Fees and Compensation

A. Fee Schedule

Portfolio Management Fees

Total Assets Under Management	Annual Fees
\$250,000–\$500,000	0.90%
\$500,001–\$1,000,000	0.80%
\$1,000,001–\$5,000,000	0.65%
\$5,000,001–\$10,000,000	0.55%

EC uses the account's value as of the last business day of the billing period, as reported in our portfolio management system, Orion, via data delivery from the custodian, Schwab Institutional, a division of Charles Schwab & Co., Inc. ("Schwab"). EC does not prorate fees for a billing period where assets are added or withdrawn from an account to determine the market value of the assets upon which the advisory fee is based. Fees are based on a percentage of assets in the account(s) on the calculation date based on the transaction date for any trades placed near the end of the billing cycle. Therefore, there may be circumstances where the billed value does not match the end-of-statement value. When adding or withdrawing assets from an account, EC does not prorate fees for the billing period to determine the market value of the assets in calculating the advisory fee. These fees are generally negotiable, and the final fee schedule will be memorialized in the client's Investment Advisory Agreement ("Advisory Agreement"). Clients may terminate the Advisory Agreement without penalty, for a full refund of EC's fees, within five business days of signing the agreement. Thereafter, clients may terminate the Advisory Agreement, generally with 30 days' written notice. EC maintains an advisory account minimum of \$250,000. Private funds sponsored by EC generally require a \$250,000 initial investment commitment. The minimum or initial investment amounts may be waived by EC in its sole discretion.

EC will aggregate for fee billing purposes accounts of family members and related business as well as arrangements for entities and their affiliates depending on the circumstances.

Performance-Based Portfolio Management Fees

Performance fees are only applicable to Class A Interests of ECP, the private fund EC sponsors. Qualified Clients (defined below) will pay an annual fee of 0% of assets under management along

with a 20% performance fee based on capital appreciation. Retail investors of EC are not charged a performance fee and are subject to the fee schedule disclosed above.

If the portfolio rises in value, then the client will pay 20% on that increase in value, but if the portfolio drops in value, then the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a “high water mark.”

In general, a “Qualified Client” is:

(1) a natural person or company who at the time of entering into such agreement has at least \$1,100,000 under the management of the investment adviser;

(2) a natural person or company who the adviser reasonably believes at the time of entering into the contract: (A) has a net worth jointly with his or her spouse of more than \$2,200,000, excluding the value of the client’s primary residence; or (B) is a qualified purchaser as defined in the Investment Company Act of 1940, §2(a)(51)(A) (15 U.S.C. 80a-2(51)(A)); or

(3) a natural person who at the time of entering into the contract is: (A) an executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or (B) an employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser), who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar function or duties for or on behalf of another company, for at least 12 months.

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from client accounts with the client's written authorization on a quarterly basis or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method by which they are billed. Fees are paid either in advance or arrears as chosen by the client on their Fee Schedule. The Firm does not impose an annual minimum advisory fee amount on its investors.

Payment of Performance-Based Portfolio Management Fees

Performance-based portfolio management fees are withdrawn directly from client accounts with the client's written authorization on an annual basis in arrears.

C. Client Responsibility for Third-Party Fees

Clients are responsible for the payment of all third-party fees (e.g., custodian fees, brokerage fees, mutual fund fees, transaction fees). Those fees are separate and distinct from the fees and expenses charged by EC. Please see Item 12 of this brochure regarding broker-dealers/custodians.

D. Prepayment of Fees

EC may be compensated for its services in advance of the quarter in which investment advisory services are rendered. Either party may terminate the Advisory Agreement at any time by providing advance written notice to the other party. The client may also terminate the Advisory Agreement within five business days of signing such agreement, at no cost to the client. After the five-day period, the client will incur charges for bona fide advisory services rendered to the point of termination, and such fees will be due and payable by the client. EC will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter.

E. Outside Compensation for the Sale of Securities to Clients

Neither EC nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6 – Performance-Based Fees and Side-By-Side Management

EC manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) as well as accounts that are NOT billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because EC and its supervised persons have an incentive to favor accounts for which the Firm and its supervised persons receive a performance-based fee. EC addresses the conflicts through implementation of a trade rotation strategy involving the Firm's performance-based-fee and non-performance-based-fee client accounts (including ECP, EC's private fund). The practice is designed to help ensure that investors are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. EC seeks best execution and upholds its fiduciary duty for all clients. Clients that are paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes. For additional information, refer to Item 12 below.

Item 7 – Types of Clients

EC generally provides advisory services to the following types of clients:

- Individuals;
- High-net-worth individuals;
- Corporations or other business entities;
- Insurance companies; and
- A private fund.

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

A. Methods of Analysis and Investment Strategies

EC uses a variety of methods and resources to inform our investment strategies.

Methods of Analysis

EC's methods of analysis include charting analysis, fundamental analysis, quantitative analysis, technical analysis, and quantitative analysis.

Charting Analysis: Charting analysis involves the use of patterns in performance charts. EC uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental Analysis: Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. It involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. EC separates fundamental analysis into two broad indicator categories: lead and lag. Lag indicators are commonly discussed numbers announced in a company's earnings and regulatory updates. These numbers are valuable, but the Firm receives them at the end of a period, and they report on a snapshot in time. Lead indicators are essential to study as they are the primary activities a business must execute to fulfill its mission.

Quantitative Analysis: Quantitative analysis deals with measurable factors, such as the value of assets, the cost of capital, and historical projections of sales, as distinguished from qualitative considerations, such as the character of management or the state of employee morale. Quantitative analysis is critical for two reasons. First, it allows us to rank and categorize the companies we look at in the overall market, their sector, and their industry positioning. These factors are essential to consider as we study the potential for market share gains, competition in an industry, and a company's ability to defend any competitive advantages. Second, quantitative analysis allows us to generate two viewpoints for the future study of a company: inside and outside. The inside view deals specifically with a company, its historical performance, and a projection based thereon. The outside view deals with how industry performance may tailor our view of the company's future.

Technical Analysis: Technical analysis seeks to predict a future stock price or direction based on market trends and thus involves the analysis of past market data—primarily price and volume. Technical analysis has frequently been a lightning rod for investment analysis. EC uses technical analysis in a very long-term and broad sense. While it does not tell us what securities we should own, it speaks to the psychology of those who are trading the security. In this light, EC's use of technical analysis is a useful tool for review through a lens of understanding.

Qualitative analysis: EC uses a qualitative research method as a final lens of research. The Firm researches the qualitative side of a business, including but not limited to the integrity of management, company culture, and narrative analysis.

The Firm's resources to perform the analyses described above include primary documents provided by companies, leading industry research tools, media, academic research, brokerage research materials, and our network of relationships.

Use of Expert Networks

EC has entered into agreements with expert network organizations ("Expert Networks"). Expert Networks provide firms, such as ours, with access to subject matter experts ("Expert Network Consultants") who, in turn, provide specialized knowledge of marketplace trends or industry analyses that augment our internal research capabilities. EC has instituted policies and controls to provide oversight of the use of Expert Networks by the Firm and, in doing so, mitigate any resulting conflicts.

Investment Strategies

Depending on the investment objective of the client, EC utilizes the following investment strategies when managing client accounts:

Quality Strategy: Our Quality Strategy seeks to own 10–40 of the highest quality businesses when they are trading at a reasonable valuation. The Quality Strategy seeks to invest in companies that exhibit consistent and high returns on capital employed and show consistent profits, with the use of reasonable debt. Our area of focus is primarily North-American-listed securities with a market capitalization greater than \$2 billion.

Fixed-Income Strategy: Our Fixed-Income Strategy will maintain a moderate duration and investment grade credit. We seek to own investment-grade corporate bonds that are 15 years or less in maturity. We will generally do so via mutual funds and ETFs with investment mandates that fit the criteria listed above.

International Strategy: Our International Strategy seeks to invest in a diverse array of quality businesses that are listed in developed countries. We will generally do so via mutual funds and ETFs which closely align with an emphasis on a market capitalization greater than \$2 billion and whose constituents exhibit qualities that are similar to our Quality Strategy.

To ensure that we meet the investment objectives of our clients and provide appropriate asset class and geographical diversification, we will utilize the above three strategies in combination as we deem appropriate for each client.

B. Material Risks Involved

Methods of Analysis

Charting analysis: The risk involved in using charting analysis is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Fundamental analysis: This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Quantitative analysis: Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Technical analysis: Technical analysis assumes that the market follows discernible patterns and that, if these patterns can be identified, then a prediction can be made. The risks are that markets do not always follow patterns and that relying solely on this method may not take into account new patterns that emerge over time.

Investment Strategies

EC's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

Long-Term Trading: Long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Risk of Margin: Margin transactions use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold, thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets in a shorter time frame than desired.

Options Risk: Options transactions involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money, resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

C. Risks of Specific Securities Utilized

EC's use of margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (except TIPS/Treasury inflation-linked bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed-income" nature (lower risk) or stock "equity" nature.

Equities: Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions, and general economic environments.

Fixed Income: Fixed-income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed-income market is volatile, and fixed-income securities carry interest-rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed-income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on TIPS and Treasury inflation-linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed-income securities also include the general risk of non-U.S. investing described below.

Exchange-Traded Funds (“ETFs”): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss. Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest, and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (“iNAV”), and price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds costs to your portfolio, thus counteracting the low fees that are one of the typical benefits of ETFs. Additionally, regular trading to beneficially “time the market” is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on their underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another, and losses may be magnified if no liquid market exists for the ETF’s shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering a circular, or similar material, which should be considered carefully when making investment decisions. Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; and the impact of present or future environmental legislation and compliance with environmental laws.

Exchange-Traded Notes (“ETNs”): An ETN is a senior, unsecured, unsubordinated debt security issued by an underwriting bank. ETNs do not pay investors a regular interest rate and have a maturity date and are backed only by the credit of the issuer. ETNs have default risk since the repayment of principal is contingent on the issuer's financial viability. Trading volume can be low, causing ETN prices to trade at a premium. Tracking errors can occur if the ETN doesn't track the underlying index closely.

Private Placements: Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities; the market to resell these assets under applicable securities laws may be illiquid, due to restrictions; and liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Options: Options are contracts to purchase a security at a given price, risking that an option may expire out of the money, resulting in minimal or no value. An uncovered option is a type of options

contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option-trading strategies. Option transactions also involve risks, including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk, and interest-rate risk.

Management Risk: An adviser’s assessment of the attractiveness and potential appreciation of particular investments or markets in which a client invests may prove to be incorrect, and there is no guarantee that the adviser’s investment strategy will produce the desired results.

Market and Geopolitical Risk: The value of portfolio assets will fluctuate as the stock or bond market fluctuates. The value of investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market. Furthermore, the increasing interconnectivity between global economies and financial markets increases the likelihood that events or conditions in one region or financial market may adversely impact issuers in a different country, region, or financial market. Securities in each fund’s portfolio may underperform due to inflation (or expectations for inflation), interest rates, global demand for particular products or resources, natural disasters, pandemics, epidemics, terrorism, regulatory events, and governmental or quasi-governmental actions. The occurrence of global events similar to those in recent years, such as terrorist attacks around the world, natural disasters, social and political discord or debt crises and downgrades, among others, may result in market volatility and may have long term effects on both the U.S. and global financial markets. It is difficult to predict when similar events affecting the U.S. or global financial markets may occur, the effects that such events may have, and the duration of those effects.

Interest-Rate Risk: Changes in interest rates will affect the value of a portfolio’s investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tends to fall, and this decrease in value may not be offset by higher income from new investments. Interest-rate risk is generally greater for fixed-income securities with longer maturities or durations.

Credit Risk: An issuer, obligor, or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default, causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.

Allocation Risk: The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may, over time, be significant. In addition, there is a risk that certain asset-allocation decisions may not achieve the desired results and, as a result, a client’s portfolio may incur significant losses.

Valuation Risk: Valuation risk is the risk that an entity suffers a loss when trading an asset or a liability due to a difference between the accounting value and the price effectively obtained in the trade. In other words, valuation risk is the uncertainty about the difference between the value reported in the balance sheet for an asset or a liability and the price that the entity could obtain if it

effectively sold the asset or transferred the liability (the so-called “exit price”). Certain investments do not present advisers with readily available or ascertainable valuations and, therefore, the changes of an error concerning valuation increases in these situations.

Highly Volatile Markets: The prices of financial instruments can be highly volatile. Price movements of forward and other derivative contracts are influenced by, among other things, interest rates; changing supply and demand relationships; trade, fiscal, monetary, and exchange control programs and policies of governments; and national and international political and economic events and policies. Clients are also subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.

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

Tail Risk: Tail risk, sometimes called “fat tail risk,” is the financial risk of an asset or portfolio of assets moving more than three standard deviations from its current price, above the risk of a normal distribution. Tail risks include low-probability events arising at both ends of a normal distribution curve, also known as tail events.

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

Liquidity Risk: Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing the selling out of such illiquid securities at an advantageous price. Derivatives and securities involving substantial market and credit risk also tend to involve greater liquidity risk.

Issuer-Specific Risk: The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including, but not limited to, management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, and an adverse effect on the issuer’s competitive position.

Concentrated-Portfolios Risk: Certain investment strategies focus on particular asset classes, countries, regions, industries, sectors, or types of investments. Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio,

Alternative-Investments Risks: The performance of alternative investments (e.g., futures, commodity interests, hedge funds, funds of hedge funds, private equity, or other types of limited partnerships) can be volatile. Alternative investments generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the offering documents of each specific alternative investment. Due to the speculative nature of alternative investments a client must satisfy certain income or net-worth standards prior to investing.

ESG Risk: The environmental, social, and corporate governance (“ESG”) investment strategy limits the types and number of investment opportunities available and, as a result, the strategy may underperform other strategies that do not have an ESG focus.

Cybersecurity Risk: The computer systems, networks, and devices used by an organization and its service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, and security breaches. Despite the various protections utilized by a firm and their service providers, systems, networks, or devices potentially can be breached.

Key-Person Risk. EC is a small firm led by Mr. Parmer, who as co-owner and CIO is responsible for performing and overseeing several key functions of the Firm, which leads to “key-person risk,” i.e., the risk that something could happen to Mr. Parmer that negatively affects your portfolio and, in more severe situations, disrupts the continuation of the Firm’s services. To address key-person risk, the Firm has undertaken succession planning, yet investors should also consider that the composition of personnel within an organization may change over time or a firm may cease operations due to loss of key personnel (“Key-Person Event”). When a Key-Person Event occurs, there is a risk that new personnel or a successor organization may achieve less success than their predecessors.

Pandemic Risk. The recent COVID-19 pandemic has caused and continues to cause disruptions in economies and individual companies and volatility in financial markets throughout the world, including those in which the Firm’s prospective investors or existing customers invest. The impact of the pandemic and resulting economic disruptions may negatively impact such investors and customers and the performance of their portfolios due to, among other things: (i) interruption of business operations resulting from travel restrictions, reduced consumer spending, and quarantines of employees, customers, and suppliers in areas affected by the outbreak; (ii) closures of manufacturing facilities, warehouses, and logistics supply chains; and (iii) uncertainty about the duration of the virus’s impact on global financial markets. Governments and central banks throughout the world have responded to the pandemic and resulting economic disruptions with a variety of fiscal and monetary policy changes, including direct capital infusions into companies and other issuers, new monetary policy tools, and lower interest rates, but the ultimate impact of these efforts is uncertain.

Legal or Legislative Risk. Legislative changes or court rulings may impact the value of investments or the securities’ claim on the issuer’s assets and finances.

Regulatory Risk: Regulatory risk is the risk that a change in regulations or legislation will affect a security, company, or industry. Regulations can increase costs of operations, introduce legal and administrative hurdles, and sometimes even restrict a company from doing business.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9 – Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-Regulatory Organization (“SRO”) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10 – Other Financial Industry Activities and Affiliations

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

Neither EC nor its representatives are registered as or have pending applications to become a broker-dealer or a representative of a broker-dealer.

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

Neither EC nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor, or an associated person of the foregoing entities.

C. Registration Relationships Material to This Advisory Business and Possible Conflicts of Interests

EC serves as the General Partner of Enhancing Capital Partners, LP (“ECP”), a private fund. Mr. Parmer is a managing member of the General Partner. EC will recommend investments in ECP to those clients for which investment in the fund is suitable. This presents a conflict of interest in that EC or its related persons may receive more compensation from a recommendation to a client to invest in ECP, as opposed to recommendations of other investments. EC, as General Partner of ECP, receives compensation in the form of management fees and/or a performance allocation from the Limited Partners. Nevertheless, EC always acts in the best interest of the client, consistent with its fiduciary duties, and clients are not required to invest in ECP if they do not wish to do so. Clients also always have the right to decide whether or not to utilize the services of any representative of the Firm in such individual’s outside capacities.

Mr. Parmer is also the: (1) Director and Vice President of Payco, Inc., a building supply company; (2) Director and Vice President of RWC of Pennsylvania, a management company overseeing a residential warranty company and providing management and services to businesses; and (3) Director and Vice President of Eastern Atlantic Insurance Company and Integrity Underwriters, Inc.

Trevor Alan Goodling is an assistant coach of the men’s soccer team at Messiah University.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

EC does not utilize nor select third-party investment advisers.

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

A. Code of Ethics

EC has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. The Firm's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interest

EC allows its supervised persons to purchase or sell the same securities that may be recommended to and purchased on behalf of clients. The Firm does not act as principal in any transactions and does not have a material interest in any securities traded in client accounts. Mr. Parmer, as CIO of EC, also serves as Portfolio Manager of ECP. EC will recommend investments in ECP to those clients for which investment in the fund is suitable. This presents a conflict of interest in that EC or its related persons may receive more compensation from investment in ECP than from other investments. Nevertheless, EC acts in the best interest of the client, consistent with its fiduciary duties, and clients are not required to invest in ECP if they do not wish to do so.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of EC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of the Firm to buy or sell the same securities before or after recommending the same securities to clients, resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. EC will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to a client's disadvantage when similar securities are being bought or sold. EC has also adopted policies and procedures to prevent the misuse of "insider" information.

D. Trading Securities at/around the Same Time as Clients' Securities

From time to time, representatives of EC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of the Firm to buy or sell securities before or after recommending securities to clients, resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, EC will never engage in trading that operates to a client's disadvantage if representatives of the Firm buy or sell securities at or around the same time as clients.

Item 12 – Brokerage Practices

A. Factors Used to Select Custodians and/or Broker-Dealers

Custodians/broker-dealers will be recommended based on EC's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and EC may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences, and other resources provided by the brokers that may aid in the Firm's research efforts. EC will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

As a fundamental practice, EC will require clients to use Schwab. While not all advisers require investors to use a particular broker-dealer, EC will require clients to use Schwab to execute transactions unless, at the Firm's discretion, an exception is granted.

1. Research and Other Soft-Dollar Benefits

While EC has no formal soft-dollars program in which soft dollars are used to pay for third-party services, the Firm may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft-dollar benefits"). EC may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft-dollar research, whether or not the client's transactions paid for it, and EC does not seek to allocate benefits to client accounts proportionate to any soft-dollar credits generated by the accounts. EC benefits by not having to produce or pay for the research, products, or services; hence, the Firm will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that EC's acceptance of soft-dollar benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

EC receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker-Dealer/Custodian to Use

In certain limited instances, EC may at its discretion accept a client's request to select its custodian and/or a directed brokerage arrangement. Whereas the investor's selection of a custodian does not necessarily require EC to execute transactions through a specific broker-dealer, it may do so if the custodian and broker-dealer are affiliated. Under such a directed brokerage arrangement, EC's ability to meet its best execution obligation is limited because it does not have as much flexibility as with non-directed brokerage client relationships to negotiate commissions and/or obtain volume discounts.

B. Aggregate (Block) Trading for Multiple Client Accounts

If EC buys or sells the same securities on behalf of more than one client, then it may (but is under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such

case, EC will place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades will be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. EC will determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any). As described in Item 6, EC has implemented a trade rotation strategy designed to provide equitable treatment amongst our performance-based-fee and non-performance-based-fee client accounts whereupon the same security is transacted. EC's practice is to rotate the trade position of performance-based-fee accounts and non-performance-based-fee accounts each calendar quarter when our Firm's investment strategies demand asset re-allocations and/or re-balancing transactions. As such, each account grouping will trade first in two of the four calendar quarters and last in the others.

Item 13 – Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Conducts Those Reviews

All client accounts for which EC provides advisory services on an ongoing basis are reviewed at least quarterly by Mr. Parmer, with regard to clients' respective investment policies and risk-tolerance levels. Investors in ECP will receive capital account balance statements from the administrator on a monthly basis.

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

Reviews may be triggered by material market, economic, or political events or by changes in a client's financial situation (e.g., retirement, termination of employment, physical move, inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client for which EC provides advisory services on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (including Sales Awards and Other Prizes)

EC does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to the Firm's clients. With respect to Schwab, EC receives access to Schwab's institutional trading and custody services, which are typically not available to Schwab's retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them, so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab. Schwab's services include brokerage services that are related to the execution of securities transactions; custody; research, including that in the form of advice, analyses, and reports; and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For EC client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab also makes available to EC other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional, or EC-

specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of EC personnel by Schwab personnel, including meals; invitations to sporting events, including golf tournaments; and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist EC in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable); provide research, pricing information and other market data; facilitate payment of EC's fees from its clients' accounts (if applicable); and assist with back-office training and support functions, recordkeeping, and client reporting. Many of these services generally may be used to service all or some substantial number of EC's accounts. Schwab also makes available other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee-benefits providers, human capital consultants, insurance, and marketing. In addition, Schwab may make available, arrange, and/or pay vendors for these types of services rendered to EC by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to EC. EC is independently owned and operated and not affiliated with Schwab.

B. Compensation to Non-Advisory Personnel for Client Referrals

EC does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15 – Custody

For clients invested in separately managed accounts ("SMAs") advised by EC, the Firm is deemed to have custody of client assets by virtue of our ability to deduct advisory fees from client accounts. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

With respect to ECP, the Firm is deemed to have custody of the fund assets under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended ("Custody Rule"). To comply with the Custody Rule, EC engages a third-party public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board ("PCAOB") to conduct an annual audit of the financial statements of ECP and will distribute ECP's audited financials to each Limited Partner within 120 calendar days of the end of ECP's fiscal year.

Item 16 – Investment Discretion

EC provides discretionary investment advisory services to clients.

The Advisory Agreement established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, EC generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, and the price per share. In some instances, EC's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to the Firm).

Item 17 – Voting Client Securities

For clients to whom EC provides discretionary investment management services through an SMA, the Firm will not ask for, nor accept, voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

With respect to ECP, EC generally does not vote proxies in connection with the fund's investments. However, when it does, the Firm shall vote proxies in a manner consistent with its policies and procedures for voting proxies.

As a matter of practice, proxy votes with respect to most issues are cast in accordance with the position of the company's management. Each issue, however, is considered on its own merits. EC will not support the position of a company's management in any situation where it determines that ratification of management's position would adversely affect the investment merits of owning that company's shares. EC will document any conflicts of interest and where necessary, shall abstain from voting proxies in which the Firm has a financial interest or material conflict.

Proxy voting records are kept for five years. Requests for proxy voting records may be directed to EC at (717) 561-4491.

Item 18 – Financial Information

A. Balance Sheet

EC neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this Brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither EC nor its management has any financial condition that is likely to reasonably impair the Firm's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

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