



Philadelphia Partners
Capital Management LLC

Philadelphia Partners Capital Management, LLC.

1411 Clarksvie Rd
Baltimore, Md 21209
215-564-5750

FORM ADV PART 2A – BROCHURE

March 31st, 2024

This Brochure provides information about the qualifications and business practices of Philadelphia Partners Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (215)-564-5750. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Philadelphia Partners Capital Management, LLC. Is also available on the SEC's website at www.adviserinfo.sec.gov.

While Philadelphia Partners Capital Management, LLC. is a Registered Investment Adviser with the United States Securities and Exchange Commission, such registration does not imply any certain level of skills or training.

Item 2 – Material Changes

There has been no material changes for this 2024 amendment

Item 3 - Table of Contents

Item 2 – Material Changes	3
Item 4 – Advisory Business	5
Firm Description.....	5
Principal Owners	5
Types of Advisory Services	5
Item 5 - Fees.....	6
Compensation of Supervised Persons	7
Item 6 – Performance-based Fees and Side-By-Side Management	7
Item 7 – Types of Clients	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	8
Methods of Analysis.....	8
Item – 9 Disciplinary Information.....	13
Item 10 – Other Financial Industry Activities and Affiliations.....	14
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	14
Item 12 – Brokerage Practices.....	15
Brokerage for Client Referrals.....	15
Directed Brokerage	16
Block Trades.....	16
Item 13 – Review of Accounts.....	16
Item 14 – Client Referrals and Other Compensation	17
Item 15 – Custody.....	17
Item 16 – Investment Discretion	17
Item 17 – Proxy Voting.....	18
Item 18 – Financial Information.....	18
Additional Information	18
Your Privacy	19
Class Action Lawsuits.....	19

Item 4 – Advisory Business

Firm Description

Philadelphia Partners Capital Management, LLC (“Philadelphia Partners” or “Firm”) is an SEC registered investment adviser based in Bala Cynwyd, PA. We are organized as a limited liability company under the laws of the State of Pennsylvania. Philadelphia Partners was established in 2006. We provide fee only, personalized investment advice which is managed on a discretionary basis whereby the client gives Philadelphia Partners limited power of attorney to place transactions on behalf of the client. Client accounts are managed based on the client’s financial situation, risk tolerance, investment objectives, experience and in accordance with any reasonable restrictions imposed by the client on the management of the account. Philadelphia Partners monitors client portfolios on a continuous basis and will recommend or make changes as appropriate.

Principal Owners

Michael A. Galantino is the principal and sole owner of Philadelphia Partners Capital Management, LLC.

Types of Advisory Services

Philadelphia Partners advises high net worth individuals, institutions, pension and profit-sharing plans, trusts, estates, charitable organizations, small businesses, foundations and retirement plans. Philadelphia Partners offers discretionary investment management services on a continuous basis in accordance with your individual risk profile. If you retain our firm for investment advisory service, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the “suitability information”) at the beginning of our advisory relationship. The suitability information is gathered during our initial meeting to develop a strategy that enables our Firm to give you continuous and focused investment advice and/or to make investment recommendations to you. You may request that we refrain from suggesting investments in certain securities of a specific company, sector, industry or certain types of securities. You may provide our Firm with any such restrictions and guidelines in writing at any time. These requests will be documented in the Advisory Agreement as “restricted securities”. Trading authorization will also be granted in the investment advisory agreement you sign with our Firm along with a limited power of attorney so we may trade within the account as agreed between you and our Firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio’s performance on an ongoing basis. We will provide rebalancing recommendations as required based on changes in market conditions and/or your financial circumstance. We will contact you from time to time to inquire about your financial circumstances as well. Philadelphia Partners may also select unaffiliated third-party managers to conduct the day-to-day management of a portion (or all) of your portfolio. In such cases, Philadelphia Partners will assist you in identifying your risk tolerance, time horizon and investment objectives. Philadelphia Partners will help coordinate and manage the third-party manager and you may be required to enter into an agreement directly with the third-party manager.

Assets Under Management

Philadelphia Partners had approximately \$47,139,523 in assets under management as of December 31st, 2023

Item 5 - Fees

Our fees for stand-alone investment management services would be based on a percentage of your assets we manage on your behalf and is set forth in the following fee schedule:

<u>Equities/Fixed Income Account Value</u>	<u>Annual Fee</u>
First \$2 Million	1.5%
Next \$3 Million	1.25%
Next \$10 Million	0.75%
Over \$15 Million	Negotiable
<u>Fixed Income Only Account</u>	<u>Annual Fee</u>
First \$5 Million	0.5%
Over \$5 Million	Negotiable

Fees may be negotiated depending on the scope of services provided and the complexity of your financial situation and your objectives. Our investment management fee is payable in quarterly in advance based upon the market values of the accounts on the last business day of the proceeding calendar quarter. There is no charge for the initial set up work or the development of a formal asset allocation plan.

The management fee is computed by determining the market value of the account using the following guidelines: (a) for marketable securities: the current market price provided by the custodian; (b) for securities which there exists no active market (such as real estate, gas and oil, or other illiquid securities), by using such information we, in good faith, deem relevant to determine the value thereof, or in the absence of such information, at cost; and (c) cash or equivalents, at dollar value.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable investment management fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values increases the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

Management fees will automatically be deducted from the client's managed account on a quarterly basis. The client will receive an invoice including the computation of the fee. Philadelphia Partners Capital Management, LLC will instruct the custodian/broker dealer to liquidate money market shares to pay the management fee, and, if there is insufficient money market shares or cash available, other investments will be liquidated at the discretion of Philadelphia Partners. Authorization for the automatic deduction of fees from the account is contained in the Investment Management Agreement.

In addition to the management fee charged by Philadelphia Partners, advisory fees and other fund expenses may be imposed by mutual funds or other pooled vehicles in which the client is invested, as described in the prospectus or offering documents for such mutual funds and/or pooled vehicles. Third-party managers who are selected and engaged by a client charge separate fees which are in addition to those fees payable to Philadelphia Partners. Any transaction fee, commissions or account charges are the responsibility of the client and are paid as the transaction occurs and are in addition to the fees paid to Philadelphia Partners. Philadelphia Partners receives no compensation in the way of commissions, fees or other charges.

The investment advisory agreement between clients and Philadelphia Partners may be terminated with 30 days advance written notice. The client is responsible for paying for services rendered up until the date of termination of the contract. An invoice will be sent at the quarter end showing the pro-rated portion of the billing cycle for which services were rendered. If the contract is cancelled within the first five days after signing the agreement, the client is not obligated to pay any fees to the Advisor.

Compensation of Supervised Persons

Investment Advisory Representatives of Philadelphia Partners are dually licensed as investment advisory representatives and registered representatives of Chapin, Davis, a Securities and Exchange Commission registered and FINRA member broker-dealer. As such, clients have the option to purchase investment products that Philadelphia Partners recommends and/or execute transactions through Chapin, Davis. In addition, clients may also have transactions executed through broker-dealers that are not affiliated with Philadelphia Partners for an additional cost (such cost depends on the broker-dealer selected).

Additionally, Philadelphia Partners (or its personnel) may be compensated for the sale or recommendation of certain products which are offered by Chapin, Davis and purchased with assets in your account. Such compensation, such as sales credits, is not generally paid by you but paid by the issuer of the securities. It, however, is compensation received by Philadelphia Partners which is in addition advisory fees you are charged pursuant to the advisory agreement.

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

Philadelphia Partners does not accept performance-based fees or participate in side-by-side management. Side-by-Side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in Item 5 above and not charged based on a share of capital gains upon, or capital appreciation of, the assets in your advisory account.

Item 7 – Types of Clients

Philadelphia Partners offers investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, small businesses, foundations, institutions and other retirement plans.

We require a minimum dollar amount of \$1,000,000 to open and maintain an advisory account. The minimum amount may be waived under certain circumstances (such as householding of accounts); however, we have the right to terminate your account if it becomes too small to effectively manage.

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

Methods of Analysis

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 profile, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. Keep in mind that there can be no assurance that any particular strategy will be successful in achieving the Client's investment goals and objectives. The material risk for any strategy is risk of loss.

Fundamental Analysis – Involves analyzing individual companies and their industry groups, such as company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and that analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If security prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Long Term Purchases – Securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Philadelphia Partners Capital Management, LLC's investment philosophy for equity portfolios centers around primarily large cap growth stocks where liquidity, income, diversified earnings streams and predictability and dividend increases are the focus. The firm reserves the right to take advantage of small and midcap equities when opportunities arise and when it is appropriate for the individual client risk and investment objective.

Tax Considerations – Our strategies and investments may have unique and significant tax implications. Tax efficiency is a primary consideration. Regardless of your account

size or any other factors, we strongly recommend you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, because of IRS regulations, custodians and broker-dealers will report the cost basis of equities acquired in the client accounts. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting methods. Please note that decisions about cost basis accounting methods will need to be made before trade settlement, as the cost basis method cannot change after settlement.

Risk of Loss - Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identified market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is no indication of future performance.

Market Risk – Prices of securities in which clients invest may decline in response to certain events taking place around the world, including: those directly involving the companies whose securities are owned by client; conditions affecting the general economy; overall market changes; local, regional or global politics, social or economic instability (such as pandemics or conflicts between nations); and currency, interest rate, and commodity price fluctuations. Market risk may affect a single issuer, an industry, a sector or the equity or bond market as a whole. Investors should have a long – term perspective and be able to tolerate potentially sharp declines in the market. A recent outbreak of respiratory disease caused by a novel coronavirus was first detected in China in December 2019 and has now been detected internationally. This coronavirus has resulted in closing borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, as well as general concern and uncertainty. The impact of this coronavirus, and other epidemics and pandemics that may arise in the future, is having an unprecedented impact on the economies of many nations, individual companies and the market in general and could cause disruptions that cannot necessarily be foreseen. In addition, the impact of infectious diseases in developing or emerging market countries may be greater due to less established health care systems and health crises may exacerbate other pre-existing political, social and economic risks in certain countries. The impact of the outbreak may be short term or may last for an extended period of time.

Management Risk – A Portfolio Manager's investment approach may fail to produce the intended results. If our perception of the performance of a specific asset class or underlying fund is not realized in the expected time frame, the overall performance of client's portfolio may suffer. Philadelphia Partners Capital Management, LLC, from time to time, will recommend independent money

managers over which it has no control, and the independent money manager could engage in mismanagement or fraud.

Equity Risk – Equity securities tend to be more volatile than other asset classes. The value of an individual security can be more volatile than the market as a whole. This volatility affects the value of the client’s overall portfolio. Small and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines or financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than in the case with larger companies.

Fixed Income Risk – The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligations. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities is likely to decrease. A nominal interest rate rise, the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate. Inflation-indexed securities, including Treasury Inflation Protected Securities (“TIPS”), decline in value when real interest rates rise. In certain, interest rate environments, such as when real interest rates are rising faster than nominal interest rates, inflation-indexed securities may experience greater losses than other fixed income securities with similar duration. Investments in high yield, high risk securities and unrated securities of similar credit quality (commonly known as “junk bonds”), as well as derivatives of such securities, are subject to greater levels of interest rate, credit and liquidity risks than investments in other types of securities. These securities are considered predominately speculative with respect to the issuer’s continuing ability to make principal and interest payments.

Investment Company Securities Risks – When a client invests in mutual funds or ETFs, the client indirectly will bear the client’s proportionate share of any fees and expenses payable by the underlying fund. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client may be affected by losses of the underlying funds and the level of risk arising from the investment practices of the underlying funds (such as the use of leverage by the fund). Philadelphia Partners Capital Management, LLC has no control over the investment and related risks taken by the underlying funds in which clients invest. In addition to risks generally associated with investments in investment company securities, ETFs are subject to the following risks that do not apply to investment company securities, ETFs are subject to the following risks that do not apply to traditional mutual funds: (i) an ETF’s shares may trade at a market price that is above or below its net asset value; (ii) an active trading market for an ETF’s shares may not develop or be maintained; (iii) the ETF may employ an

investment strategy that utilizes high leverage ratios; or (iv) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" which are tied to large decreases in stock prices) halts stock trading generally.

Money Market Funds – With respect to an investment in money market funds, an investment in the money market fund is not a bank deposit nor is it insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund may seek to maintain a constant price per share of \$1.00, you may lose money by investing in the money market fund. The money market fund may experience periods of heavy redemptions that could cause the money market fund to liquidate its assets at inopportune times or at a loss or depressed value, particularly during periods of declining or illiquid markets. This could have a significant adverse effect on the money market fund's ability to maintain a stable \$1.00 share price, and, in extreme circumstances, could cause the money market fund to suspend redemptions and liquidate completely.

Style Risks – Clients may invest in companies or mutual funds that are growth and or value oriented. If the Portfolio Manager incorrectly assesses the growth potential of a company or fund in which clients invest, the securities purchased may not perform as expected, ultimately reducing the client's return, or causing clients to lose money on the investment. With respect to the value investments, the market may not agree with a Portfolio Manager's determination that portfolio stocks are undervalued, and the prices of such portfolio securities may not increase to what the Portfolio Manager believes are their full value. They may even decrease in value.

Small and Midcap Risk - To the extent that clients invest in small- and mid-cap companies, they will be subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.

Real Estate Risks - Real estate investments and real estate investment trusts ("REITs") are subject to risks generally, such as (i) possible declines in the value of real estate, (ii) adverse general and local economic conditions, (iii) possible lack of availability of mortgage funds, (iv) changes in interest rates, and (v) environmental problems. In addition, REITs are subject to certain other risks related specifically to their structure and focus such as: dependency upon management skills; limited diversification; the risks of locating and managing financing for projects; heavy cash flow dependency; possible default by borrowers; the costs and potential losses of self-liquidation of one or more holdings; the possibility of failing to maintain exemptions from securities

registration; and, in many cases, relatively small market capitalization, which may result in limited market liquidity and price volatility.

Foreign Securities Risk - Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds or managers invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.

Commodities Risk - ETFs that hold commodities, such as gold or silver, as well as oil royalty trusts, publicly traded master limited partnerships and other investment companies that invest in commodities, are subject to volatility because commodities prices and stock prices for companies in the commodities markets can fluctuate widely. These investments also depend upon specialized management skills and typically lack or have limited operating histories. These entities' success also will vary depending on their underlying portfolios. For example, if the entities invest in oil and gas companies, their returns will be very dependent on highly volatile oil and gas prices. Unlike ownership of common stock of a corporation, investors in these entities typically would have limited voting rights and no ability to elect directors of these entities annually.

Derivatives Risk - Derivative instruments (for example, swaps, options, futures and index based instruments) may be used for hedging or investment purposes, such as to gain exposure to particular securities or markets, in connection with hedging transactions or currencies, or to increase total return. The use of derivative instruments involves the risk that those instruments may not work as intended due to unanticipated developments in market conditions or other causes. Options present additional risks, including the risk of loss of the entire premium that a client pays. Additionally, it is possible to lose more money than is actually invested in the purchase or sale of an option, in a relatively short period of time when trading options.

Liquidity Risk – The risk that certain securities may be difficult or impossible to sell at the time and the price that the portfolio would like. The portfolio may have to lower the price of the security, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on portfolio management or performance.

Interest Rate Risk – The risk that a rise in interest rates will cause a fall in the value of fixed income securities, including U.S. Government securities in which the portfolio invests. Although U.S. Government securities are considered to be among the safest investments, they are not guaranteed against price movements

due to changing interest rates. A low interest rate environment may present greater interest rate risk, because there may be a greater likelihood of rates increasing and rates may increase more rapidly.

Margin Risk - To the extent that a client elects to borrow to make investments through a margin account, the margin debit balance will not reduce the market value of eligible assets, and therefore will increase the asset-based fee charged. The increased asset-based fee may provide an incentive for a Portfolio Manager to recommend the use of margin strategies. The use of margin is not suitable for all investors, since it increases leverage in the account and therefore risk.

Private Placement Risk - Investment in privately placed securities, including interests in private equity and hedge funds, may be less liquid than in publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid by the portfolio, the carrying value of such securities or less than what may be considered the fair value of such securities. Furthermore, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that might be applicable if their securities were publicly traded.

Preferred Stock Risk – Investments in preferred securities have special risks including: (a) Deferral. Preferred securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to the issuer. If you own a preferred security that is deferring its distributions, you may be required to report income for tax purposes although you have not yet received such income. (b) Subordination. Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure in terms of priority to corporate income and liquidation payments, and therefore will be subject to greater credit risk than more senior debt instruments. (c) Liquidity. Preferred securities may be substantially less liquid than many other securities, such as common stocks or US government securities. (d) Limited Voting Rights. Generally, preferred security holders have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred security holders no longer have voting rights.

Item – 9 Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Philadelphia Partners or the integrity of its management personnel. Philadelphia Partners has no information applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

Philadelphia Partner's owner, Michael A. Galantino and the personnel at Philadelphia Partners are dually registered with Chapin, Davis, an SEC registered broker-dealer and member of FINRA/SIPC. Chapin, Davis may provide execution and brokerage services for clients. Chapin, Davis is the sole owner of SEC Registered Investment Adviser, Chapin Davis Asset Management (which is a "DBA" or "doing business as" name). Chapin Davis Asset Management will be the relying Adviser to Philadelphia Partners for compliance and oversight functionality to include, but not limited to Fee Billing, Invoicing, Performance Reporting and other compliance functions. None of Chapin, Davis's affiliates or subsidiaries have any ownership in Philadelphia Partners.

Other Investment Advisors – Philadelphia Partners is a Relying Advisor of Chapin Davis Asset Management.

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

Philadelphia Partners has adopted a Code of Ethics for all supervised persons pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Our Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition against spreading rumors, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other items. Supervised persons must report their personal securities transactions quarterly and also must review and acknowledge the terms of the Code of Ethics at least annually. Supervised persons may trade securities in their own accounts which are recommended to and/or purchased for clients. When this occurs, there is a potential conflict of interest that clients may receive a better or worse price or execution than the firm's supervised persons. To address such a conflict, such securities must be purchased by the supervised person on the same day in a single transaction (referred to as a "block trade"). Participants in a block trade typically receive their pro rata, average price per share allocation of the trade. To the extent that a trade is not completely filled, Philadelphia Partners will allocate investments among clients and supervised persons in a manner that it believes is fair and reasonable. Our Code of Ethics requires pre-clearance for certain transactions, including prior approval for an employee investing in any private company or initial public offering. Philadelphia Partners has also adopted an Insider Trading Policy that prohibits supervised persons from trading on material non-public information.

Advisory representatives of Philadelphia Partners are dually licensed as investment advisor representatives and representatives of a registered broker-dealer. These representatives do not receive a portion of brokerage commissions for executing

transactions on behalf of advisory clients, which mitigates potential conflicts of interest. Philadelphia Partners effects transactions both on national securities exchanges and in over the counter, transactions, on an agency basis through various Brokerage Firms at negotiated commission rates, consistent with OTC requirements. OTC transactions may be placed directly with market makers who act as principals for their own account and include mark-ups in the price charged for the securities or with broker-dealers who act as agents and charge brokerage commissions for effecting the transactions. Philadelphia Partners will not serve as a dealer in connection with OTC transactions for advisory clients, absent specific client consent to the particular transaction.

Section 206(3) of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients they advise, on the other hand. Philadelphia Partners may purchase securities directly from one or more underwriters and sell those securities to clients of Philadelphia Partners, which is a “principal transaction” under the Advisers Act. In order to comply with the Advisers Act, Philadelphia Partners will obtain consent from the applicable client for each such transaction and, in connection with obtaining such consent, disclose to such client the best price information known to Philadelphia Partners, the amount of any concession payable to Philadelphia Partners (and its representatives) on the sale of the security from Philadelphia Partners to such client and the fact that Philadelphia Partners has a financial incentive to on-sell such a security to one or more of its advisory clients is a conflict of interest.

Item 12 – Brokerage Practices

We will maintain relationships with several broker-dealers. While you are free to choose any broker-dealer or other service provider, we may recommend that you establish an account with a brokerage firm with which we have an existing relationship, including Chapin, Davis. Such relationships may include benefits provided to our firm, including but not limited to, research, market information, administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of research provided, the firm’s reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm.

With respect to stock and bond transactions that involve commission charges, Philadelphia Partners will always strive to obtain best execution for the client and a commission rate that is fair and reasonable. The client does not pay commissions higher than those obtainable from other brokers in the return for the benefits afforded Philadelphia Partners recommended broker-dealers.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely recommend that you direct our firm to execute transactions through one or more brokers or custodians with which we have already established business relationships. As such, we may be unable to achieve the most favorable execution of your transaction and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services.

You may instruct our firm to use one or more particular brokers for the transactions in their accounts. However, we may not be able to direct trades to all brokers requested, and Philadelphia Partners reserves the right to refuse to route trades to brokers, in the firm's discretion. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

Block Trades

We occasionally combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading") when we believe it is in the best interest of clients. Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees and/or transaction costs than other clients.

Item 13 – Review of Accounts

Michael Galantino will monitor your accounts on an ongoing basis, and will conduct account reviews at least quarterly or upon your request to ensure that the advisory services provided to you and/or the portfolio mix are consistent with your current investment needs and objectives. Additionally, reviews may be conducted based on various circumstances, including but not limited to:

- Year-end tax planning,
- Market moving events,
- Security specific events, and/or,
- Changes in your risk/return objectives and financial profile.

We will provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings as well as quarterly asset allocations, etc. We will also provide you with periodic or annual tax reports. In addition, you will receive trade confirmation, monthly statements and quarterly performance reports from your custodian.

Generally, we will contact you annually to determine whether any updates may be needed based on changes in your circumstances. Changes in circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss, and/or disability, among others. Where warranted, we will provide you with updates to your portfolio or strategy in conjunction with the review. We recommend meeting with you at least annually to review your accounts, and things such as your goals, time horizon and risk tolerance to ensure your accounts and strategy continue to address the most up-to-date information. Additional reviews will be conducted upon your request.

Item 14 – Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you. We have arrangements with third parties who refer clients to Philadelphia Partners in exchange for compensation. Such compensation is a percentage of the assets under management charged by Philadelphia Partners and it does not increase or in any other way impact the amount of compensation paid by a client.

Item 15 – Custody

Unless you have elected to have us bill you directly, as paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds and securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover of this brochure.

Item 16 – Investment Discretion

Clients grant written authority to Philadelphia Partners Capital Management, LLC to act with limited power of attorney to have discretionary investment management authority in regard to the management of client assets. With this authority, Philadelphia Partners Capital Management, LLC determines and places transaction orders on behalf of the client without obtaining specific client consent. All transactions shall be made in accordance with the client's established objectives and any reasonable restrictions imposed upon the account. If special circumstances outside of maintaining the investment objectives require action, Philadelphia Partners Capital Management, LLC will obtain specific authorization before placing any transactions.

Item 17 – Proxy Voting

We will not vote proxies on behalf of your advisory account. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy material directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18 – Financial Information

We are not required to provide financial information to our clients because we do not:

- Require the prepayment of more than \$500 in fees and six or more months in advance, or
- Take custody of client funds or securities, or
- Have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Additional Information

The Firm does not have any reportable arbitration claims, civil, self-regulatory organization proceeding or administrative proceeding.

Please refer to the Part(s) 2B for background information about management personnel, those giving advice on behalf of our firm and reportable arbitration claims, civil, self-regulatory organization proceeding or administrative proceedings of any of our Associated Persons.

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure. We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis or upon request. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries resulting from the actions, misconduct, or negligence by issuers of securities held by you.