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## Modern Capital Management Co Brochure

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### **Modern Capital Management Co**

825 Lowcountry Blvd, Suite 204

Mt Pleasant, SC 29464

800-440-0442

**November 25, 2019**

This Brochure provides information about the qualifications and business practices of Modern Capital Management Co. If you have any questions about the contents of this Brochure, please contact Robert Roach, the Compliance Consultant, at 917-783-6823. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

We are a registered investment adviser. However, registration of an investment adviser does not imply any level of skill or training. The oral or written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Modern Capital Management Co is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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### **Item 2 - Summary of Material Changes**

This is our initial ADV Part 2A Brochure filing on November 20, 2019:

You may request our full Brochure by contacting our main office at 800-440-0442 or by email at [bob@roachcorp.com](mailto:bob@roachcorp.com). You may also download a free copy via the Internet from the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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### **Item 4 - Advisory Business**

Modern Capital Management Co (“Modern,” “MCMC,” “the Company,” “we,” or “us”) is a privately held company formed in 2019. Bradley D. Atkins is our Chief Executive Officer and the company is a wholly owned subsidiary of Modern Capital Inc. Bradley D. Atkins is the controlling shareholder of Modern Capital Inc.

MCMC seeks to become the investment advisor to the AmericaFirst Quantitative Funds, subject to Board of Trustees and shareholder approval. Upon the requisite approvals, the investment strategies will utilize data driven, quantitative models to support our investment decisions. MCMC’s underlying strategies are researched and comprehensively tested before implementation.

MCMC seeks to manage the following five affiliated open-ended mutual funds:

- AmericaFirst Large Cap Share Buyback Fund
- AmericaFirst Tactical Alpha Fund
- AmericaFirst Defensive Growth Fund
- AmericaFirst Income Fund
- AmericaFirst Seasonal Rotation Fund

Additional information about each fund and the prospectuses of each fund may be found at [www.AmericaFirstFunds.com](http://www.AmericaFirstFunds.com).

MCMC may also offer or be asked to provide investment management services to affiliated business development companies (BDCs). Currently, we do not have any advisory relationships.

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As of November 20, 2019, the company has no clients and no assets under management.

### **Item 5 - Fees and Compensation**

At present, each AmericaFirst mutual fund pays an advisory fee based on the individual fund's average daily net assets. You are urged to reference the current prospectus of each fund, but generally the advisory fee is 1.00 – 1.50%.

If you are invested in AmericaFirst funds or other mutual funds, fees incurred will include management fees and other internal fees commonly associated with mutual funds. Such fees are specifically stated and disclosed in the current prospectus. Mutual funds may also charge a sales load in accordance with the fund's prospectus. There exist other mutual funds which may offer similar strategies to the AmericaFirst funds and these funds may offer lower fees and expenses than the AmericaFirst funds.

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

We do not charge performance-based fees. Our advisory fees are not based on a share of the capital gains you earn or on the capital appreciation of assets in your account.

### **Item 7 - Types of Clients**

Our primary client will be the AmericaFirst Quantitative Funds upon receipt of requisite approvals.

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### **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

The investment strategy of each of AmericaFirst's funds is described below:

#### **AmericaFirst Income Fund**

The Fund seeks to achieve its investment objective by investing in a portfolio of high income securities that may include (but not limited to) stocks, preferred stocks, master limited partnerships ("MLPs"), convertible preferred stock, convertible bonds, real estate investment trusts ("REITs"), and bonds (including high-yield securities, commonly called "junk bonds") selected by applying a rules-based model. The Fund may rebalance a significant portion of its holdings on a quarterly or more frequent basis based upon the results of the model. The Fund may hold significantly higher than normal short-term cash positions during rebalancing or when market conditions warrant. The Fund may employ seasonal and/or market timing trading strategies based upon the Advisor's rules-based model. The strategy upon which the Fund is based was developed by the Fund's portfolio manager, Rick A. Gonsalves (the "Portfolio Manager" or "PM"). The Fund invests without restriction as to issuer capitalization, maturity, credit quality or whether the security is foreign or domestic. Foreign bonds may include both domestic and sovereign bonds. Additionally, the Fund may invest in the shares of investment companies that are exchange-traded funds ("ETFs") that invest in securities that are consistent with the Fund's investment objective and policies. These ETFs include those with inverse market exposure and leveraged ETFs. Inverse ETFs are designed to produce results opposite to market direction, which may serve to hedge portfolio investments. Inverse ETFs seek daily investment results, before fees and expenses, which correspond to the inverse (opposite) of the daily performance of a specific benchmark, such as the S&P 500 Index. The PM does not rebalance inverse ETFs positions daily to adjust for daily changes in the reference index. Leveraged ETFs seek to use financial derivatives and debt to amplify the returns of an underlying index.

#### **AmericaFirst Defensive Growth Fund**

The Fund seeks to achieve its investment objective by investing, under normal circumstances, a range of approximately 70% to 100% of its net assets in a portfolio of defensive, non-cyclical equity securities of foreign and domestic companies selected by applying a rules-based strategy. Equity securities include common stock. The Fund may not meet its target range during rebalancing transitions as well as upon the discretion of the Fund's investment advisor. The Fund strategy was developed by the Fund's portfolio manager, Rick A. Gonsalves.

The Fund seeks to select stocks of historically "defensive" industries. Defensive companies tend to offer basic consumer necessities where consumer demand tends to be unaffected even in poor economic conditions and therefore may have the ability to weather economic downturns better than non-defensive companies. The PM believes that sales and earnings growth of stocks of these defensive companies may remain relatively constant regardless of the ups and downs of the economy due to the generally stable demand for these company's products. Industries that are comprised primarily of defensive, non-cyclical companies would include, but are not limited to, Consumer Staples (example: food products, cosmetics & toiletries, brewing, soft drinks, food processing and retail), Healthcare (pharmaceuticals, health care services, medical supplies and equipment), Aerospace & Defense (companies engaged in the production of spacecraft and commercial military and private aircraft), and Utilities (electric, natural gas and water utilities as well as telephone services). Under normal market conditions, the Fund may overweight portfolio investments primarily in securities in the consumer staples and healthcare sectors which represent numerous industries. These sectors generally are comprised of companies that are defensive in nature and are selected in an effort to provide capital appreciation while reducing overall portfolio volatility.

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The Fund may also execute a portion of its equity strategy by investing in ETFs, including those with inverse market exposure and leveraged ETFs. Inverse ETFs are designed to produce results opposite to market direction, which may serve to hedge portfolio investments. Inverse ETFs seek daily investment results, before fees and expenses, which correspond to the inverse (opposite) of the daily performance of a specific benchmark, such as the S&P 500 Index. The PM does not rebalance inverse ETFs positions daily to adjust for daily changes in the reference index. Leveraged ETFs seek to use financial derivatives and debt to amplify the returns of an underlying index.

The Fund may also sell short equity securities from any industry in an attempt to reduce volatility and risk in unfavorable market conditions. Depending upon market conditions and prospects as determined by the Advisor's quantitative models, the Fund may target having approximately 0% to 30% of its assets in short positions under normal market conditions. The Fund may target having approximately 70% to 100% of its assets in long positions under normal market conditions. The Fund will invest in securities of companies regardless of market capitalization. The Fund will rebalance a significant portion of its holdings, based on the Advisor's quantitative models, on a quarterly basis or more frequent basis. The Fund may hold significantly higher than normal short-term cash positions during rebalancing or when market conditions warrant. The Advisor's rules-based models take into account and weight such variables that may include operating earnings yield, price momentum, share buyback, trading liquidity and others when selecting long positions. In selecting short positions, the Advisor's rules-based models considers such variables including, but not limited to, poor relative price momentum, poor technical indicators and poor fundamentals. The Fund may employ seasonal and/or market timing trading strategies based upon the Advisor's quantitative models.

### AmericaFirst Large Cap Share Buyback Fund

The Fund invests primarily in the common stocks of large capitalization domestic companies that have engaged in repurchasing a portion of the company's outstanding shares over the last year. Under normal conditions, the Fund will invest at least 80% of the Fund's net assets, plus any borrowings for investment purposes, in large capitalization companies, which the Advisor defines as companies with a market capitalization of \$10 billion or more at the time of purchase, that have purchased their own stock over the last year. While the Fund will primarily invest in large capitalization companies, it may also invest in small or medium capitalization companies from time to time and when the large capitalization companies in which the Fund invests lose capitalization between purchase and rebalancing of the portfolio.

The Fund's investment advisor (the "Advisor"), applies fundamental, technical and/or valuation criteria to select from a universe of large capitalization companies that have purchased their own stock over the last twelve months. The PM analyses the companies based on market capitalizations, the size of their buyback ratio (the amount the company has bought back), and their risk-adjusted price momentum and value momentum. The companies selected for the Fund's portfolio remain in the portfolio until the portfolio is rebalanced. The portfolio is rebalanced as often as every four months in order to remove stocks that are no longer attractive or add stocks that have become attractive according to the investment criteria used by the PM, which could result in high portfolio turnover.

The Fund's strategy is based on the premise that stocks of companies that purchase their own stock will perform well because share buybacks are a signal to the market that the management of a company believes the company's shares are undervalued.

The Fund may also execute a portion of its equity strategy by investing in ETFs, including those with inverse market exposure and leveraged ETFs. Inverse ETFs are designed to produce results opposite to market direction, which may serve to hedge portfolio investments. Inverse ETFs seek daily investment results, before fees and expenses, which correspond to the inverse (opposite) of the daily performance of a specific benchmark, such as the S&P 500 Index. The PM does not rebalance inverse ETFs positions daily to adjust for daily changes in the reference index. Leveraged ETFs seek to use financial derivatives and debt to amplify the returns of an underlying index.

The Fund is classified as "non-diversified" for purposes of the Investment Company Act of 1940 (the "1940 Act"), which means a relatively high percentage of the Fund's assets may be invested in the securities of a limited number of companies.



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### AmericaFirst Seasonal Rotation Fund

The Fund seeks to achieve its investment objective by investing primarily in a portfolio of domestically-traded equity and fixed-income securities. Equity securities include common stock, preferred stock and convertible preferred stock. The PM selects equities it believes are relatively undervalued by applying rules-based methodology that may include (but not limited to) technical and fundamental factors as well as price momentum. An exponential moving average is similar to a simple moving average, except that more weight is given to the latest data. The Fund will invest in securities regardless of market capitalization. With regard to fixed income securities, the Fund may invest in fixed income securities regardless of maturity or credit rating including High Yield Bonds (commonly called “junk bonds”), Investment Grade Bonds and US Treasury Securities.

The Fund may also execute a portion of its strategy by investing in ETFs, including those with inverse market exposure and leveraged ETFs. Inverse ETFs are designed to produce results opposite to market direction, which may serve to hedge portfolio investments. Inverse ETFs seek daily investment results, before fees and expenses, which correspond to the inverse (opposite) of the daily performance of a specific benchmark, such as the S&P 500 Index. The PM does not rebalance inverse ETFs positions daily to adjust for daily changes in the reference index. Leveraged ETFs seek to use financial derivatives and debt to amplify the returns of an underlying index.

The Fund’s investment advisor (the “Advisor”) employs a “Seasonal” strategy to allocate assets between equity and fixed income securities. This strategy is based on the PM’s study of seasonal price patterns in asset classes over various time periods. Pursuant to one of the central tenets of this Seasonal strategy, the PM anticipates rebalancing Fund holdings to reduce equity exposure in May and increasing it in November. This element of the Seasonal strategy is commonly referred to as the “sell in May and walk away” tactic. The Fund may hold significantly higher than normal short-term cash positions during rebalancing or when market conditions warrant. The Fund may employ market timing trading strategies based upon the Advisor’s quantitative models.

### AmericaFirst Tactical Alpha Fund

The AmericaFirst Tactical Alpha Fund seeks to achieve its investment objective through long positions in global equity, credit, commodity and interest rate markets. The Fund will invest in securities regardless of market capitalization and regardless of industry sector. With regard to fixed income securities, the Fund may invest in fixed income securities regardless of maturity or credit rating.

The Fund’s portfolio of securities may include common stocks of foreign and domestic companies, preferred securities, fixed income securities (i.e., bonds) of domestic or foreign issuers, closed-end management investment companies (“closed-end funds”), exchange-traded portfolios (“Exchange Traded Portfolios”), master limited partnerships (“MLPs”), and real estate investment trusts (“REITs”). For purposes of the strategy, we define Exchange Traded Portfolios to include exchange traded funds (“ETFs”), commodity pools and investment funds that invest in physical commodities, in each case, that issue shares that are approved for listing and trading on a national securities exchange. It is possible that the Fund may not include all of these types of securities and may only include one of these types of securities in the portfolio at any given time.

The Fund may also invest in ETFs with inverse market exposure and leveraged ETFs. Inverse ETFs are designed to hedge portfolio investments by producing results opposite to market direction. Inverse ETFs seek daily investment results, before fees and expenses, which correspond to the inverse (opposite) of the daily performance of a specific benchmark, such as the S&P 500 Index. The PM does not rebalance inverse ETFs positions daily to adjust for daily changes in the reference index. Leveraged ETFs seek to use financial derivatives and debt to amplify the returns of an underlying index.

When applicable, the Fund may rebalance a significant portion of its holdings based on the Advisor’s rules-based models, on a quarterly or more frequent basis.

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All investment programs and strategies, including those offered by MCMC, involve a risk of loss that clients should be prepared to accept. The risk factors for each of the MCMC funds or strategies, as applicable, are discussed further below.

**ETF Risk (All Funds)** - When the Fund invests in an ETF, it will indirectly bear its proportionate share of any fees and expenses payable directly by the ETF. Therefore, the Fund will incur higher expenses, many of which may be duplicative. In addition, the Fund may be affected by losses of the ETFs and the level of risk arising from the investment practices of the ETFs (such as the use of leverage by the funds). The Fund has no control over the investments and related risks taken by the ETFs in which it invests. Additionally, investments in ETFs are also subject to the following risks: (i) the market price of an ETF's shares may trade above or below their net asset value; (ii) an active trading market for an ETF's shares may not develop or be maintained; or (iii) trading of an ETF's shares may be halted for a number of reasons.

**Inverse ETF Risk (All Funds)** - Inverse or "short" ETFs seek to deliver returns that are opposite of the return of a benchmark (e.g., if the benchmark goes up by 1%, the ETF will go down by 1%), typically using a combination of derivative strategies. Inverse ETFs contain all of the risks that regular ETFs present. Because inverse ETFs typically seek to obtain their objective on a daily basis, holding inverse ETFs for longer than a day may produce unexpected results particularly when the benchmark index experiences large ups and downs. Unexpected results include an Inverse ETF failing to rise in price despite a drop in the reference index. Inverse ETFs may also be leveraged. Inverse ETFs contain all of the risks that regular ETFs present.

**Leveraged ETF Risk (All Funds)** - Investing in leveraged ETFs will amplify the Fund's gains and losses. Most leveraged ETFs "reset" daily. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time.

**Management Risk (All Funds)** - The portfolio manager's judgments about the strategy as well as the attractiveness, value and potential appreciation of particular asset classes, sectors, or other securities in which the Fund invests may prove to be incorrect and there is no guarantee that the portfolio manager's judgment will produce the desired results.

**Security Risk (All Funds)** - The value of the Fund may decrease in response to the activities and financial prospects of an individual security in the Fund's portfolio.

**Small and Medium (Mid) Capitalization Stock Risk (All Funds)** - The earnings and prospects of small and mid-capitalization companies are more volatile than larger companies, they may experience higher failure rates than larger companies and normally have a lower trading volume than larger companies, which may tend to make their market price fall more disproportionately than larger companies in response to selling pressures.

**Stock Market Risk (All Funds)** - Overall stock market risks may also affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels and political events affect the securities markets.

**Tracking Risk (All Funds)** - Investment in the Fund should be made with the understanding that the acquired funds, such as ETFs, in which the Fund invests will not be able to replicate exactly the performance of the indices or sector they track, if any, because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities.

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**Turnover Risk (All Funds)** - Because the Fund will rebalance its holdings, the Fund may have portfolio turnover rates significantly in excess of 100%. Increased portfolio turnover causes the Fund to incur higher brokerage costs, which may adversely affect the Fund's performance and may produce increased taxable distributions.

**Credit Risk (Income, Tactical Alpha, Defensive Growth, and Seasonal Rotation Funds)** - There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Fund, resulting in losses to the Fund.

**Fixed Income Risk (Income, Tactical Alpha, Defensive Growth, and Seasonal Rotation Funds)** - When the Fund invests in equity securities that may convert to fixed income securities, the value of your investment in the Fund will fluctuate with changes in interest rates. Other risk factors include credit risk (the debtor may default) and prepayment risk (the debtor may pay its obligation early, reducing the amount of interest payments).

**High-Yield Risk (Income, Tactical Alpha, and Seasonal Rotation Funds)** - High-yield, high-risk securities, commonly called "junk bonds," are considered speculative. While generally providing greater income than investments in higher-quality securities, these lower-quality securities will involve greater risk of principal and income than higher-quality securities.

**Interest Rate Risk (Income, Tactical Alpha, and Seasonal Rotation Funds)** - Interest rate risk is the risk that bond prices overall, including the prices of securities held by the Fund, will decline over short or even long periods of time due to rising interest rates. Bonds with longer maturities tend to be more sensitive to interest rates than bonds with shorter maturities. Recently, interest rates have been historically low. Current conditions may result in a rise in interest rates. As a result, for the present, interest rate risk may be heightened.

**Preferred Stock Risk (Income, Tactical Alpha, and Seasonal Rotation Funds)** - The value of preferred stocks will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of preferred stock. Preferred stocks are also subject to credit risk, which is the possibility that an issuer of preferred stock will fail to make its dividend payments. Preferred stock prices tend to move more slowly upwards than common stock prices.

**Foreign and Currency Exposure Risk (Income, Tactical Alpha, and Defensive Growth Funds)** - Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market. The value of foreign securities is also affected by the value of the local currency relative to the U.S. dollar.

**MLP Risk (Income and Tactical Alpha Funds)** - Investments in MLPs involve risks different from those of investing in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP, cash flow risks, dilution risks and risks related to the general partner's limited call right. MLPs are generally considered interest-rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns. Many MLPs are focused on energy-related business and are subject to energy sector risks, such as decline in the price of petroleum.

**Real Estate Risk (Income and Tactical Alpha Funds)** - Because of its investment in REITs, the Fund is subject to the risks of the real estate market as a whole, such as taxation, regulations and economic and political factors that negatively impact the real estate market and the direct ownership of real estate.

**Liquidity Risk (Tactical Alpha and Seasonal Rotation Funds)** - Liquidity risk exists when particular investments of the Fund

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would be difficult to purchase or sell, possibly preventing the Fund from selling such illiquid securities at an advantageous time or price, or possibly requiring a Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations.

Commodity Related Risk (Tactical Alpha Fund) - The Fund’s exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities due to changes in interest rates, or sectors affecting a specific industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

Buyback Strategy Risk (Large Cap Share Buyback Fund) - The announcement of a share buyback and other selection criteria used in selecting portfolio securities may not be accurate predictors of future share performance. The Fund’s returns will be adversely affected if the Advisor selects stocks that subsequently decline in value.

Non-diversification Risk (Large Cap Share Buyback Fund) - Because a relatively high percentage of a non-diversified Fund’s assets may be invested in the securities of a limited number of companies that could be in the same or related economic sectors, the Fund’s portfolio may be more susceptible to any single economic, technological or regulatory occurrence than the portfolio of a diversified fund.

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### **Item 9 - Disciplinary Information**

None

### **Item 10 - Other Financial Industry Activities or Affiliations**

As of the date of this brochure, MCMC is a subsidiary of Modern Capital Inc. and is affiliated with the Liberty Partners group of companies which includes:

- Liberty Partners Financial Services, LLC - Full service FINRA registered Broker Dealer
- Liberty Partners Capital Management, LLC - SEC Registered Investment Advisor
- Liberty Partners Insurance Services, LLC - Fixed life, health and annuity insurance agency

Shares of AmericaFirst mutual funds are currently offered on a continuous basis through:

Arbor Court Capital, LLC  
8000 Town Center Drive, Suite 400  
Broadview Heights, OH 44147

The Funds have no obligation to deal with any broker or dealer in the execution of its transactions, however the fund anticipates executing brokerage transactions through Liberty Partners Financial Services, LLC.

MCMC does not recommend or select other investment advisers for our clients and are not compensated for such activities.

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

We have adopted a Code of Ethics (the “Code”) describing the standards of business conduct we expect our supervised persons to follow. The Code describes certain personal securities transaction reporting requirements with which certain, if not all, our employees and supervised persons, must comply. Investment adviser representatives, employees, portfolio managers and/or other employees or supervised persons may own the same securities recommended to you. In the vast majority of cases, these securities will be shares of mutual funds, ETFs, stocks, or bonds that are actively traded on a national securities exchange and/or traded at such a high volume and will not affect transactions for our clients. Neither our firm nor any of our employees or supervised persons are permitted to benefit, directly or indirectly, from transactions made in your account.

We review the Code annually and update it when necessary. You may request a complete copy of our Code of Ethics by contacting us at 800-440-0442.

### **Item 12 - Brokerage Practices**

For the AmericaFirst funds, MCMC expects to utilize J.P. Morgan Securities and Royal Bank of Canada to execute and process transactions in stocks and TradeWeb Direct LLC to execute and process transactions in bonds and other fixed-income securities. MCMC has chosen these broker-dealer relationships because of their industry reputation, market presence, and the quality and cost of their execution services.

MCMC may develop a soft-dollar arrangement with J.P. Morgan Securities or Royal Bank of Canada. However, we are not compensated for referrals nor does either firm provide referrals to us. Neither J.P. Morgan and RBC are custodians.

Commented [BA1]: TradeWeb Direct or NeoVest?

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### **Item 13 - Review of Accounts**

Rick Gonsalves, the portfolio manager for AmericaFirst funds, regularly reviews the positions held by the funds and manages the funds in accordance with each fund's stated investment objective.

### **Item 14 - Client Referrals and Other Compensation**

MCMC does not compensate others for client referrals, nor are we compensated for providing referrals.

### **Item 15 - Custody**

MCMC does not custody and customer assets. AmericaFirst Funds utilizes Fifth Third Bank as custodian for the mutual funds.

### **Item 16 - Investment Discretion**

MCMC accepts discretionary authority only through an investment advisory agreement.

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### **Item 17 - Voting Client Securities**

MCMC will vote proxies on behalf of all clients.

MCMC has adopted the following policies and procedures for proxy voting regarding portfolio companies in the MCMC funds. Generally, MCMC will vote based upon the portfolio company management's recommendation.

The key objectives of these policies and procedures recognize that a company's management is entrusted with the day-to-day operations and long-term strategic planning of the company, subject to the oversight of the company's board of directors. While "ordinary business matters" are primarily the responsibility of management and should be approved solely by the corporation's board of directors, these objectives also recognize that the company's shareholders must have final say over how management and directors are performing, and how shareholders' rights and ownership interests are handled, especially when matters could have substantial economic implications to the shareholders.

Therefore, we strongly consider the following matters in exercising our proxy voting responsibilities as a fiduciary for our clients:

1. *Accountability* – Each company should have effective means in place to hold those entrusted with running a company's business accountable for their actions. Management of a company should be accountable to its board of directors and the board should be accountable to shareholders.
2. *Alignment of Management and Shareholder Interests* – Each company should endeavor to align the interest of management and the board of directors with the interest of the company's shareholders. For example, we generally believe that compensation should be designed to reward management for doing a good job of creating value for the shareholders of the company.
3. *Transparency* – Promotion of timely disclosure of important information about a company's business operations and financial performance enables investors to evaluate the performance of a company and to make informed decisions about the purchase and sale of a company's securities.

No one set of proxy voting policies can anticipate all situations that may arise. In some cases, we may seek outside guidance on how a proxy proposal may impact the financial prospects of a company and vote accordingly.

We believe that we invest in companies with strong management. Therefore, we will tend to vote proxies consistent with management's recommendations. However, we will vote contrary to management's recommendations if we believe those recommendations are not consistent with increasing shareholder value.

A copy of our complete Proxy Voting Policies and Procedures is available to our clients by calling 877-217-8363. We will send a copy of these Proxy Voting Policies and Procedures within five business days of receipt of a request, by first-class mail or other means designed to ensure equally prompt delivery.

We will also provide each client, without charge, upon request, information regarding the proxy votes cast by us with regard to the client's securities.



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### **Item 18 - Financial Information**

MCMC does not charge or solicit pre-payment of \$1,200 in fees per client six or more months in advance.

MCMC has never been the subject of a bankruptcy petition.