

Brooktree Capital Management, Inc.

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This brochure provides information about the qualifications and business practices Brooktree Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at (616) 774-3159. 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 Brooktree Capital Management, Inc., is available on the SEC's web site at www.adviserinfo.sec.gov.

SUMMARY OF MATERIAL CHANGES

This brochure replaces and supersedes Form ADV, Part II. In the future, this section will summarize material changes that have been made to this brochure since the date of its last version. This is the first version of this new brochure format, so there are no changes to report at this time.

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INTRODUCTION

In this brochure, references to 'we,' 'us,' 'our,' or 'our firm' refer to Brooktree Capital Management, Inc. Individuals who serve as our directors, officers, and employees are referred to as our 'representatives.' Our firm's clients and prospective clients are referred to as 'you,' 'your,' or 'our clients.'

This brochure contains important information. We encourage you to read it carefully and to ask questions if there is any information that you do not understand. The format and content of this brochure have been prepared based on the instructions to Form ADV, Part 2A, which is prescribed for use by registered investment advisers under federal and state securities laws and related rules. Form ADV, Part 2A supersedes Form ADV, Part II.

ADVISORY BUSINESS

Our firm was first registered as an investment adviser with the State of Michigan on October 1, 1996, and began conducting business. We registered with the Securities and Exchange Commission ("SEC") in 2001. Registration is required by federal and state securities laws and does not imply a certain level of skill or training.

Our principal owner is Brian R. Ellis. As described in the supplemental brochure for Mr. Ellis, he has substantial business experience involving financial and investment matters, as well as managing investment portfolios.

Investment Advisory and Management Services

Our firm offers investment advisory services and we manage investment portfolios comprised of various types of securities such as stocks, bonds, mutual funds, and municipal securities.

While we manage most of our client's accounts based on similar investment strategies suitable for similar investment objectives, we will take your personal financial circumstances into account in formulating our advice and investment decisions for your account. Based upon the information you provide, we will consider many factors such as your income and expenses, assets and other financial resources, financial or special needs, investment goals, anticipated investment time horizon, and other personal financial circumstances. If you have investments held in other accounts not under our management, we will take those investments into consideration if you tell us about them. In managing your account, we will take income tax planning into consideration if you provide us with your historical, current, and anticipated tax-related information. If you desire, we will coordinate our investment decision-making with your tax accountant or preparer. We rely upon you to keep us up to date about changes in your personal circumstances.

Our investment management agreement contains your authorization for us to manage your account on a discretionary basis. It also contains important terms and conditions governing our services, our fees, and our obligations to you.

Binding Arbitration

We sincerely hope that no dispute will ever arise between us over our advisory services. If you ever have a concern, please talk with us as soon as possible so that your concern can be promptly addressed. In the unlikely event that a dispute cannot be amicably resolved, our investment management agreement provides that all disputes, claims, or controversies, and any related issues, which may arise at any time will be resolved by binding arbitration, rather than by a lawsuit in a court. We believe arbitration is more expeditious and cost-effective than litigation.

FEES AND COMPENSATION

Investment Management Fees

You will be billed quarterly in advance based upon the market value of your assets under our management. Our generally applicable fee schedule for investment management services is:

0.75% per year up to \$1.0 million of assets under management

0.50% per year from \$1.0 to \$2.0 million under management

Fees for accounts valued over \$2 million will be negotiated

We may negotiate our fees taking into consideration such things as the size of your account, the number of managed portfolios, your relationship with other clients, the length of our relationship with you, the complexity of your personal circumstances, the composition of your portfolio, the complexity of investment strategies, the frequency of desired meetings or special reporting, and other factors that affect our cost of providing services for you. If you, your family, or related persons also have accounts under our management, those accounts may be aggregated for fee calculation purposes. For these reasons, our fees may vary among clients who may be in similar circumstances. Other investment advisers may charge higher or lower fees for comparable services.

Fees will generally not be prorated with respect to additions to, or withdrawals from, the account during any quarter; fee adjustments may be made on a case-by-case basis when appropriate and in consultation with you. We appreciate advanced notice of anticipated additions or withdrawals so that we can better plan for the management of your account.

Your payment of our fees is due within ten (10) days following your receipt of our invoice. Clients generally authorize us to bill their account custodian for our fees, and then have the fees deducted from their account and transferred to us when due. This fee deduction authorization is contained in our investment management agreement and/or a separate authorization form. This fee deduction authorization may be terminated at any time by giving us written notice. If fees are not paid in this manner, your payment is due within 10 days following receipt of our invoice.

For purposes of calculating our fees, we determine the fair market value of investments as follows. Each security listed on any national securities exchange is valued on the valuation date at the last quoted sale price on the principal exchange on which such security is traded. Any other

security or asset is valued to best reflect what we believe to be its fair market value, including original or adjusted cost if no other method may be readily employed. We are not obligated to obtain an appraisal of any assets. The valuation date is the last day of the calendar year's quarter ending immediately prior to the period for which fees are being calculated.

We subscribe to an unaffiliated, third-party valuation service to value securities in your account. We may also take into consideration the values reported by your custodian on periodic account statements. Occasionally there are minor differences between these valuations, more often with bond valuations, in which case we generally rely on the valuation service's determination.

Termination

You may terminate our services at any time by giving us written notice. Unless you specify an earlier effective date in your notice, the termination of our services and all related obligations will normally become effective at the end of the month during which we receive your termination notice. This allows us time for the orderly transition of your account to a new adviser.

Any unearned fees that you paid in advance will be automatically returned to you or your account. We calculate a refund by prorating the amount of fees you paid in advance for the billing period based on the number of days that have elapsed in the billing period prior to the termination's effective date.

Third-Party Fees and Charges

Besides our investment management fees, you will pay all brokerage charges related to securities transactions for your account and, if applicable, any custodian's fees.

If you invest in mutual funds, exchange-traded funds, and other funds or investments that are managed or administered by third-parties, you will be paying additional fees and charges to others that are in addition to our fees. For example, if you purchase mutual fund shares or a variable insurance product, then you will incur additional fees and charges at the fund level. Each mutual fund's or variable insurance product's prospectus or offering memorandum describes these fees and expenses. The additional fund-level fees may include, but are not limited to, a management fee, brokerage and custodian fees, other fund expenses, mortality and expense risk charge or possible distribution fee. If the product imposes a sales charge, you may pay an initial or deferred sales charge. We are not affiliated with any other service provider or securities issuer, and we do not receive compensation from source other than the fees we charge, described above. Before investing in a fund, you should consider the total cost of fund-level fees, our advisory fees, and any transaction-related commissions or charges. You may choose to invest in mutual funds, variable insurance products, or other securities directly, without our services.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge performance-based fees. We do not charge fees based on a share of your account's capital gains or the capital appreciation of assets held in your account.

TYPES OF CLIENTS

We generally provide investment management services to individuals, trusts, pensions and profit sharing plans, estates, charitable organizations, corporations and other business entities.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

We use a fundamental and a technical method to analyze the securities that we may select for your investment portfolio. For some types of securities, we consider additional factors such as the strength of the company's management team.

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the economic well-being of a company, as opposed to movements of its market price. In the course of our analysis, we will review a company's financial statements and consider factors including, but not limited to, the company's historical financial condition, prior operating results and trends, its projected revenue growth, its competitive advantages and disadvantages, the anticipated demand for its current and future products or services, the age and nature of its assets, and other factors affecting the company's anticipated results from future operations. Past performance does not assure similar future performance. A company's fundamental value can be adversely affected by many factors unrelated to its actual operating performance.

We also utilize technical analysis to evaluate potential investments. Unlike fundamental analysis, technical analysis does not analyze the company's value, but instead analyzes the movement of stock prices in the market, both individually and within an industry or sector of the economy. Technical analysis studies the supply and demand in the market in an attempt to determine historical and future trends. Notwithstanding favorable market price movements, a company's financial condition and other unique factors can adversely affect its value.

We obtain information from a number of sources, both public and by purchase, including financial news papers and magazines, inspection of corporate activities, research materials prepared by third-parties, corporate rating services, annual reports, prospectuses, reports filed with the SEC, and company press releases. We believe these resources for information are reliable and regularly depend on these resources for making our investment decisions.

Investment Strategies

We use a variety of investment strategies depending on your circumstances and needs. We may recommend long-term purchases (held at least a year), short term purchases (held less than a year), trading (held less than 30 days), or a combination of these strategies. For some clients, we may recommend “short” sales, margin transactions, and certain option strategies (generally, covered call writing and purchased put strategies).

Types of Investments

We give advice about, and may manage clients’ account using, various types of investments including: equity securities, warrants, corporate debt securities, commercial paper, certificate of deposits, municipal securities, mutual funds, exchange-traded funds (“ETFs”), U.S. government securities, options contracts on securities, and futures contracts on tangibles and intangibles, unless you or we elect to restrict the scope of our advice in the investment management agreement or an investment policy statement.

Investment Risks and Rewards

Investing in securities involves risks of loss that clients should be prepared to bear. Securities, mutual funds, fixed and variable annuities, and other types of investments all bear different types and levels of risk. These risks will be discussed with you to determine the investment objectives that will guide our investment decision-making for your account. Upon request, we can discuss with you the types of investments and investment strategies that we believe may tend to reduce these risks in light of your personal circumstances and financial objectives.

Obtaining higher rates of return on investments typically entails accepting higher levels of risk. Based upon discussions with you, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for you. It is still your responsibility to ask questions if you do not understand fully the risks associated with any investment or investment strategy.

We strive to render our best judgment on your behalf. Still, we cannot assure you that your investments will be profitable or assure you that no losses will occur in your investment portfolio. Past performance is one relatively important consideration with respect to any investment or investment advisor, but it is not a predictor of future performance. While we will continuously strive to provide outstanding long term investment performance for you and our other clients, many economic and market variables beyond our control can affect the performance of your investments.

There are many types of risks, which vary with the type of investment or strategy. We would be happy to discuss them with you. Generally, some of the more common investment-related risks that may affect your investment portfolio include:

- Business risks are associated with a particular company or industry. For example, start-up companies carry greater business risks than established companies. Companies devel-

oping new technologies carry greater business risks than manufacturers of well established or widely used products and services.

- Financial risks are often associated with the ability of a company to raise capital or finance its operations, as well as its ability to repay indebtedness. Highly leveraged companies face greater financial risks than well-capitalized companies.
- Market risks are related to the effects of economic, political, natural disasters, or other events on the price of a publicly-traded stock, bond, exchange-traded fund, or other securities. This type of risk is typically affected by extrinsic factors that often are not related to a particular company's financial condition, performance, or circumstances. For example, investment speculation can materially affect market prices.
- Liquidity risks are associated with an investor's ability to readily convert a security or other asset into cash. Generally, there is greater liquidity for securities that are publicly traded on stock exchanges or trading facilities that match buy and sell orders. Privately offered securities may be highly illiquid because there is little or no trading or market activity.
- Concentration risks result from a lack of investment diversification, which may be expressed in terms of geography, industry, or economic sector. For example, mutual funds typically invest in a large number of different companies, typically lowering the risk that one or a small number of those companies experience a significant loss.
- Options are complex, derivative securities that involve special risks. Option contracts expire at a stated maturity date and have no further value. Unlike traditional securities, the value of an option and the return from holding an option varies with the value of the underlying security from which it derives and other factors.
- Interest-rate risks are associated with changes to investment prices due to increasing or decreasing interest rates. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Inflationary and deflationary risks are associated with the purchasing power of the dollar, which is affected by broad economic, monetary, governmental policies, and the balance of supply and demand for products and services.
- Reinvestment risks are typically related to fluctuations in the potential interest rate at which future investment proceeds may have to be invested. For example, reinvestment risks may increase during periods of falling interest rates. This risk primarily relates to bonds and other fixed income securities.
- Currency risks are primarily associated with foreign investments. For example, a company's earnings in a foreign country may be affected by fluctuations in the value of the dollar against that foreign currency. Similarly, the investment return of a foreign security may be affected by changes in currency exchange rates.

DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of our firm or the integrity of our management. Neither our firm nor our management has ever been subject to any disciplinary proceeding.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither our Firm nor our representatives are engaged in any other business that is material to our investment advisory business.

Mr. Ellis is a general partner in a family limited partnership that is a client of our firm. The limited partnership includes other individual family members as limited partners, some of whom are also clients individually. The limited partnership is not open to persons who are not immediate or extended family members. The limited partnership generally invests in similar securities that are purchased for all clients.

We have policies and procedures designed to treat our clients and our family-related accounts fairly and equitably. We do not favor one client over another. Pursuant to our trade aggregation and allocation policy, described below, we typically aggregate transactions for the limited partnership's account with all other participating clients accounts, and all accounts participate in the transaction on the same basis, including average price and cost, which we believe to be fair and equitable to all participating accounts. Because we typically recommend only readily marketable securities for clients' accounts, we generally do not need to allocate limited investment opportunities among clients or family-related accounts.

Our family-related interests may invest in speculative non-marketable securities. We do not provide any investment advisory services to the partnership for the purchase or sale of these non-marketable securities. We generally do not advise about or recommend these types of non-marketable securities to our other advisory clients, but upon request and in special situations we are willing to discuss them with you.

CODE OF ETHICS

We have adopted a Code of Ethics setting the standards of business conduct that we expect our representatives to follow. The Code of Ethics also describes certain reporting and recordkeeping requirements applicable to our representatives for regulatory examination purposes. We will provide a copy of our Code of Ethics upon request.

Participation or Interest in Client Transactions

We may buy or sell securities for our proprietary and family-related accounts that we also recommend to other clients. We provide investment management services for the personal accounts of our president, Mr. Ellis, his family members, and the family limited partnership described above. Consequently, there may be many similarities in portfolio holdings among these proprietary and family-related accounts and other clients' accounts. Their respective investment portfolios are not designed to imitate each other but there may be some degree of similarity and correlation. You should understand, however, that our advice is affected by your personal financial needs and circumstances. Investments that are appropriate for you are not necessarily appropriate for other accounts based on many factors such as risk tolerance, investment objectives, account size, investment time horizon, and tax planning considerations. Therefore, from time to time, our advice may differ from account to account based on each client's personal financial needs, objectives, and circumstances. See the additional discussion under the subheading below, *'Affiliated or Proprietary Accounts.'*

We give advice and manage all accounts, regardless of their ownership, on what we believe to be a fair and equitable basis. We are happy to discuss our trading policies and practices further if you have any questions or concerns.

BROKERAGE PRACTICES

If you engage our services, you will grant us discretion in our investment management agreement to determine the specific securities and amounts to be bought or sold. Unless otherwise directed, you will also grant us authority to select the broker or dealer to be used in a transaction and the commissions you will pay for brokerage-related services. We do not have discretionary authority to transfer money or securities out of your account or into any other person's name. You may limit our authority in our investment management agreement or in a mutually acceptable investment policy statement, which we will develop upon your request.

We will use our best efforts to negotiate brokerage commissions, concessions, and charges on behalf of your account. We seek to obtain the best execution for your account by which your total cost or proceeds will be more favorable under the circumstances, which may include other factors beyond price and cost. In general, we do not receive any products, research, or services from brokerage firms and so these factors will not be a consideration in their selection or recommendation.

When your custodian is a broker-dealer, we typically use that brokerage firm to execute all trades for the account because of the efficiencies and convenience of doing so and additional custodial charges that may be incurred if a different custodian is used. Therefore, your selection of custodians may materially affect our ability to obtain the lowest price or cost in any particular transaction. Most of our clients choose to direct us to use a specific broker-dealer and custodian. We periodically check with various brokerage firms about their commissions, concessions, and charges.

Directed Brokerage

You are welcome to select your preferred brokerage firm and/or custodian for your account. You may elect to direct us to use a specific broker-dealer because you have a pre-existing relationship with the broker or brokerage firm. All directed brokerage requests and changes must be provided to us in writing. From time to time, we may ask you to confirm your continuing direction to use a brokerage firm to handle all of your orders. We are not affiliated with any brokerage firm and so we do not earn any additional compensation on brokerage transactions. We do not accept “soft dollar” credits for allocating brokerage transactions to a particular brokerage firm.

Many clients select a brokerage firm because it also provides custodial services, either directly or through a clearing brokerage firm. Often, a brokerage firm does not impose additional charges for related custody services. Most brokerage firms do not separately charge for their custodial services if you use their brokerage services. However, when the brokerage services of a different firm are used for a particular transaction, most custodial brokerage firms charge an additional fee because they must handle the custodial aspects of the transaction and related recordkeeping but do not receive compensation from the transaction itself. Therefore, most clients direct us to use the same brokerage firm to both hold custody of their investments and to place most or all trade orders for their accounts.

While directed brokerage can reduce or avoid additional custodial fees for your account, there are some disadvantages to directed brokerage arrangements such as:

- Using a brokerage firm to act as custodian may limit or eliminate our ability to obtain best price and execution for the account in some transactions involving exchange-traded securities.
- We negotiate commissions with each brokerage firm and, in many instances, obtain better than those firms’ standard rates for comparable transactions. However, if we cannot choose a different brokerage firm to handle specific transactions, then in some transactions you may pay substantially higher brokerage fees, charges and/or dealer mark-ups or mark-downs than could be obtained if we could have placed the trade with a different brokerage firm.
- When we are not able to go directly to a market maker to buy or sell a particular security on a principal basis, you may not get the best execution price in the transaction or may pay additional transaction-related fees for a transaction handled on their behalf on an agency basis. This is because your brokerage firm may fill the orders by going to a market-making contra broker, who may mark-up the securities it sells (or mark-down the securities it buys), imposing transaction costs that are in addition to the commissions you pay to the brokerage firm that serves as your custodian.
- When trades in exchange-listed securities are effected on an agency basis in an off-exchange over-the-counter market, you may incur transaction costs in addition to any commissions charged by your custodial brokerage firm.

We may use various broker-dealers for various types of securities, which may change from time to time. Historically, we have generally used the brokerage services of Bloomberg L.P., and its affiliate, Bloomberg Tradebook, LLC ('Bloomberg') for purchases and sales of equity securities. Bloomberg is a fully-disclosed introducing broker-dealer. Bloomberg brokerage accounts are carried by a clearing broker-dealer, Calyon Securities (USA) Inc. We have generally used Oberweis Securities, Inc., for bonds, Kent King Securities for option strategies, and Crews & Associates for corporate bonds. We may use different broker-dealers in the future. We are not affiliated with any broker-dealer.

Historically, we have used Bloomberg for equities because of the quality of their execution and client services, their robust trading and technology systems, and our experience in using their systems and various support services. This enables us to better serve you and our other clients. We believe that Bloomberg's excellent customer service and trade execution are superior to most non-service oriented, deep-discount and internet/web-based brokerage firms. Historically, we have used Oberweis Securities for bonds, particularly "pre-refunded municipal issues," because their dealer inventories of bond offerings and pricing have historically been superior to other brokers. Other broker-dealers may have special expertise or experience with different types of securities.

While it is possible that you may pay higher commission or transactions fees in some transactions, we believe these brokerage firms currently offer the best overall value our clients for the execution-related services and technology they provide. Periodically, or upon your request, we systematically review the services and charges of other brokerage and custodial firms and, based upon new information or circumstances, may choose to use different brokerage firms and/or custodians in the future unless directed by you to use a specific brokerage firm.

Trade Allocation Policy

We have adopted a trade allocation policy to govern how we handle the aggregation of orders for more than one client's account. From time to time and only where appropriate, we may aggregate orders for your account with other clients' accounts and, in appropriate circumstances, may include proprietary or family-related accounts. In doing so, we strive to treat all clients fairly. We will not favor one client over another client. We will not favor a proprietary or family-related account over our other client's accounts. When executed, we will allocate the aggregated order in accordance with policies and procedures intended to achieve fair treatment. The purpose of aggregating orders is for our administrative convenience and, in some transactions, to obtain better execution for the aggregated order than might be achieved by processing each of the transactions separately.

We will not aggregate orders for a client having a directed brokerage relationship with a client who does not have a directed brokerage relationship with the same broker-dealer if, by doing so, the directed-brokerage client would receive any undisclosed rebate or extra economic benefit than is obtained by other clients participating in the aggregated order on a pro rata basis. A consequence of not aggregating a client's order with other orders for the same securities is that the

client may not obtain as good a price or as low a cost in a separate transaction as clients whose orders have been aggregated.

Each account that participates in an aggregated order will participate at the average share price for all transactions ordered by our firm in that security on a given business day. If permitted by the broker-dealer effecting the transaction, transaction costs will be shared on a pro rata basis. Some broker-dealers charge brokerage commissions to each participating client in accordance with the size of that client's share of the aggregated order, regardless of the total size of the aggregated order. If an aggregated order is not filled in its entirety, it will be allocated among participating accounts on fair and equitable basis, which is typically a pro rata basis.

Affiliated or Proprietary Accounts

It is our policy to avoid purchasing or selling securities for our own affiliated or proprietary accounts in a manner or at a time when doing so could adversely affect client accounts or could improperly benefit our firm or our related accounts. In order to assure that no advantage is obtained by affiliated or proprietary accounts with respect to the purchase of the same security, we will typically aggregate orders for these accounts with other clients purchasing the same security on the same day, in accordance with our trade aggregation policy described above, unless in a particular transaction doing so would create an economic benefit to the affiliated or related accounts that is not shared fairly and equitably by all client accounts participating in the transaction. If affiliated or proprietary accounts are not aggregated with other clients' orders, then it is our practice to sell clients' securities positions, or to purchase securities for clients, before entering similar orders for affiliated or proprietary accounts.

Your investable assets and investment strategy may affect that the suitability or your ability to participate in any order for the purchase or sale of securities at the same time or on the same basis as other clients. Volatile securities markets and other factors may cause material changes in securities prices within short periods of time, which can result in materially different prices for the same securities when they are not included in the same aggregated order.

We welcome questions and discussion about our trade aggregation policies as described above.

REVIEW OF ACCOUNTS

Reviews and Reviewers

Mr. Ellis reviews each account monthly. After reviewing each account, any recommended changes to the current action plan will be implemented consistent with the authority granted to us in our investment management agreement. Regular client reviews will occur on mutually agreeable schedule, typically once per year but more frequently if desired or warranted by the circumstances.

Nature and Frequency of Regular Reports

Your custodians will provide periodic account statements showing the current positions in your account and all account activity during the preceding period. We rely upon, and are not responsible for, the accuracy of the custodian's statements. Our firm will provide you with our own monthly reports. Our reports are in addition to your custodian's periodic account statements.

You should compare our reports with your custodian's account statements for consistency and accuracy. Do note that these reports and account statements may be as of different dates and, because we rely upon a third-party valuation service, there could be minor differences between the values contained the respective reports. Promptly contact us or your custodian if you find material differences between the reports and account statements or if you have any questions.

CLIENT REFERRALS AND OTHER COMPENSATION

We do not receive cash or any other economic benefit from any person who is not a client in connection with giving advice to you. We do not directly or indirectly compensate anyone for sending us client referrals.

CUSTODY

While we do not have physical custody of the assets held in your account, as described under the heading above, "*Fees and Compensation*," we do have authority to bill your custodian for our fees and, upon billing, to receive our fees by deducting them directly from your account. This fee-deduction authority gives us the ability to obtain money from your account and so is deemed to constitute custody of your account assets.

You should receive at least quarterly statements from the broker-dealer, bank, mutual fund transfer agent, or other qualified custodian you select to hold your account assets. We urge you to carefully review your custodian's periodic statements and to compare those records with the reports that we periodically provide to you. Our reports are not intended to replace or supersede your custodian's periodic statements and may vary based on accounting procedures, reporting dates, or valuation methodologies, as noted under the heading above, '*Review of Accounts*.'

INVESTMENT DISCRETION

As explained under the heading above, '*Advisory Business*,' in our investment management agreement you grant us discretionary authority over your account, including authority to select the identity and amount of securities to be bought or sold for your benefit and risk. Our discretion will be exercised in accordance with your stated investment objectives. You may provide us with written investment guidelines or restrictions to limit our discretionary authority or we may develop an investment policy statement with you.

VOTING CLIENT SECURITIES

Many of the companies who issue the securities held in your investment account will solicit proxies for the election of directors and voting on questions presented to shareholders at annual or special meetings. We do not vote proxies on your behalf. You are responsible for voting proxies. Proxy solicitation materials will be forwarded directly to you by your account custodian. If you have any questions about a particular proxy voting matter, please do not hesitate to ask.

FINANCIAL INFORMATION

We have no financial liabilities, obligations, or commitment that impairs our ability to meet our contractual and fiduciary commitments to you. We have not been the subject of a bankruptcy proceeding.

REQUIREMENTS FOR STATE REGISTERED INVESTMENT ADVISERS

We are presently registered as an investment adviser with the SEC. We anticipate that we will become state-registered later this year due to a change in federal securities law and related rules. Accordingly, we have provided this additional information.

Brian R. Ellis is the President of our firm and is currently our only representative. He determines the advice and management services given to you and all of our clients and he reviews all accounts. Mr. Ellis was born on March 6, 1960. Mr. Ellis graduated from the University of Notre Dame, South Bend, Indiana, in 1982 with a Bachelors of Business Administration in Accounting. He graduated from the University of Michigan, Ann Arbor, Michigan, in 1984, with a Masters of Business Administration (MBA) in Finance. His business background includes:

Brooktree Capital Management, Inc., Grand Rapids, Michigan
A registered investment adviser
President - 1996 to present

J.R. Simplot Co. – Food Group, Boise Idaho
A food processing company – frozen potatoes and vegetables
VP Strategic Planning – 1994 to 1995

Mid-America Potato Co., Grand Rapids, Michigan
A food processing company – frozen potatoes
President and Owner – 1985 to 1994

General Foods Corp., White Plains, New York
A food manufacturing and marketing company
Nature of Employment: Financial analyst – 1984 to 1985

We believe that any person involved in determining or giving investment advice should have an MBA degree from an accredited institution. While highly encouraging this requirement, in the future we may hire investment adviser representatives who have an appropriate undergraduate degree and/or specialized skills and experience.

Brian R. Ellis
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March 25, 2011

This brochure supplement provides information about Brian R. Ellis that supplements the Brooktree Capital Management, Inc. brochure. You should have received a copy of that brochure. Please contact Mr. Ellis if you do not receive Brooktree Capital Management's brochure or if you have any questions about the contents of this supplement.

Additional information about Brian R. Ellis is available on the Securities Exchange Commission's website at www.adviserinfo.sec.gov.

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Brian R. Ellis was born March 6, 1960. In 1982, Mr. Ellis received his Bachelor of Business Administration from the University of Notre Dame. In 1984, Mr. Ellis received his Master of Business Administration from the University of Michigan.

Mr. Ellis began work in 1984 as a financial analyst with General Food Corporation, in White Plains, New York. He left General Food Corporation in 1985 to become owner and president of Mid-America Potato Company. Then, from 1994-1995, Mr. Ellis became Vice President of Strategic Planning for J.R. Simplot Company. Since 1996, Mr. Ellis has served as President of Brooktree Capital Management.

DISCIPLINARY INFORMATION

Mr. Ellis has no legal or disciplinary events to disclose. As a registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management.

OTHER BUSINESS ACTIVITIES

Mr. Ellis is a general partner of a family limited partnership that is a client of our firm. The limited partnership includes other family members as limited partners, some of whom are also clients individually. The limited partnership is not open to persons who are not immediate or extended family members. The limited partnership generally invests in similar securities that are purchased for all clients. Pursuant to Brooktree Capital Management's trade aggregation and allocation policy, a copy of which will be provided upon request, we typically aggregate transactions for the limited partnership's account with all other participating clients accounts, and all accounts participate in the transaction on the same basis, including average price and cost, which we believe to be fair and equitable to all participating accounts. Because we typically recommend only readily marketable securities for clients' accounts, we generally do not need to allocate limited investment opportunities among clients or the limited partnership.

ADDITIONAL COMPENSATION

Registered investment advisers are required to disclose additional compensation they may receive for providing advisory services, such as sales awards or other prizes. Mr. Ellis does not receive any additional compensation with respect to the services that he will provide to you.

SUPERVISION

Mr. Ellis is the President of our firm and is currently our only investment adviser representative. He determines the advice and management services given to all clients and reviews all clients' accounts. He has no supervisor.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Mr. Ellis has no additional disclosures required for state-registered investment advisers.

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