

# **NOVARE**

## **CAPITAL MANAGEMENT**

CRD# 117949

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### Form ADV Part 2 – Disclosure Brochure

Effective: July 31, 2017

This Brochure provides information about the qualifications and business practices of Novare Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (704)334-3698. 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.

Novare Capital Management, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

## Item 2 - Material Changes

This Brochure is prepared in the revised format required beginning in 2011. Registered Investment Advisers are required to use this format to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. The Brochure requirements include providing a Summary of Material Changes (the "Summary") reflecting any material changes to our policies, practices, or conflicts of interest made since our last required "annual update" filing. In the event of any material changes, this Summary is provided to all clients within 120 days of our fiscal year-end. Our last annual update was filed on February 28, 2017. Of course the complete Brochure is available to clients at any time upon request.

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#### Item 4 - Advisory Business

Novare Capital Management ("NCM") is a privately owned fee-based wealth manager located at 521 East Morehead St., Suite 510, Charlotte, North Carolina, 28202.

The firm focuses on providing wealth management services for high net worth individuals, families, pensions and profit sharing plans, trusts, estates, corporations and charitable organizations. Founded in 1999 by Don E. Olmstead and William G. Baynard, Jr., the principal owners are William G. Baynard, Jr., Don E. Olmstead, and The Baymen Group, LLC.

Novare Capital Management provides investment advisory services and furnishes investment advice through consultations, as well as providing financial planning.

As of December 31, 2016 NCM has \$856,384,187 of discretionary assets and \$18,696,436 of non-discretionary assets under management.

#### Services Provided

At the outset of each client relationship, NCM spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and reviewing options for the client. Based on its reviews, NCM generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan")

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments NCM will make on behalf of the client to meet those goals. The Profile and the Plan are discussed regularly with each client, but are not necessarily written documents.

Where NCM provides general consulting services, NCM will work with the client to prepare an appropriate summary of the specific project(s) to the extent necessary or advisable under the circumstances.

#### Financial Planning

NCM offers financial planning services to those clients in need of such service in conjunction with Portfolio Management services. NCM's financial planning services normally address areas such as general cash flow planning and retirement planning. The goal of this service is to assess the financial circumstances of the client to more effectively develop the client's Investment Plan.

#### Portfolio Management

As described above, at the beginning of a client relationship, NCM meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by NCM based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, NCM will manage the client's investment portfolio on a discretionary or non-discretionary basis. As a discretionary investment adviser, NCM will have the authority to supervise and direct the portfolio without prior consultation with the client. Under a non-discretionary arrangement, clients must be contacted prior to the execution of any trade in the account(s) under management. This can result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on NCM in the management of their investment portfolios, such as prohibiting the inclusion of certain types of

investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of NCM.

#### Retirement Plan Advisory Services

The Employee Retirement Income Security Act of 1974 ("ERISA") sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, NCM will be considered a fiduciary under ERISA. For example, NCM will act as an ERISA § 3(21) fiduciary when providing non-discretionary investment advice to the Plan Fiduciaries by recommending a suite of investments as choices among which Plan Participants may select. Also, to the extent that the Plan Fiduciaries retain NCM to act as an investment manager within the meaning of ERISA § 3(38), NCM will provide discretionary investment management services to the Plan. With respect to any account for which NCM meets the definition of a fiduciary under Department Of Labor rules, NCM acknowledges that both NCM and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between NCM and Client.

#### Item 5 - Fees and Compensation

Novare Capital Management generally charges fees on assets under management with a minimum annual fee of \$5,000. Fees are prorated for cash flows exceeding \$10,000.00. Fees are rounded to the nearest dollar. The fee schedule as of February 28, 2017:

Billable Assets	Annual Rate
\$500,000 – \$3,000,000	1.0%
\$3,000,000 – \$6,000,000	0.90%
\$6,000,000 – \$10,000,000	0.80%
\$10,000,000 and above	0.70%

Fees are payable quarterly in advance based on the value of the client's account at the end of the previous quarter and are shown on the client's statement. In the event any assets managed by the Advisor are under management for less than a quarter, the Advisor's fee is calculated and payable on a pro rata basis.

Financial Planning is typically provided in conjunction with the management of the portfolio but may also be offered as a stand-alone engagement for a separate fee for clients who are not seeking Portfolio Management services.

Cancellation: Our agreement continues until cancelled by written notice by either party. Any prorated fees owed to the client at the time of termination will be refunded to the client.

The investment management fee is NCM's only source of compensation, but clients may incur additional costs. NCM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment advisors and other third parties such as fees charged by managers, custodial fees, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to NCM's fee, and NCM shall not receive any portion of these commissions, fees, and costs.

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

NCM does not have any performance-based fee arrangements. "Side-by Side-Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because NCM has no performance-based fee accounts, it has no side-by-side management.

## Item 7 - Types of Clients

NCM provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, and trust accounts. The normal minimum account size is \$500,000. The minimum is set at the discretion of the advisor. Under certain circumstances, this account minimum may be negotiable.

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

In accordance with the Investment Plan, NCM will primarily invest in individual stocks and bonds, with much more limited use of third party money managers, ETFs, mutual funds, Master Limited Partnerships, preferred stocks and options. When appropriate for a client's circumstances, alternative investments may also be utilized.

### Methods of Analysis

In selecting individual stocks for an account, NCM generally applies traditional fundamental analysis including, without limitation, the following factors:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. NCM may evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

Alternative investments are generally selected to target a particular market segment or investment in a geographic area known to NCM, the Client or both. Managers of alternative investments are evaluated in a manner similar to the way mutual fund managers are evaluated.

### Investment Strategies

NCM's strategic approach is to invest each portfolio in accordance with the Plan that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances.

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.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

### Options Trading/Writing

A securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of

the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

#### Risk of Loss

While NCM seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money. Below is a description of several of the principal risks that client investment portfolios face.

Management Risks - While NCM manages client investment portfolios, or recommends one or more Managers, based on NCM's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that NCM or a Manager allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that NCM's specific investment choices could underperform their relevant indexes.

Risks of Investments in Mutual Funds, ETFs and Other Investment Pools - As described above, NCM or a Manager(s) may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

Risks Related to Alternative Investment Vehicles - From time to time and as appropriate, NCM may invest a portion of a client's portfolio in alternative vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in which they are invested, the success of each of which will depend heavily upon the efforts of their respective Managers. When the investment objectives and strategies of a Manager are out of favor in the market or a Manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the Manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the Managers make unsuccessful investment decisions at the same time.

Equity Market Risks. - NCM and any Manager(s) will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

Fixed Income Risks. - NCM and any Manager(s) may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Foreign Securities Risks - NCM and any Manager(s) may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the

diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

#### 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 an individual's evaluation of NCM or NCM's management. NCM has no information applicable to this Item.

#### Item 10 - Other Financial Industry Activities and Affiliations

No employee of NCM participates in other financial industry activities nor has other affiliations.

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

NCM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, the acceptance of significant gifts, and personal securities trading procedures. All supervised persons at NCM must acknowledge and agree to abide by the terms of the Code of Ethics upon employment and annually or as amended thereafter.

Registered Investment Advisers may buy or sell securities identical to, or different than, those they recommends to their clients. NCM has a personal trading policy that prevents NCM personnel from executing personal investment decisions which may present a conflict of interest with clients. NCM employees must report annual holding reports, quarterly transaction reports, and obtain pre-approval for trading in certain securities.

NCM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which NCM has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which NCM, and its clients, directly or indirectly, have a position of interest. NCM's employees and persons associated with NCM are required to follow NCM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of NCM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for NCM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of NCM will not interfere with (a) making decisions in the best interest of advisory clients and (b) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

NCM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Linda Walden, Chief Compliance Officer.

#### Item 12 - Brokerage Practices

##### Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, NCM seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, NCM may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in

servicing any or all of NCM's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

NCM may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of clients' assets. NCM may also affect trades for client accounts at Schwab, or may in some instances, consistent with NCM's duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although NCM may recommend that clients establish accounts at Schwab, it is ultimately the client's decision to custody assets with Schwab. NCM is independently owned and operated and is not affiliated with Schwab.

Schwab Advisor Services provides NCM with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of those services help NCM manage or administer our clients' accounts while others help NCM manage and grow our business. These services generally are available to independent investment advisors on an unsolicited basis. These services are not soft dollar arrangements, but are part of the institutional platform offered by Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For NCM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to NCM other products and services that benefit NCM but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of NCM accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist NCM in managing and administering clients' accounts include software and other technology that (a) provide access to client account data (such as trade confirmations and account statements); (b) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (c) provide pricing and other market data; (d) facilitate payment of NCM's fees from its clients' accounts; and (e) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help NCM manage and further develop its business enterprise. These services may include: (a) technology compliance, legal and business consulting; (b) publications and conferences on practice management and business succession; and (c) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to NCM. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to NCM. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of NCM personnel. In evaluating whether to recommend that clients custody their assets at Schwab, NCM may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### Directed Brokerage

Clients may direct NCM to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that NCM has with Schwab is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing NCM to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with NCM that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

#### Aggregated Trade Policy

As a general practice, NCM does not trade securities in aggregate for clients' accounts. However, NCM may enter trades as a block when advantageous to clients whose accounts have a need to buy or sell shares of the same security. For larger transactions of the same security, NCM may combine all transactions for all clients into a single block with the objective of obtaining one average price for all participating clients. Block trading allows NCM to execute equity trades in a timelier, equitable manner and may reduce overall costs to clients. When multiple custodians are involved, NCM will separately place block trades with each custodian. NCM rotates the order of the respective custodian trades to try to ensure that clients of a particular custodian are not favored over other clients.

#### Item 13 - Review of Accounts

While underlying securities within client accounts are continuously monitored, these accounts will be formally reviewed at least quarterly by the Portfolio Managers. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances or the market or political and economic environments. Individual securities are reviewed by the Investment Committee, including the managing directors, which normally meets twice a week.

In addition to monthly and/or quarterly statements and confirmations of transactions the client receives directly from their custodian or broker, NCM provides quarterly performance and holding reports to clients.

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

NCM may from time to time compensate third parties for client referrals, such as Apperson Management. This is done in compliance with the Investment Advisers Act of 1940 and the Rules thereunder.

NCM receives client referrals from Schwab through NCM's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with NCM. Schwab does not supervise NCM and has no responsibility for NCM's management of clients' portfolios or NCM's other advice or services. NCM pays Schwab fees to receive client referrals through the Service. NCM's participation in the Service may raise potential conflicts of interest described below.

NCM pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by NCM is a percentage of the fees the client owes to NCM or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. NCM pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to NCM quarterly and may be increased, decreased, or waived by

Schwab from time to time. The Participation Fee is paid by NCM and not by the client. NCM has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs NCM charges clients with similar portfolios that were not referred through the Service.

NCM generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, NCM will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of NCM's clients who were referred by Schwab and those referred clients' members living in the same household. Thus NCM will have incentives to encourage household members of clients referred through Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit NCM's fees directly from the accounts.

For accounts of NCM's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from NCM's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealers fees. Thus, NCM may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. NCM nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for NCM's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

#### Item 15 - Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. NCM urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### Item 16 - Investment Discretion

As described in **Item 4 - Advisory Business**, NCM will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney ("LPOA") is executed by the client, giving NCM the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. NCM then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with NCM and the requirements of the client's custodian.

For *non-discretionary* accounts, the client also generally executes an LPOA, which allows NCM to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between NCM and the client, NCM does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to NCM's agreement with the client and the requirements of the client's custodian.

#### Item 17 - Voting Client Securities

NCM takes seriously the responsibility of voting proxies on behalf of our clients. The Chief Compliance Officer will oversee and supervise NCM's proxy voting policies and procedures. NCM reviews proxies for those clients for whom we have voting responsibility, and votes proxies according to our written guidelines. Clients may obtain a copy of NCM's complete proxy voting policies and procedures upon request. Clients may also obtain information from NCM about how NCM voted proxies on behalf of their account(s).

#### Item 18 - Financial Information

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about NCM's financial condition. NCM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. In addition, NCM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure with respect to this item.

PRIVACY NOTICE  
(Written Information Security Program) of  
Novare Capital Management, LLC

*This is for your information only. No action is required on your part.*

At Novare Capital Management, LLC, protecting your privacy is very important to us. We want you to understand what information we collect and how we use it. We collect and use "nonpublic private information" in order to provide our clients with a broad range of financial services as effectively and conveniently as possible. We treat nonpublic personal information in accordance with our privacy policy.

"Nonpublic personal information" is nonpublic information about you that we obtain in connection with providing a financial service or product to you.

**What Information Do We Collect?**

In order to fulfill our obligations to you, we need certain information. Generally, this includes your name, address, Social Security Number, date of birth, account numbers, and information about your income. We may also have access to other sensitive information, such as credit scores, income tax information and so forth.

**Where Do We Get This Information?**

We may collect nonpublic personal information about you from a variety of sources, such as:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates or others, such as the custodian(s) of your account(s); and
- Information we receive from non-affiliated third parties, including consumer reporting agencies.

**What Information Do We Disclose and To Whom Do We Disclose It?**

We do not disclose any nonpublic information about you without your express consent, except as permitted by law and as needed to provide the services you have requested. This applies to current as well as former clients. We restrict access to your nonpublic personal information to those who need to know that information in order to provide products or services to you.

Our "affiliates" are companies with which we share common ownership. We do not currently have any affiliated companies.

**Our Security Procedures**

We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information. This includes measures to protect your information in the course of its disposal.