

**Part 2A of Form ADV: *Firm Brochure***

**OSBON CAPITAL MANAGEMENT, LLC**

225 Franklin Street  
26<sup>th</sup> Floor  
Boston, MA 02110

Telephone: (617) 217-2772  
Facsimile: (617) 217-2712  
E-mail: [josbon@osbon.capital.com](mailto:josbon@osbon.capital.com)  
Web: [www.osboncapital.com](http://www.osboncapital.com)

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**This brochure provides information about the qualifications and business practices of Osbon Capital Management, LLC (hereinafter “Osbon Capital” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (617) 217-2772 or at [josbon@osbon.capital.com](mailto:josbon@osbon.capital.com). 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 Osbon Capital is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Osbon Capital is 134731. Registration as an investment adviser does not imply a certain level of skill or training.**

**Item 2. Summary of Material Changes**

Osbon Capital, currently an investment adviser registered with the state of Massachusetts is applying for SEC registration based on its most recently-reported Regulatory Assets under Management.

After our initial filing of this Brochure, this Item 2 will be used to provide our clients and/or Fund investors with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

**Item 3. Table of Contents**

<b>Item</b>	<b>Section</b>	<b>Page Number</b>
1.	Cover Page	1
2.	Material Changes	2
3.	Table of Contents	3
4.	Advisory Business	4
5.	Fees and Compensation	5
6.	Performance-Based Fees and Side-by-Side Management	6
7.	Types of Clients	6
8.	Methods of Analysis, Investment Strategies and Risk of Loss	6
9.	Disciplinary Information	7
10.	Other Financial Industry Activities and Affiliations	7
11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	8
12.	Brokerage Practices	9
13.	Review of Accounts	10
14.	Client Referrals and Other Compensation	10
15.	Custody	11
16.	Investment Discretion	11
17.	Voting Client Securities	11
18.	Financial Information	12

#### **Item 4. Advisory Business**

Osbon Capital is a fee-only state-registered investment adviser seeking registration with the SEC. Osbon Capital's principal place of business is located in Boston, Massachusetts. We have been in business since 2005, with Jon M. Osbon as the sole owner and Managing Member. John F. Osbon serves as the firm's Chief Compliance Officer.

Discretionary assets under our firm's management were approximately \$104,266,059 as of March 15, 2018.

Non-discretionary assets under our firm's management were approximately \$9,423,226 as of March 15, 2018.

#### **Portfolio Management/Portfolio Consulting Services**

Osbon Capital is in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or investment plan and create and manage a portfolio based on that policy or plan. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

We will manage advisory accounts on a discretionary, non-discretionary or consulting basis. For discretionary accounts, we will implement transactions without seeking prior client consent. For non-discretionary accounts, we will seek prior client consent for every contemplated transaction. Therefore, clients with non-discretionary accounts should understand that any delay in obtaining consent may result in less favorable transaction terms, including higher security price and/or higher commissions and/or limited availability of the securities sought. For consulting clients, we will provide ongoing portfolio monitoring and investment recommendations, but any transaction implementation will remain the responsibility of the client. Portfolio consulting clients may decline to follow any or all of our recommendations at any time.

#### **Services in General**

Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service

offered by a broker dealer or insurance company and will exclusively involve indexed exchange traded funds (ETFs).

We tailor all of our portfolio management recommendations to the individual needs of each client. All such recommendations are tailored based on information gathered through client questionnaires, electronic communications, telephone and in-person discussions.

## **Item 5. Fees and Compensation**

For our Portfolio Management services, we charge an annual fee based on a percentage of assets under our management or advisement, in accordance with the fee schedule below:

<u>Assets under Management/Advisement (\$)</u>	<u>Annual Fee (%)</u>
First \$5 million	1.00%
Next \$5 million	0.75%
Above \$10 million	0.50%

Our fees are directly debited in arrears at the end of each calendar quarter based upon the value of the client's account at the end of the previous quarter.

### Fees in General

Our fees and account minimums are not negotiable.

We group certain related client accounts for the purposes of determining the account size and/or annualized fee.

Under no circumstances will we earn fees in excess of \$500 more than six months in advance of services rendered.

### Account Termination

Client may terminate the agreement by providing us with oral or written notice at our principal place of business. Upon termination of any account, any earned, unpaid fees will be due and payable.

ETF Fees and Expenses: All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses. A client could invest in an ETF directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged

by ETFs and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

### Brokerage and Custodial Fees

In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, trade-away and custodial fees incurred as part of their account management. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

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

We do not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7. Types of Clients**

Our firm generally provides advisory services to individuals and their related personal accounts.

We suggest a minimum aggregated account size of \$1,000,000.

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

Our firm employs the following types of analysis to formulate client recommendations:

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of equity securities, fixed income, alternative investments such as gold, real estate ETFs and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of equity securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

ETF analysis: We look at the experience and track record of the ETF manager in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in an ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. We also monitor ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in

an ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the ETF, which could make the ETF less suitable of the client's portfolio.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Our firm employs the following investment strategies to implement investment advice given to clients:

Long-term purchases: We mostly purchase securities with the idea of holding them in the clients account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases: At times, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

***Clients should understand that investing in any securities, including ETFs, involves a risk of loss of both income and principal that a client should be prepared to bear.***

## **Item 9. Disciplinary Information**

Our firm has no disciplinary events to disclose.

Massachusetts law requires disclosure that information on disciplinary history and the registration of our firm and its associated persons may be obtained by contacting the

SEC's Office of Investor Education and Advocacy at (202) 942-8090, Option 6. Disciplinary history may also be obtained from the Massachusetts Securities Division at (617) 727-3548, and if asked, our firm and our associated persons must also disclose the history.

**Item 10. Other Financial Industry Activities and Affiliations**

Neither our firm nor our employees engage in any other financial industry activities or have any other financial industry affiliations.

**Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading**

Code of Ethics Disclosure

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to John Osbon, Chief Compliance Officer, at the firm's principal office address.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to or purchased for customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. This practice results in a potential conflict of interest, as we may have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

To mitigate these potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the advisory client;
2. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts;



3. We do not aggregate employee trades with client trades;
4. We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations;
5. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where our firm is granted discretionary authority;
6. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices; and
7. Any individual not in observance of the above may be subject to disciplinary action or termination.

**Item 12. Brokerage Practices**

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits.

We do not request or accept the discretionary authority to determine the broker dealer to be used for client accounts. Clients must instruct us as to the broker dealer to be used for all client securities transactions. In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions among various brokers, and best execution may not be achieved, resulting in higher transaction costs for clients. *Not all advisers require their clients to direct brokerage.*

Our firm participates in the Fidelity Institutional Wealth Services Program (hereinafter, "FIWS") sponsored by Fidelity. Clients in need of brokerage and custodial services will have Fidelity recommended to them. While there is no direct linkage between the investment advice given to clients and our firm's participation in the FIWS program, we receive economic benefits which would not be received if we did not give investment advice to clients. These benefits include: A dedicated trading desk that services FIWS participants exclusively, a dedicated service group and an account services manager dedicated to our firm's accounts, access to a real-time order matching system, ability to 'block' client trades, electronic download of trades, balances and positions, access, for a fee, to an electronic interface with FIWS' software, duplicate and batched client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), availability of third-party research and technology, a quarterly newsletter, access to Fidelity mutual funds, access to AdvisorChannel.com (internet access to statements, confirmations and transfer of asset status), access to Account View (through which clients may access their account information over the internet via our website), access to mutual fund families and mutual funds NOT affiliated with Fidelity, of which many have

no transaction fee, ability to have loads waived for our clients who invest in certain Fidelity loaded funds, when certain conditions are met and maintained and the ability to have custody fees waived (when negotiated by the adviser and allowed under certain circumstances).

The benefits we receive through participation in the FIWS program may depend upon the amount of transactions directed to, or amount of assets custodied by, Fidelity.

Participation in the FIWS program results a potential conflict of interest for our firm, as the receipt of the above benefits creates an incentive for us to use Fidelity for the execution of client trades.

Nonetheless, we have reviewed the services of Fidelity and recommend the services based on a number of factors. These factors include the professional services offered, commission rates, and the custodial platform provided to clients. We may periodically attempt to negotiate lower commission rates for our clients with Fidelity.

Should we decide to use another broker dealer to execute a client trade due to better availability, liquidity, or pricing, Fidelity will charge an additional trade-away fee for each such trade. Therefore, we will only use this trade-away ability in situations with compelling financial reasons.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker if we believe that this choice would hinder its fiduciary duty to the client and/or its ability to service the account.

#### Trade Aggregation

As a matter of policy and practice, our firm does not generally block client trades and, therefore, implements client transactions separately for each account. Due to this practice, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers to block client trades.

#### **Item 13. Review of Accounts**

Jon M. Osbon, Managing Member and John F. Osbon, Chief Compliance Officer, will continuously monitor the underlying securities in client accounts and perform at least quarterly reviews of account holdings for all clients. Accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Domestic, geopolitical and macroeconomic events may also trigger reviews. We encourage at least annual meetings with each client, either by a telephone conference or in person.

In addition to the monthly statements and confirmations of transactions that clients receive from their broker dealer, our firm may provide quarterly statement of account holdings and/or performance. More frequent reports may be delivered upon client request.

**Item 14. Client Referrals and Other Compensation**

Other than that already described in this Brochure, our firm does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

**Item 15. Custody**

Custody is defined as any legal or actual ability by our firm to access client funds or securities. Since all client funds and securities are maintained with a qualified custodian, we don't take physical possession of client assets. However, because we directly debit client fees from their custodial accounts, our firm is deemed to have constructive custody of client funds. We urge all of our management clients to carefully review and compare their reviews of account holdings and/or performance results received from us to those they receive from their custodian. Should you notice any discrepancies, please notify us and/or your custodian as soon as possible.

**Item 16. Investment Discretion**

For clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), we request that such authority be granted in writing, typically in the executed investment management agreement.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

**Item 17. Voting Client Securities**

Advisory clients may elect to delegate their proxy voting authority to us. Alternatively, clients may, at their election, choose to receive proxies related to their own accounts, in which case we may consult with clients as requested. (With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies.) To direct us to vote a proxy in a particular manner, clients should contact John Osbon by telephone, electronic mail, or in writing.

When we have discretion to vote proxies for our clients, we will vote those proxies in the best interests of its clients and in accordance our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time,

including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting John Osbon directly. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

#### **Item 18. Financial Information**

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered, and therefore we have no obligation to disclose our firm financials as part of this Brochure.

Our firm has no financial condition that impairs our ability to meet our contractual obligations to you, and have never been the subject of a bankruptcy proceeding.