

**Form ADV Part 2 Brochure –**  
**Dated February 15, 2013**

**Column Capital Advisors, LLC**  
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This Form ADV Part 2 (“Brochure”) provides information about the business practices and qualifications of Column Capital Advisors, LLC. Additional information about Column Capital Advisors, LLC is also available on the United States Securities and Exchange Commission’s (“SEC”) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

If you have any questions about the contents of this Brochure, please contact us at (317) 663-6500.

Column Capital Advisors, LLC is a registered Investment Advisor. While certain representatives of Column Capital have attained certain levels of training and education, the SEC requires us to inform you of the following: *“the general registration as an Investment Advisor does not imply any level of skill or training”*.

While the information in this Brochure has been filed with the United States Securities and Exchange Commission (“SEC”), this document has not been approved or verified by the SEC or by any other state securities authority.

## ITEM 2 - Material Changes

This Brochure, dated February 15, 2013, contains no material changes from the firm's prior Brochure, dated August 31, 2012, with the exception of the firm's updated Assets Under Management figures, as listed in the second paragraph of Item 4 (as of 12/31/2012, the firm managed a total of \$456,977,559 in Discretionary assets for 706 client investment accounts).

Column Capital Advisors, LLC  
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## ITEM 4 – Advisory Business

Column Capital Advisors, LLC is an SEC registered Investment Advisory firm with the following officers: Brian W. Upchurch, President, Kevin D. Sweet, Chief Investment Officer, and Jeffrey J. Yu, Chief Compliance Officer. Column Capital Advisors, LLC is 100% directly owned by Column Capital Group, Ltd. (the holding company), which in turn is owned by Brian Upchurch, Kevin Sweet and Jeffrey Yu.

Formed in 2005, Column Capital Advisors, LLC (“Column Capital”) provides two types of fee-only advisory services for clients: On-Going Investment Management and Financial Planning. Both of these separate services are further described below, as well as in the Advisory Contract applicable to each service. As of 12/31/2012, the firm managed a total of \$456,977,559 in Discretionary assets for 706 client investment accounts.

The term “*fee-only*” means that Column Capital only receives compensation directly from its clients for the investment advisory and financial planning services provided. Column Capital does not receive any commissions for assistance with the implementation of securities, insurance products or any other products.

Column Capital provides their services primarily to high net worth individuals and their families. However, in some instances Column Capital may provide their services to retirement plans, pension and profit sharing plans, trusts, estates, charitable organizations, or other business entities.

### Discretionary Investment Management Services:

The first step in the Investment Management process involves an initial interview and data-gathering process. This is designed to help determine the client’s stated individual needs, financial/investment goals, objectives, time horizon, and overall risk tolerance. The Advisor will request input and information from the client, including; current financial information, past

financial history, present financial conditions, and the client's financial and investment goals. These may include planning for short-term goals (such as large asset purchases or college education funding) or long-term goals (such as retirement planning) or other segments of an investment plan that may be desired. The information gathered for review and assessment may vary, depending upon the individual needs and objectives as stated by the client. Information presented by the client is deemed to be current, reliable, and complete. The Advisor may request the names and relationships of other Advisors (*e.g.*, attorney, accountant, banker, etc.), family background and makeup, and anything else which may affect the client's financial matters, based upon the information provided by the client.

Based upon the collected information and with the client's input, the Advisor will prepare an investment policy statement which includes a target investment portfolio allocation. The Advisor may consider various investment programs that may assist the client in meeting the client's stated investment objectives.

Column Capital prefers that the client implement their recommendations, in whole or in part, through Charles Schwab & Co., Inc. as the custodian. However, a different custodian can be used at the client's request.

A client has the ability to leave standing instructions with Column Capital to refrain from investing in particular industries, invest in limited amounts of securities, sell, request third-party checks (sent from the custodian directly to the client's address of record), electronic fund transfers, and to re-balance portfolios ("limited discretion"). Clients will have a direct and beneficial interest in clients' securities, rather than an undivided interest in a pool of securities.

In most instances, Column Capital utilizes mutual funds and exchange traded funds (ETFs) for client portfolios. Clients may also own individual stocks and bonds through the use of separate account managers.

Column Capital continues to provide ongoing Investment Management Services by monitoring the portfolio and by providing continuous advice and recommendations to the client. Managed portfolios are generally reviewed on a quarterly basis, however reviews could also occur at the time of significant new deposits/withdrawals, material changes in client's financial

information, changes in the market, as often as the client may prefer or at the Advisor's discretion. The review process includes analyzing client portfolios for allocations consistent with targets, unusual transactions, sensitivity to overall markets, economic changes, investment results, and any other parameters set forth in the investment policy statement or other stated directives. The purpose of the ongoing services between Column Capital and a client is ultimately to help ensure the investment strategies and expectations are structured and modified in such a way to meet the client's needs and objectives.

Column Capital encourages frequent client contact (i.e. quarterly) but will seek out contact no less than semi annually, depending upon the client's situation or desires. Clients may call the office at any time during normal business hours to discuss investment matters directly with their Advisory Representative. If their Advisory Representative is unavailable, the client can ask for assistance from any Advisory Representative of Column Capital. The Advisor consists of a team of an Executive Director (lead role) and other professional and administrative staff with a common vision of serving Column Capital's clients.

Clients are obligated to promptly notify the Advisor of any changes in the client's financial status in order to give the firm an opportunity to review the current investment strategies designed for the client to ensure they continue to meet the client's changing needs or to determine if there needs to be any changes.

For accounts invested in mutual funds, the direct investment management fees paid to Column Capital are in addition to the indirect management and expense fees charged by mutual funds. Therefore, clients whose assets are invested in shares of mutual funds will incur both an investment management fee paid directly to Column Capital *and* mutual fund management fees/operating expenses collected indirectly through the mutual fund. As a fee only advisor, Column Capital uses no load mutual funds. As a result, Column Capital does not receive any commissions or 12b-1 fees from any mutual fund companies.

If appropriate and of interest to the client, Column Capital will recommend the services of one or more unrelated third party investment advisory firms (private money manager) that may offer investment advisory services

designed to help clients meet their stated goals and objectives. The decision to hire a third-party manager is influenced by the account size, client's circumstances and costs. Column Capital would provide recommendations only as a service to clients and will not receive any direct or indirect compensation for recommendations (no "referral fees"). Column Capital will only recommend private money managers that are licensed and/or registered in the appropriate jurisdictions. At the time of the recommendation of any private money manager, Column Capital will deliver to a client the private money manager's ADV Part II, or Schedule H, or a substitute brochure, and any other information required by securities rules and regulations. Clients are welcome to engage any outside investment manager of their choice and there would never be an obligation to do so. Any engagement of an outside private money manager would be entered into with a separate contract or agreement between the client and the private money manager and will include a separate fee arrangement that the client will be paying this third party advisor. This fee is in addition to the fees paid by the client to Column Capital. Clients are never under any obligation to utilize the third-party products or services that may be recommended.

#### Financial Planning Services:

Column Capital is also available to provide Financial Planning Services. Financial Planning Services generally focus on financial advice that is long-term in nature. Financial Planning Services may address issues relating to income and expenses, debts, cash flow, tax planning, retirement planning, stock option planning, charitable giving, succession planning, education funding, major purchases, business planning, employee benefits, risk management (insurance), estate planning, and other needs as identified by the client. The Advisor may offer comprehensive planning services or the client may request advice in a specific financial planning area. Column Capital can tailor services as desired by the client. When Financial Planning Services only focus on certain areas of client interests or needs, the Client must understand that their overall financial situation or needs may not be addressed. The advice provided may include recommendations for regular updates and reviews.

## ITEM 5 – Fees and Compensation

### Discretionary Investment Management Service Fees:

Fees for Investment Management Services are payable quarterly and in advance. Investment Management fees are computed on a percentage of investment assets under management. The quarterly fee is based upon the portfolio balance as of the last trading day of the preceding month. If services are initiated at any time other than the beginning of a calendar quarter, fees will be pro-rated. The portfolio value is determined by the clients' selected custodian. At Column Capital's discretion, a fixed annual retainer payable quarterly may be charged (also payable quarterly and in advance).

The fees for Investment Management Services are based upon the following fee schedule:

<b><u>Portfolio Size</u></b>	<b><u>Annual Fee</u></b>
First \$1 Million	1.00%
Next \$2 Million	.75%
Next \$2 Million	.50%
Next \$5 Million	.35%
Next \$5 Million	.25%
All Assets Thereafter	.20%

In certain cases, Investment Management fees may be modified, based on a pre-existing or employee relationship, the nature of services to be provided, types of investments, portfolio makeup, and/or the complexity of the client's situation. Investment Management fees and services to be provided are determined at the time of engagement. Fees will not be based upon a share of capital gains or capital appreciation of the funds of any portion of funds of an advisory contract (known as "*performance fees*"). Investment advisory fees are not collected for services in excess of \$500 and six months or more in advance of services. The Advisor reserves the right to modify fees with 30 days advance written notice.

Payment of Investment Management fees may be paid directly by the client; or payment of fees may be made through a deduction directly from the client's investment account(s) by the qualified custodian holding the client's



funds and securities. However, the following criteria must be met in accordance with the SEC's Investment Advisors Act of 1940, when payment is directly deducted by a qualified custodian: (1) The client provides written authorization permitting the fees to be paid directly from the client's account held by the independent custodian and the authorization is limited to withdrawing contractually agreed upon investment advisory fees; (2) Custodians do not verify advisory fees, therefore clients are encouraged to direct any questions or concerns regarding fees to Column Capital by calling the office and in each instance, these inquiries will be reviewed promptly; (3) The frequency of fee withdrawal shall be specified in the written authorization/agreement; (4) The custodian of the account shall be advised in writing of the limitation on the Advisor's access to the account; (5) The custodian agrees to send to the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of Advisory fees paid directly to Column Capital; (6) The client shall be able to terminate the written billing authorization or agreement at any time. Since the custodian does not verify the accuracy of the advisory fee calculation, the Client should verify each statement received by the custodian and contact Column Capital if any questions should arise.

Column Capital's fees for services may be higher or lower than at other financial institutions. The client is encouraged to discuss any questions that may arise regarding investment policies, services and fees throughout the course of the relationship. Additionally, the client can request to utilize a financial services provider of their choice when implementing recommendations.

#### Financial Planning Services Fees:

Fees for Financial Planning Services are based on the nature and complexity of services to be provided. This is based upon the client's stated needs, present situation, and other factors. Annual fees generally range from \$4,000 up to \$40,000. Column Capital will invoice financial planning services on a quarterly basis in advance. A new Financial Planning engagement will be invoiced a pro rata quarterly fee at the start of the engagement.

Should the client's financial situation change dramatically during the time of engagement, such that new analysis, advice or a written plan must be revised, additional fees may apply. In such cases, the Advisor will promptly notify the client of any additional fees that apply. Column Capital will not go forward

with providing services that will result in additional fees without the client's authorization.

Column Capital may also be available to provide Financial Planning Consulting Services on an hourly basis. Hourly fees range from \$75 - \$400, depending upon the Advisory Representative engaged for services and the nature or complexity of services. Hourly Consulting Services are typically not ongoing in nature and thus terminate upon the delivery of services. Fees are due at the conclusion of services. In some instances, when a new client is engaging consulting services for the first time and the project time is extensive, Column Capital may request a retainer equal to one-half the total proposed project fee, payable at engagement. In such cases, the balance of the Consulting fees will be due at the conclusion of services.

Additional Fee Information and Disclosures:

All Advisory fees are negotiable between the firm and a client. Investment Management fees are directly deducted from a client's investment accounts. It is highly encouraged that Financial planning fees also be directly deducted from a client's investment account but a client can request that fees be billed directly. The choice of direct billing or automatic deduction of fees is made at the time the Financial Planning Contract is signed, and is outlined in the Contract. A client can request at any time to change the method of fee deduction/billing for their account.

The aforementioned advisory fees represent fees for advisory services of Column Capital only; clients pay transaction and brokerage fees to broker/dealers, service fees (if applicable on accounts), separate account manager's fees and fees for other services provided by unaffiliated third party providers. All fees paid to Column Capital for Advisory services are separate from the fees and expenses charged to shareholders of mutual funds shares by the fund companies, or by the investment advisor managing the fund portfolios. A complete explanation of the expenses charged by mutual funds is contained in each fund's prospectus. Investors are strongly encouraged to read any offering document or prospectus before investing funds. Column Capital receives no portion of these fees.

### Termination of Services:

Where the client has not received Column Capital's Form ADV Part 2 Brochure at least 48 hours prior to engagement, the client may terminate the Agreement for any advisory services and without penalty (full refund or no fees due) within 5 business days of signing the Agreement. Alternatively, Investment Advisory Services are continuous but either party may terminate the Agreement with written notice to the other party's last known legal address. Financial Planning Services terminate with written notice from the client. Either party may terminate the Financial Planning Agreement at any time prior to the conclusion of services. In such cases, clients will only be invoiced for services prior to termination or will receive a prompt refund of unearned fees.

### ITEM 6 – Performance Based Fees and Side-By-Side Management

Column Capital does not charge any performance based fees of any kind (those fees that are based upon a share of capital gains or capital appreciation of client assets).

### ITEM 7 – Types of Clients

Column Capital's Investment Advisory and Financial Planning services are generally provided to high net worth individuals and their families. However, in some instances Column Capital may provide their services to retirement plans, pension and profit sharing plans, trusts, estates, charitable organizations, or other business entities.

If an account is subject to the Employee Retirement Income Security Act of 1974, as amended, ("ERISA"), the Advisor acknowledges that Advisor is a fiduciary within the meaning of the Act and the ERISA client is a named fiduciary with respect to the control or advisory of the assets in the Account. In each instance, the client will agree to obtain and maintain a bond satisfying the requirements of Section 412 of ERISA and to include the Advisor and the Advisor's principals, agents, and employees under those insured under that bond and will deliver to the Advisor a copy of the governing plan documents. If the Account assets for which the Advisor provides services represent only a portion of the assets of an employee benefit plan, client will remain

responsible for determining an appropriate overall diversification policy for the assets of such plan.

Column Capital generally requires a minimum relationship size of \$1 million for Investment Management engagements. Column Capital reserves the right to decline services to any person or firm for any reason at the Column Capital's discretion. At their discretion, Column Capital also reserves the right to reduce and/or waive minimum conditions based upon special client circumstances, a pre-existing relationship (e.g., family), the ability to achieve a portfolio size within an agreed upon time frame, or for other unique situations.

### ITEM 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

Investing in securities of any kind involves risk of loss that clients must be aware of and prepared to bear.

When providing Investment Management Services, Column Capital analyzes information provided by the client and attempts to identify and evaluate an investor's goals, risk tolerance and time horizon through an interview process in an effort to determine a plan/portfolio that appears to be the best fit the client's profile. Therefore, the client's active participation in the review and analysis process is critical. Investment strategies may be based upon a number of concepts and are determined by the type of investor. Investment advice and recommendations are based upon a client's stated goals, objectives, investment time horizon and risk tolerance. Investment strategies used to implement investment advice are generally long-term in nature. However, investment strategies may include short-term purchases depending upon the individual needs and objectives of the client and if a particular investment meets the objective in a short time frame.

The basis for Column Capital's investment philosophy is the Nobel Prize winning investment strategy called "Modern Portfolio Theory ("MPT"). MPT is a sophisticated investment decision approach that permits an investor to classify, estimate and control both the kind and the amount of expected risk and return. Fundamental to MPT is the ability to statistically quantify the

relationship between risk and return, thus determining the extent of compensated risk.

Column Capital believes that risk reduction is a key element to long-term investment success. Therefore, Column Capital implements investment plans by using a diversified strategic asset allocation. Strategic Asset Allocation is an investment approach where selected asset classes and the weightings of these asset classes are based on the overall investment objective and risk tolerance of the client. The concept of asset allocation or spreading investments among a number of asset classes (stocks vs. bonds, U.S. vs. foreign; large cap stocks vs. small cap stocks; growth stocks v. value stocks; corporate bonds v. government bonds) is Column Capital's guiding strategy. Correlation (the measure of the degree of movement between investments) of the varying asset classes within the portfolio is carefully analyzed to help reduce volatility without sacrificing the effectiveness of the portfolio in an effort to achieve expected returns.

Strategic Asset Allocation is an approach that typically places a great emphasis on minimizing portfolio turnover and trading/transaction costs. At its heart, strategic asset allocation seeks to achieve the most efficient portfolio possible through diversification of assets. The end result is an investment portfolio where statistically long term investment return is enhanced while the overall risk of the portfolio is mitigated. Since risk reduction is a key element to long-term investment success, asset allocation principles are a key part of Column Capital's overall approach in preparing advice for clients.

Column Capital will provide ongoing portfolio advisory service which includes periodically recommending that client portfolios are re-balanced. Fairly wide latitude is given to rebalancing, as taxes and transaction costs influence the decisions made.

Column Capital respects the well-publicized studies revolving around efficient markets, the long-term performance histories of growth stocks versus value, large capitalization stocks versus small capitalization stocks, and active versus passive management. Column Capital objectively applies this historical and ongoing research to build client's portfolios for relative and absolute performance. More importantly, each client's portfolio is designed to meet that client's stated specific objectives.

Recommendations for or purchases of investments will be based on publicly available reports and analysis. In the case of mutual funds, recommendations will be based on reports and analysis of performance and managers, and certain computerized and other models for asset allocation and rebalancing. Column Capital utilizes many sources of public information, including financial news and research materials. Column Capital also utilizes an independent third party consultant (Rogerscasey a Division of Segal Advisors) for investment research.

Column Capital may employ the use of third-party money managers in the pursuit of client objectives and with the client's direction. As an independent advisor, Column Capital has access to a wide range of investment alternatives, including the following:

- Separate account municipal, corporate and government bond managers
- Separate account equity managers
- Exchange Traded Funds (ETFs)
- Active and passive mutual funds
- Alternative investments

Clients should be aware that sales of investments, including transactions that result to maintain the client's desired asset allocation, may result in taxable gain(s) or loss(es) to the client. Clients are encouraged to consult their personal tax advisor about tax consequences as a result of transactions or any particular investment held in their account.

The decision to hire third-party managers (private money managers) is influenced by the client's circumstances and costs. Often, fees can be negotiated with individual money managers and custodians in an effort to substantially reduce costs. At the time of the recommendation of any third party advisory program, Column Capital will deliver to clients the ADV Part 2 Brochure, or Schedule H, or a substitute brochure, and any other information required by securities rules and regulations. Clients are never under any obligation to utilize the third-party products or services that may be recommended.

Generally, the firm provides advice on the following types of securities: mutual funds and exchange traded funds (ETFs). In limited instances, at

specific client request, Column Capital may review offering documents for limited partnerships or alternative investments for content or appropriateness of investment. However, the Advisor does not provide investment management or due diligence services for these types of investments.

### ITEM 9 – Disciplinary Information

Firms are required to report any legal or disciplinary events that are material to a client's evaluation of Column Capital's advisory business and the integrity of its management. There are no legal or disciplinary events that are reportable under this Item for either Column Capital or any supervised person of Column Capital.

### ITEM 10 – Other Financial Industry Activities and Affiliations

As noted in Item 4 above, Column Capital is a fee only advisor. Neither the firm nor any individual associated with the firm is registered with any other Investment Advisor, Brokerage firm, insurance agency or company, of any kind.

Column Capital does not render accounting advice or tax preparation services to clients. However, Advisory Representatives of Column Capital are also associated with Column Family Office, LLC and therefore provide accounting, tax consultation and preparation services to the general public, including clients of the investment advisory firm. Clients are welcome to, but are never under any obligation to engage Advisory Representatives for accounting services or any other outside business activity. All accounting and tax preparation services are provided under a separate verbal or written agreement with Column Family Office, LLC. This written agreement will also include any fees that the client will pay to Column Family Office, LLC and is in addition to any fees paid to Column Capital.

Column Capital may have relationships with one or more unaffiliated third party investment advisory firms (private money managers) that provide investment advisory services that may be of interest to clients. When it is deemed appropriate, based upon the individual needs of the client, Column Capital may recommend that clients engage one or more third party private

money managers who provide advice regarding the selection of individual securities (i.e. stocks, bonds). In such cases, Column Capital remains the primary Advisor and Investment Manager for its clients and receives no compensation from these unaffiliated third party investment managers or Advisors. Any engagement of an unaffiliated third party investment advisory firm would be undertaken with a separate contract or agreement between the client and the unaffiliated third-party service provider and will include a separate fee arrangement that the client will be paying the third party investment advisor. This fee is in addition to the fees paid by the client to Column Capital. Clients are never under any obligation to utilize the third-party products or services that may be recommended.

Column Capital may collect certain financial information and make that information available to the third party asset advisory firms but only when the client has directed these services be provided. At the time of any recommendation of a third party asset manager, Column Capital will deliver to clients: The advisory firm's Form ADV Part2 Brochure or Substitute Brochure along with a Compensation Disclosure Document, as required by regulation.

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

#### Code of Ethics:

Column Capital maintains a Code of Ethics that requires every aspect of its business to be conducted in a fair, lawful and professional manner. Strict compliance with all laws and regulations governing the securities industry is paramount. It is an obligation to respect and protect the right to privacy of its clients. Confidential or proprietary information, obtained in the course of doing business, will not be used for personal gain or shared with others for their personal benefit. All efforts are made to avoid actual or potential conflicts of interest, and to ensure disclosure of any actual or potential conflict of interest. In addition, the Code requires that certain transactions by Column Capital's employees be pre-approved, and that firm employees must report all reportable holdings and transactions to firm management on a regular basis. A copy of Column Capital's Code of Ethics is available to existing and prospective clients upon request at our main office, listed on the Cover Page of this Brochure.



#### Participation or Interest in Client Transactions and Personal Trading:

At times, the interests of a Column Capital's Advisor Representative or a related person's account may coincide with the interests of clients' account. However, at no time will the Advisor Representative or any related person receive an added benefit or advantage over clients with respect to these transactions. All applicable rules of the Investment Advisors Act of 1940 (the "Act") will be strictly enforced. Column Capital will not permit insider trading. The Advisor requires that all supervised personnel pre-clear all reportable securities transactions (such as initial public offerings (IPO), private placements or other limited offerings) with Jeffrey Yu, the Chief Compliance Officer, prior to execution. The Chief Compliance Officer is responsible for monitoring all personal trading of access personnel. In every case the interests of clients will be placed ahead of any Column Capital employee and their beneficial relationships.

Column Capital does not conduct 'Principal' transactions, does not engage in Cross-Trades between advisory clients, and does not participate in Agency Cross Transactions of any kind.

### ITEM 12 – Brokerage Practices

#### The Custodian and Brokers Used

Column Capital does not maintain custody of the client's assets that it manages. A client's assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Column Capital recommends that its client uses Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member of SIPC, as the qualified custodian. Column Capital is independently owned and operated and not affiliated with Schwab. Schwab will hold a client's assets in a brokerage account and buy and sell securities when Column Capital or the client instructs them to. While Column Capital recommends that the client use Schwab as custodian/broker, it is the client's decision whether to do so. If the client chooses to open an account with Schwab, he/she will be entering into an account agreement directly with Schwab (by completing and signing a Schwab account application form).

### How a Broker/Custodian is Selected

Column Capital seeks to recommend a custodian/broker who will hold a client's assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. Column Capital consider a wide range of factors, including, among others, the following:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for client accounts)
- Capabilities to facilitate transfers and payments to and from accounts (i.e. wire transfers, distribution requests)
- Breadth of investment products made available
- Availability of investment research and tools that assist Column Capital in making investment decisions
- Quality of services
- Competitiveness of the price of those services and willingness to negotiate them
- Reputation, financial strength, and stability of provider
- Their prior service to Column Capital and its clients.
- Availability of other products and services that benefit Column Capital as discussed below

Column Capital periodically reviews other alternatives that are available to the Advisor market. However, Column Capital believes that the excellent customer service and trade execution provided by Schwab Institutional is superior to most non-service oriented, deep-discount and internet-based brokers that may otherwise be available to the public. As noted herein, a client has the ability to specifically request, in writing, his/her desire to utilize another custodian/brokerage (financial services firm). In such cases, the client understands that Column Capital cannot offer best execution in terms of its advice and recommendations because of limitations that may be in place by the client's requested service provider. A "directed brokerage" disclosure is found in the Client Investment Advisory Agreement.

### Client Custody and Brokerage Costs

For Column Capital's client accounts it maintains, Schwab generally does not charge separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the client's Schwab account. In addition to commissions, Schwab charges the client a flat dollar amount as a "prime broker" or "trade away" fee for each trade that is executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's Schwab account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize client trading costs, Column Capital has Schwab execute most trades for its client accounts.

### Products and Services Available to Column Capital from Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like Column Capital. They provide Column Capital and its clients with access to Schwab's institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help Column Capital manage or administer its clients' accounts while others help Column Capital manage and grow its business. Schwab's support services are generally available on an unsolicited basis and at no charge as long as Column Capital keeps a total of at least \$10 million of its clients' assets in accounts at Schwab. If there is less than \$10 million in client assets at Schwab, then Column Capital may be charged a quarterly service fee of \$1,200.

### Services that Benefit the Client

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which Column Capital might not otherwise have access or that would require a significantly higher minimum initial investment by its clients. Schwab's services described in this paragraph generally benefit the client.

### Services that May Not Directly Benefit the Client

Schwab also makes available to Column Capital other products and services that benefit Column Capital but may not directly benefit the client or his/her account. These products and services assist Column Capital in managing and administering its clients' accounts. They include investment research, both Schwab's own and that of third parties. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of an advisor's fees from client accounts; and
- assist with back-office functions, recordkeeping and client reporting.

### Services that Generally Benefit Only Column Capital

Schwab also offers other services intended to help Column Capital manage and further develop their people and company. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab also provides Column Capital with other benefits such as occasional business entertainment of its personnel.

### Column Capital Interest in Schwab's Services

The availability of these services from Schwab benefits Column Capital because the company does not have to produce or purchase them. Column Capital does not have to pay for Schwab's services so long as it keeps a total of at least \$10 million of client assets in accounts at Schwab. (Beyond that, these services are not contingent upon committing any specific amount of business to Schwab in trading commissions or assets in custody). The \$10 million minimum may give us Column Capital incentive to recommend that a

client maintain his/her account with Schwab based on the company's interest in receiving Schwab's services that benefit the company rather than based on the client interest in receiving the best value in custody services and the most favorable execution of his/her transactions. This is a potential conflict of interest. Column Capital believes, however, that its selection of Schwab as custodian and broker is in the best interests of its clients. It is primarily supported by the scope, quality, and price of Schwab's services (based on the factors discussed above) and not Schwab's services that benefit only the company. Column Capital has approximately \$392 million in client assets under management, and does not believe that maintaining at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

Column Capital is a fee-only, independent investment advisory firm. Advisory Representatives are not Registered Representatives of any broker/dealer firm. The Advisor has no written or verbal agreements with any service provider to receive soft dollars.

Column Capital receives traditional benefits from the custodian such as fee deduction; customized statements and reports; receipt of duplicate client confirmations and bundled duplicate statements. The Advisor does not consider the receipt of these traditional services of a nature that would impair the Column Capital's independence.

### ITEM 13 – Review of Accounts

Column Capital continues to provide ongoing Investment Advisory Services by monitoring the portfolio and by providing continuous advice and recommendations to the Client. Managed portfolios are generally reviewed on a quarterly basis, however reviews could also occur at the time of significant new deposits/withdrawals, material changes in client's financial information, changes in the market, as often as the client may prefer or at the Advisor's discretion. The review process includes analyzing client portfolios for allocations consistent with targets, unusual transactions, sensitivity to overall markets, economic changes, investment results, and any other parameters set forth in the investment policy statement or other stated directives. The purpose of the ongoing services between Column Capital and a client is ultimately to help ensure the investment strategies and

expectations are structured and modified in such a way to meet the client's needs and objectives.

Clients receive regular monthly or quarterly account statements from the custodian or brokerage firm they have selected. Column Capital may also prepare reports based upon the informational needs of the client and post-meeting communications at the discretion of the Advisor. If requested, the Advisor can arrange for the client to receive quarterly performance reports. Clients can also review their monthly performance reports via Black Diamond (independent performance reporting firm).

#### ITEM 14 – Client Referrals and Other Compensation

Column Capital does not utilize or permit payment in any manner to any solicitors or third-parties, and receives no payment for any client referrals or solicitations.

Column Capital does receive an economic benefit from Schwab in the form of the support products and services it makes available to independent investment advisors through their Schwab Advisor Services Business. These products and services, how they benefit Column Capital, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to Column Capital of Schwab's products and services is not based on Column Capital giving particular investment advice, such as buying particular securities for its clients.

#### ITEM 15 – Custody

Under government regulations, Column Capital is deemed to have custody of its clients assets if the client has authorized Column Capital to have his/her custodian (i.e. Schwab) deduct advisory fees directly from the client's account. The client's custodian (i.e. Schwab) maintains actual custody of his/her assets. The client will receive account statements directly from his/her custodian at least quarterly. They will be sent to the email or postal mailing address the client provides to the custodian. The client should carefully and promptly review those statements when received. Column Capital also urges the client to compare his/her custodian's account statements to the periodic account statements/portfolio reports he/she receive from Column Capital.

## ITEM 16 – Investment Discretion

Column Capital does maintain limited discretionary authority in client investment accounts. Column Capital may execute trades as evidenced by Investment Advisory Agreement. The Advisor will never have full power of attorney and will not have authority to withdraw funds or securities except where the client authorizes the deduction of advisory fees via their qualified custodian.

Clients have the ability to leave standing instructions with Column Capital to refrain from investing in particular industries, invest in limited amounts of securities, sell, request third-party checks (sent from the custodian directly to the client's address of record), electronic fund transfers, and to re-balance portfolios ("limited discretion").

## ITEM 17 – Voting Client Securities

Clients retain the authority to vote proxies and will be responsible for ensuring that all proxy materials are sent directly to them. Column Capital does not and will not vote proxies on behalf of the client. However, the client may delegate proxy voting authority to unaffiliated third party investment advisors (i.e. private money managers). This delegation will be documented in a separate contract between the client and the unaffiliated third party investment advisors. Clients must ensure that proxy materials are sent directly to them or their designee. Column Capital will not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

## ITEM 18 – Financial Information

Column Capital does not require prepayment of more than \$1,200 in fees per client six months or more in advance – as such, a Balance Sheet is not required and therefore not attached. There is also no known financial condition that is reasonably likely to impair this firm's ability to meet contractual commitments to clients, and the firm has not been the subject of a bankruptcy proceeding.

## ITEM 19 – State Registered Advisors

Column Capital is an SEC registered investment advisor – as such, this item is not applicable. However, Column Capital is registered or notice filed in each state that they are required to be registered in based on the firm's clients in each state.