

Andres Capital Management, LLC

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This brochure provides information about the qualifications and business practices of Andres Capital Management, LLC (hereinafter “ACM,” the “Firm,” “we,” “our”). If you have any questions about the contents of this brochure, please contact Armand “Ted” Palatucci at (484) 427-7836 or email him at tpalatucci@andrescapital.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 Andres Capital Management, LLC is available on the SEC’s website at www.adviserinfo.sec.gov.

Andres Capital Management, LLC is a registered investment adviser. Registration does not imply any level of skill or training.

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Item 2. Material Changes

This Brochure has been amended since the date of last issuance (November 1, 2016) to incorporate information about Andres Capital Management, LLC's (ACM's) provision of equity investment management services to a small number of client portfolios, update to ownership and to clarify certain aspects of ACM's business. Please see Items 4, 5, 8 and 12 for details.

On November 1, 2016 ACM amended this Brochure to report material changes in accordance with regulatory requirements. Material changes made to the ADV Part 2A include those listed below:

- ACM is in the process of switching from SEC registration as a federally registered investment adviser to registration in Pennsylvania as a state registered investment adviser.
- Regulatory assets under management noted in Item 4 below are \$30,777,471.60 as of November 30, 2016.

Any material changes in the future will also be reported in this section.

We will offer or deliver information on our qualifications and business practices to clients on at least an annual basis. Pursuant to regulatory requirements, 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 fiscal year end.

We will further provide you with a new Brochure as necessary, based upon changes or new information, at all times without charge. ACM's Brochure may be requested by contacting Ted Palatucci, Chief Compliance Officer, at (484) 428-3977 or tpalatucci@andrescapital.com.

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Firm Disclosure Brochure

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Item 4. Advisory Business

Andres Capital Management, LLC (“ACM,” the “Firm,” “we,” or “our”) is an independent investment advisory firm founded in April 2015. ACM is principally owned by Robert P. Andres, Managing Partner.

As of February 28, 2017, ACM managed \$30,836,565 in client assets, all on a discretionary basis. as disclosed in ACM's Form ADV Part 1. Concurrent with the change in its regulatory assets under management, ACM is in the process of registering in Pennsylvania as an investment adviser, and if necessary, will withdraw its registration with the SEC upon approval of its state registration status and/or within 180 days of its fiscal year end (12/31/16), whichever occurs first.

ACM as a registered investment adviser seeks to provide active portfolio management in taxable and tax-exempt accounts for individuals, corporations, other business entities, charitable organizations, trusts, estates, pension and profit-sharing plans, and other investment advisers, among others.

Prior to the rendering of any of the foregoing advisory services, clients of ACM are required to execute or more written agreements with ACM setting forth the relevant terms and conditions of the advisory relationship (the “Agreement”). While this Brochure generally describes the business of ACM, certain sections also discuss the activities of its supervised persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees, or any other person who provides investment advice on ACM's behalf and is subject to the Firm's supervision or control.

ACM delivers a current Brochure to clients in advance of the execution of the Agreement. When a copy of the Brochure is not provided to the client at least 48 hours prior to signing the Agreement(s), the client has five (5) business days in which to cancel the contract, without penalty.

Investment Management Services

ACM primarily manages customized fixed income portfolios on a discretionary basis by allocating assets among municipal securities, corporate debt securities, U.S. government securities, agency securities, mortgage pass-through securities and money market funds. ACM's services include the development of investment strategies, evaluation and appraisal of securities held as well as securities considered for purchase, construction of fixed-income investment portfolios, execution of securities purchase and sale transactions, and portfolio administration, including the tracking of portfolio performance and investment results.

For at least one client, ACM's services include the evaluation of equity securities, including Exchange Traded Funds (ETFs) held and considered for purchase, construction of equity investment portfolios, execution of equity purchase and sale transactions, and portfolio administration, including the tracking of portfolio performance and investment results.

ACM tailors its advisory services to meet the needs and objectives of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. ACM consults with clients on an initial and ongoing basis to determine various factors relevant to the management of their portfolios. Clients are advised to promptly notify ACM if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if ACM determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

Consulting Services

ACM may offer consulting services to financial intermediaries, such as financial advisors, who desire access to ACM's market outlook and portfolio analysis. ACM provides financial advisors with periodic written and oral opinions about the financial markets. At the request of financial advisor clients, ACM will review and analyze the investment statements of the advisor's existing and prospective clients, making recommendations where appropriate to refine investment policies and asset allocations given each client's goals, liabilities, and constraints.

Publication of Newsletters

Andres Review, ACM's proprietary newsletter, is available on our public website and via email distribution to clients and other interested recipients. Andres Review delivers current, informed, and impartial commentary to the investor community. Andres Review presents a counter balance to the subjective analysis pervasive in Wall Street commentary, emphasizing the development of unbiased macro-economic and market analysis to support ACM's investment process. ACM does not charge advisory clients a fee for Andres Review, however, ACM charges consulting clients for market opinions, which may incorporate content taken from Andres Review in whole or in part.

Item 5. Fees and Compensation

A written advisory agreement (the "Agreement") executed with each client describes fee arrangements. ACM offers its investment management services for an annual fee based upon a percentage of assets under management, including cash. Generally, the fee is prorated and charged quarterly, in arrears and calculated using the market value of all assets on the last valuation date selected by the custodian on the client's month end statement for the months of March, June, September, and December.

The specific fee schedule ranges from 50 basis points (0.50%) up to 100 basis points (1.00%) per annum and is determined by the type of client and the strategy used to manage the portfolio. For the initial term of the client engagement, the base fee is calculated on a pro rata basis. In the event the Agreement is terminated, the base fee for the final billing period is prorated through the effective date of the termination.

ACM offers its consulting services for a fixed monthly fee, to be negotiated between ACM and the institutional client based upon the nature of the services to be rendered. Fixed fees range from \$10,000 to \$60,000 per year, payable monthly, quarterly, or annually in arrears. Factors considered when negotiating consulting fees include financial advisor needs, frequency and depth of analysis required, and the time and effort necessary to fulfill reporting and meeting requirements.

Additional Fees and Expenses

In addition to the advisory fees paid to ACM, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively, "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, charges imposed directly by a mutual fund or ETF in a client's account as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described in Item 12, Brokerage Practices, below.

GENERAL INFORMATION

Billing and Fee Debit: Clients will be mailed (at the most current address provided) written notice of the fee amount ("Advisory Fee"). The notice will contain the itemized fee, the time period covered by the fee, the asset total used to calculate the fee and the formula used to calculate the fee. The Advisory Fee will be calculated quarterly in arrears for investment advisory services. Client will then advise ACM to send custodian a debit invoice (if ACM has been provided that authorization by the client) or client will remit payment to ACM. The Advisory Fee will be a percentage of the market value of all Assets in the Account on the date the custodian closed the quarter end statement. In any partial calendar quarter, the Advisory Fee will be pro-rated based on the number of days that the Account was open during the quarter. For accounts that terminated during the quarter a final invoice will be sent to the client using the market value on the date of termination.

If Client elects to have ACM debit fees from the Custodian account (once Advisory Fee Invoice has been mailed to client) the Custodian will send Client a quarterly statement showing all amounts paid from the Account, including all fees paid by Custodian to ACM.

On at least a quarterly basis, the Financial Institution that acts as qualified custodian for each client account is required to send to the client a statement showing all transactions within the account during the reporting period, including any amounts paid to ACM. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there

may be an error in their statement.

ACM will directly invoice the client for fees and take client direction if fees are debited from client custodian account or paid by client to ACM. Please see Item 15, Custody, for more information about direct client fee debiting arrangements.

Limited Negotiability of Advisory Fees: Although the Firm has established the range of fees listed above, we may negotiate alternative fees on a client-by-client basis. Client facts, circumstances, and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reports, among other factors. Clients with similar financial situations and investment goals may pay different fees. We will review all fees to ensure that they are reasonable. The specific fee schedule will be identified in the contract between the Firm and each client.

We may group certain related client accounts for the purposes of determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of supervised persons of our Firm.

Account Additions and Withdrawals: Clients may make additions to or withdrawals from their account at any time, subject to ACM's right to terminate an account. Additions may be in cash or securities, recognizing that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to ACM, subject to the usual and customary securities settlement procedures. However, ACM designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. ACM may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax implications.

Termination of the Advisory Relationship: The client Agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded and any earned, unpaid fees will be due and payable. In calculating a client's reimbursement of fees, we will pro rate the reimbursement in accordance with the number of days remaining in the billing period.

Mutual Fund and ETF Fees: All fees paid to ACM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our Firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each

client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total dollar amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

ERISA Accounts: ACM may be deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our Firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, ACM may only charge fees for investment advice about products for which our Firm and/or our related persons do not receive any commissions or 12b-1 fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of investment management fees greater than \$1,200 more than six months in advance of services rendered.

Item 6. Performance-Based Fees and Side-by-Side Management

ACM does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

Item 7. Types of Clients

We seek to provide advisory services to the following types of clients:

- Individuals (other than high net worth individuals);
- High net worth individuals;
- Pension and profit sharing plans;
- Trusts;
- Estates;
- Charitable organizations;
- Investment advisers; and
- Corporations or other business entities.

Minimum Account Requirements: ACM does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship.

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

Methods of Analysis

ACM considers each client's objectives and risk tolerance during the portfolio construction process. ACM generally utilizes a combination of fundamental and cyclical methods of analysis. ACM undertakes extensive analysis of the shape and slope of the securities yield curve to capture investment opportunities offering optimum trade-offs between price risk and incremental yield. ACM also examines spread relationships among different fixed-income sectors, such as federal agency debt, structured products, and corporate obligations.

Fundamental Analysis: ACM attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of a company or government entity) to determine if the company or government entity is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). ACM looks for securities which offer attractive after-tax yields, strong/improving issuer fundamentals, sound security structure liquidity/marketability, and relative value.

Cyclical Analysis: ACM seeks to add value for its clients through disciplined management of fixed-income portfolio holdings over the entire interest rate cycle. The key to the Firm's investment approach is to appraise correctly where it is in the overall interest rate cycle at any given time, then to array portfolio holdings correctly to benefit from favorable moves in interest rates as they play out or to defend against unfavorable ones. Bond prices move inversely to interest rates – they rise when rates go down and vice-versa. Bond prices are also more volatile – meaning that they change by a greater magnitude – for longer-maturing bonds than for shorter ones. For these reasons, the Firm tries to lengthen portfolio maturities when it believes interest rates are headed down, and to shorten them when it thinks interest rates are about to rise.

General Analytical Risk: ACM's analytical methods rely on the assumption that the entities whose securities the Firm purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While ACM is alert to indications that data may be incorrect, there is always a risk that the Firm's analysis may be compromised by inaccurate or misleading information.

Investment Strategies and Risks of Loss

ACM may use any or all the following investment strategies in identifying attractive investment opportunities or determining an investment program for the client. Clients should review with the Firm the specific investment strategies being used for the client's portfolio.

- Purchasing securities with strong and/or improving credit quality with sound security structure.

- Ensuring that all holdings within the portfolio are within their product description investment grade ratings and U.S. dollar denominated.
- Seeking various specific weighted average durations, with weighted average credit ratings of single A or above.
- Actively managing to help achieve tax efficient considerations regarding any state and local income taxes.

General Risk of Loss: The profitability of a significant portion of ACM's recommendations may depend to a great extent upon correctly assessing the future course of price movements of certain asset classes. There can be no assurance that ACM will be able to predict those price movements accurately. Investing in securities involves the risk of loss and clients should be prepared to bear potential losses.

Fixed-Income Securities Risk: Fixed-income securities are subject to interest rate risk and credit quality risk. The market value of fixed-income securities generally declines when interest rates rise, and an issuer of fixed-income securities could default on its payment obligations.

Equities Securities Risk: Equities are exposed to general stock market swings and changes in the business cycle which may alter market opinions about the short-term or long-term prospects for an issuer of equity securities. Equity investments in smaller companies involve added risks such as limited liquidity and greater fluctuations in their perceived value which may impact our ability to sell these investments at a fair and competitive price in a timely manner.

Foreign Securities Risk: Investments in foreign securities may introduce greater volatility to client portfolios. Additional risks include political risk, currency translation risk, and lack of transparency (i.e., accounting methods, regulatory reporting requirements, shareholder protection rules, etc.).

Mutual Funds and ETFs: An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for index-based ETFs and more frequently for actively managed ETFs. However, certain

inefficiencies may cause shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Exchange-Traded Notes (ETNs): ACM may recommend an investment in, or allocate assets among, various exchange-traded notes ("ETNs"). ETNs are unsecured debt securities which are listed on securities exchanges and transacted at negotiated prices in the secondary market. ETNs are designed to track the performance of a corresponding benchmark. An ETN is essentially a contract between an issuer and the ETN holder, whereby the issuer, upon maturity, agrees to pay an amount relative to the returns of an underlying benchmark. In addition to the risks associated with the specific benchmark, ETN holders are also subject to various counterparty concerns. In this respect, the value of an ETN may be adversely impacted by a downgrade to the issuer's credit rating and/or an unwillingness or inability of the issuer to perform its contractual obligations.

Management Through Similarly Managed "Model" Accounts: ACM may manage certain accounts through the use of similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various mutual funds, ETFs and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through these models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

While the Firm seeks to ensure that clients' assets are managed in a manner consistent with the selected Investment Product Strategy, their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact ACM if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

Agency Cross Transactions: ACM will not engage in Agency Cross Transactions.

Item 9. Disciplinary Information

ACM has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

Neither ACM nor its employees are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither ACM nor its employees are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or a representative of the foregoing.

Item 11. Code of Ethics

ACM has adopted a Code of Ethics which sets forth high ethical standards of business conduct that is required of its employees and supervised persons, including compliance with applicable federal securities laws.

The Firm and its personnel owe a duty of loyalty, fairness, and good faith towards its clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures governing 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. Our code also provides for oversight, enforcement, and recordkeeping provisions.

Our Code of Ethics further includes the Firm's policy prohibiting the use of material non-public information. While we do not believe that we have any specific access to non-public information, all employees and supervised persons are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by calling us at (484) 428-3977.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our Firm and/or individuals associated with our Firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. It is the express policy of our Firm that no access person may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our Firm's Code of Ethics, to ensure our Firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No supervised person or employee of our Firm may put his or her own interest above the interest of an advisory client.
- No supervised person or employee of our Firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- We maintain a list of all reportable securities holdings for our Firm and anyone associated with our advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our Firm's Chief Compliance Officer or his/her designee.
- We have established procedures for the maintenance of all required books and records.
- Clients may impose reasonable restrictions upon ACM in the management of their accounts.
- All of our supervised persons and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- We require delivery and acknowledgement of the Code of Ethics by each supervised person of our Firm.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- Any individual who violates any of the above restrictions may be subject to disciplinary action and/or termination.

Item 12. Brokerage Practices

ACM works with fixed-income securities, equity securities, mutual funds, and ETFs. When determining dealers to be used in the execution of securities transactions, ACM considers dealers': (i) expertise and market-making capabilities with respect to the type of securities being bought and sold, (ii) history of making competitive bids and offers, and (iii) history of flexibility with respect to settlement dates. It is the Firm's practice to transact business with the dealer making the best bid or offer on each security transaction,

consistent with settlement date needs of its clients. In certain situations, it may be in the client's best interests for ACM to utilize the client's custodian to buy or sell certain securities, particularly equity securities.

Research and Other Soft Dollar Benefits: ACM does not use soft dollars for any accounts. ACM generally does not accept research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions.

Please see additional disclosures about brokerage practices in Item 10 (Other Financial Industry Activities and Affiliations) of this Brochure.

Brokerage for Client Referrals: ACM does not consider, in selecting broker-dealers, whether ACM receives client referrals from such broker-dealer or third party.

Directed Brokerage: ACM does not recommend, request, or require that a client direct execution of transactions through a specified broker-dealer. However, certain clients may provide us with written, standing instructions to execute all or a portion of their portfolio transactions with a chosen broker-dealer. This practice is known as 'directed brokerage.' We will consider new client directed brokerage arrangements on a case-by-case basis, as long as the contemplated arrangement does not materially undermine our ability to provide the best qualitative execution for the client. We do not negotiate commissions or volume discounts for clients under directed brokerage arrangements, and therefore directed brokerage clients must negotiate commission rates on their own behalf. Therefore, these clients might pay materially different commissions depending on the commission arrangement with the broker and factors such as share lot size, security market capitalization, and market conditions at the time of trade.

Trade Aggregation and Allocation: ACM will aggregate trades across various client accounts. This is done only when the purchase or sale of a security is in the best interest of each individual client account. When a trade is aggregated across client accounts, one or all the following characteristics of each individual client account is considered: risk tolerance, investment objective, investment horizon, liquidity needs, place of residence, marginal tax bracket, and any limits or preferences the client has specified regarding their account.

In allocating the aggregated trades to client accounts, ACM's practice is to allocate securities to portfolios deriving the greatest benefit from the additional investment, taking into account (i) the suitability of the available security for each portfolio, given the credit and maturity profiles of the portfolios, (ii) the proportion of cash awaiting investment to the overall size of each portfolio, (iii) the opportunity to break the security purchased into transactional-efficient multiples when distributing allocations among portfolios, (iv) the availability of close substitutes among securities offered in the new issue and secondary markets, and (v) ACM's best execution obligations.

Clients participating in an aggregated order shall receive an average share price with other transaction costs shared on a pro rata basis. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the terms of the order. If the order is partially filled, it will be allocated pro rata based on trade order details. ACM receives no additional compensation of any kind due to the proposed aggregation. Individual investment advice and treatment will be accorded to each client.

Some factors that may lead to an account receiving an allocation other than on a strict pro-rata basis include unique client objectives, restrictions, cash flows or tax status. Precise pro-rata allocations may not be achieved due to factors such as the rounding of quantities to achieve round lot positions in client accounts. Transaction costs will be assigned based upon the account's commission schedule.

Item 13. Review of Accounts

Account Reviews

ACM monitors investment portfolios as part of a continuous and ongoing process while regular account reviews are generally conducted monthly. The investment team meets weekly to discuss market developments and asset allocation strategies. Portfolio Managers implement tactical portfolio actions within client portfolios, based on their specific area of expertise (i.e., municipal bonds, corporate bonds, equity securities, etc.).

All investment advisory clients are encouraged to discuss their needs, goals, and objectives with ACM and to keep ACM informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are held in custody.

Item 14. Client Referrals and Other Compensation

Client Referrals

Our Firm does not currently pay referral fees to independent persons or firms.

Item 15. Custody

As previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure, we may cause custodian to debit advisory fees from client accounts upon client instruction after the client invoice is sent to the client. ACM is deemed to have limited custody solely because advisory fees may be directly deducted from client's account by the custodian on behalf of ACM. We have adopted policies and procedures to safeguard client assets, including assets maintained in client accounts where ACM personnel have the authority to deduct advisory fees. Clients are responsible to select qualified custodians to hold funds and securities within investment accounts managed on their behalf. A client must authorize any direct fee debit arrangements with the custodian.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. ACM sends the client a written notice itemizing the fee, including any formula used to calculate the fee, the time period covered by the fee, and the dollar value of assets under management on which the fee was based. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our Firm does not have any other type of custody of client accounts, securities, or cash.

Item 16. Investment Discretion

Clients hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell;
- determine the amount of the security to buy or sell;
- determine when transactions are made;
- determine the financial institution to be used; and
- determine the commission rates to be paid to a broker or dealer for a client's securities transactions.

When executing fixed-income securities transactions, there is no commission; rather transactions costs are embedded in the bid-ask spread of the securities. The spread may range from a tick to several basis points per transaction, depending on the security type, interest rate, maturity, new issue or secondary issue, and general liquidity conditions in the marketplace. Equity and ETF commission rates will vary in accordance

with the commission schedule of client custodians. Commissions may be expressed as a flat per trade charge, or on a cents-per-share basis.

Clients give us discretionary authority when they sign a discretionary agreement with our Firm, and may limit this authority by giving us written instructions. Clients may also amend such limitations by once again providing us with written instructions.

Item 17. Voting Client Securities

As a matter of Firm policy, we do not vote proxies on behalf of clients. Therefore, although our Firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

Item 18. Financial Information

ACM is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in investment management fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19. Requirements for State Registered Advisers

Executive Officer and Management Personnel

The following individuals are the principal executive officers and management persons of Andres Capital Management, LLC:

- Robert P. Andres, Managing Partner
- Theodore Palatucci, Partner

Information regarding the formal education, business background, and outside activities of these professionals is provided in their respective Brochure Supplements.

Performance-Based Fees

As noted above in Item 6 (Performance-Based Fees and Side-By-Side Management), ACM does not charge performance-based fees for its services.

Arbitrations and Regulatory Events

ACM and its employees have not been the subject of any client arbitrations. ACM and its employees have never been found liable in a civil, self-regulatory organization, or administrative proceeding of any kind.

Issuer of Securities

ACM and its management personnel do not have any relationships with issuers of securities.