

DISCLOSURE BROCHURE

THE INVESTMENT ADVISERS ACT OF 1940 RULE 203-1

Part 2A of Form ADV: Firm Brochure



STRATEGIC INVESTMENT STRUCTURING

SEC File #: 801-96226
Firm IARD/CRD #: 226543

Bighorn Asset Management, LLC
REGISTERED INVESTMENT ADVISOR

This Disclosure Brochure provides information about the qualifications and business practices of Bighorn Asset Management, LLC, which should be considered before becoming a client. You are welcome to contact us if you have any questions about the contents of this brochure - our contact information is listed to the right. Additional information about Bighorn Asset Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator. Furthermore, the term "registered investment advisor" is not intended to imply that Bighorn Asset Management, LLC has attained a certain level of skill or training.

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**BROCHURE
DATED**

**1
JANUARY
2016**

MATERIAL CHANGES

SEC Rule 204-3(b)(2) allows us to provide you with a summary page of Material Changes in lieu of sending out our entire Disclosure Brochure. If you are being offered this Material Change page as a separate piece from our Disclosure Brochure and you have questions about these summary disclosures or would like a current copy of our Disclosure Brochure to review, **you may contact us and a current, complete Disclosure Brochure will be sent free of charge.**

Revised Fee Schedule

We have consolidated our Investment Programs into a single investment strategy and modified the portfolio values per tier break. In addition, we made modifications to our performance-based fee structure.

Our asset-based management fee schedule is as follows:

Portfolio Value	Annual Fee Rate
Up to \$5,000,000	3.00%*
Over \$5,000,000	2.00%

* Fees of 3.00% or higher are generally considered excessive and higher than fees charged by the majority of investment advisors. Therefore, it is possible that you could contract with another investment advisor and receive equivalent service and performance at a lower cost.

There were no changes made to how the fee was calculated or the billing arrangements. For more information, see our Disclosure Brochure under "Portfolio Management Fee" in Item 5, "Fees & Compensation".

Our performance-based fee structure:

Portfolio Value	Base Management Annual Fee Rate	Performance-Based Fee	Hurdle Rate
Up to \$5,000,000	1.00%	18%	1.00%
Over \$5,000,000	0.50%	10%	1.00%

The new performance-based fee structure will include a base management fee charged for the management of a performance traded account, irrespective of a performance fee, based on a revised tier fee schedule as indicated above. There were no changes to how the performance fee is calculated. The performance trading account must still exceed the prior high watermark account value by 1.00% (the hurdle rate), before a performance fee will be charged. This fee structure will not go into effect until July 1, 2016 for existing clients.

For more information on our performance-based management services, see our Disclosure Brochure under Item 6, "Performance-Based Fees & Side-By-Side Management".

BIGHORN ASSET MANAGEMENT, LLC

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This brief is being provided to you as a summary of what has been fully disclosed in our Disclosure Brochure dated January 1, 2016. The information contained on this Material Change page has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator.



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BROCHURE SUPPLEMENTS



ADVISORY BUSINESS

ITEM 4

Who We Are

Bighorn Asset Management, LLC (hereinafter referred to as “Bighorn”, “the Company”, “we”, “us” and “our”) is a registered investment advisor¹, organized as a Florida Limited Liability Company in April of 2015. Our investment strategies focus on maximizing short-term investment returns, generating cash flow, and enhancing the income potential to you, our client², using a proprietary market-timing strategy to increase wealth while maintaining the financial stability, security, and independence you desire.

Owners

The following persons control the Company:

Name	Title	CRD#
Bighorn Holdings, LLC	Holding Company & Managing Member of Bighorn Asset Management, LLC	N/A
Joe St. John	Managing Member of Bighorn Holdings, LLC & Member-President of Bighorn Asset Management, LLC	5593935
M. Shawn Stuart	Managing Member of Bighorn Holdings, LLC & Member-Vice President of Bighorn Asset Management, LLC	6484253

Our Mission

Our mission is to use our strategic investment structuring methodology to achieve long-term, consistent growth and capital appreciation in your investment portfolio. We maintain one overall objective - structure and implement investment strategies designed to **maximize** wealth, **maintain** investment expectation, and **minimize** risk.

Assets Under Management

As of January 1, 2016, our assets under management totaled:

Discretionary Accounts..... \$12,100,000

We do not offer non-discretionary investment management services.

¹ The term “registered investment advisor” is not intended to imply that Bighorn Asset Management, LLC has attained a certain level of skill or training. It is used strictly to reference the fact that we are “Registered” as an “Investment Advisor” with the United States Securities & Exchange Commission (the “SEC”) - and “Notice Filed” with State Regulatory Agencies that have limited regulatory jurisdiction over our business practices.

² A client could be a high net-worth individual and their family members, a family office, a foundation or endowment, a charitable organization, a corporation and/or small business, a trust, a guardianship, an estate, or any other type of entity to which we choose to give investment advice. If the management account is performance-based, the client must also meet the requirements of SEC Rule 205-3.



What We Do

We manage wealth using a proprietary market-timing model to trade sector specific Exchange-Traded Funds (“ETFs”) with the objective of maximizing the intraday price movement of a security over the course of a single trading session. When we expect advances in a particular market sector(s), we will place capital into the appropriate ETFs. When we expect declines in a market sector(s), capital will be placed into inverse ETFs to earn profit while the market is declining. When our trading system does not find a profitable entry point into the market, capital will be placed into money market/cash equivalent funds to earn interest. Our strategy is a combination of:

1. Selecting from a **diversified mix of sector ETFs** using an investment model that has a close correlation with the Dow Jones Index, S&P 500 Index, Russell 2000 Index, the NASDAQ 100 Index, sector specific commodities (i.e, oil, gas, etc.), and various international Indexes;
2. **Proprietary algorithms and trading methodologies** for finding the greatest common denominators for these investments based on percentage of movement and relative movement; and,
3. **Momentum indicators**, such as, trend breakouts, regardless of direction, for enhanced performance and participation in major market trends and sector trends.

Our ETF market-timing portfolio model is designed: (i) to fully participate in bull markets to take advantage of the current economic environment; and, (ii) hedge against market corrections during bear markets to produce consistent, stable investment returns.

Information regarding our management fee structures is disclosed under “Portfolio Management Fee” in Item 5, “Fees & Compensation”, “Performance-Based Fee” in Item 6, “Performance-Based Fees & Side-By-Side Management”, and further description of our investment strategies under Item 8, “Methods of Analysis, Investment Strategies & Risk of Loss”.

FEES & COMPENSATION

ITEM 5

Portfolio Management Fee

Portfolio management is provided on an asset-based fee arrangement. Our management fee is calculated based on the **aggregate market value** of your account on the last business day of the previous calendar month **multiplied by one-twelfth** of the corresponding annual percentage rate (e.g., $3.00\% \div 12 = 0.25\%$). Portfolio management fees are **non-discretion**. As your portfolio value exceeds the tier level, either through additional deposits or asset growth, a fee break will occur. The tier breaks are as follows:

Portfolio Value	Annual Fee Rate
Up to \$5,000,000.....	3.00%*
Over \$5,000,000.....	2.00%

* Fees of 3.00% or higher are generally considered excessive and higher than fees charged by the majority of investment advisors. Therefore, it is possible that you could contract with another investment advisor and receive equivalent service and performance at a lower cost.

We generally require a minimum initial investment of **\$100,000** to open a managed account; however, we retain the right to **waive or reduce** this minimum if we feel circumstances are warranted.



Protocols for Portfolio Management

The following protocols establish how we handle our portfolio management accounts and what you should expect when it comes to: (i) managing your account; (ii) your bill for investment services; (iii) deposits and withdrawing funds from your account(s); and (iv) other fees charged to your account(s).

Discretion

We will establish discretionary trading authority on all management accounts to execute securities transactions at anytime without your prior consent or advice.

At anytime however, you may impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.).

Billing

Your account will be **billed monthly in arrears**. For **new managed** accounts opened in mid-month, our fee will be based upon a **pro-rated calculation of fair market value of the assets managed** for the current monthly period. For **existing management accounts**, pro-rated adjustments will be made for deposits between billing cycles.

Advisory fees will be deducted first from any money market funds or balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees. Such liquidation may affect the relative balances of the account.

Fee Exclusions

The above fees for all of our portfolio management services are exclusive of any charges imposed by the custodial firm who has custody of your account; including, but not limited to: (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or account charges, such as, postage/handling fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with securities held in your managed account. There can also be other fees charged to your account that are unaffiliated with our management services.

In addition, all fees paid to us for portfolio management services are separate from any fees and expenses charged on mutual fund shares by the Investment Company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense, such as 12b-1 fees. Redemption fees, account fees, purchase fees, contingent deferred sales charges, and other sales load charges may occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds/ETFs is contained in each mutual fund's or ETF's prospectus. You are encouraged to carefully read the fund prospectus.

For more information on the custodial firm that we will recommend to custody your portfolio accounts, see Item 12, "**Brokerage Practices**".



Termination of Portfolio Management Services

To terminate our portfolio management services, either party (you or us) by **written notification to the other party**, may terminate the Investment Advisory Agreement at any time, provided such written notification is received **at least 24-hours prior** to the date of termination. Such notification should include the date the termination will go into affect along with any final instructions on the account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity).

In the event termination does not fall on the first/last day of a calendar month, **we will bill your account a pro-rated fee** based on the number of days during the month we managed your account. **Once the termination of investment advisory services has been implemented, neither party has any obligation to the other** - we no longer earn management fees or give investment advice and you become responsible for making your own investment decisions.

PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

ITEM 6

Performance-Based Fee

Should you be interested, and meet the minimum qualifications, we offer an optional performance-based management fee structure that is **a share of the trading profits** in your account should we outperform the stated benchmark. The fee structure for a performance-based trading account is set as follows:

Portfolio Value	Base Management Annual Fee Rate	Performance-Based Fee	Hurdle Rate
Up to \$5,000,000	1.00%	18%	1.00%
Over \$5,000,000	0.50%	10%	1.00%

We generally require a minimum initial investment of \$250,000³ to open a performance-based trading account; however, we retain the right to **waive or reduce** this minimum if we feel circumstances are warranted.

The “**base management fee**” is a **non-negotiable annual fee** charged for the management of a performance traded portfolio account irrespective of a performance fee. The management fee is calculated based on the **aggregate market value** of the performance trading portfolio on the last business day of the previous calendar month **multiplied by one-twelfth** of the corresponding annual percentage rate (e.g., $1.00\% \div 12 = 0.083334\%$).

If the account value, at the close of the calendar month, **exceeds the prior high watermark account value by 1.00%** (the hurdle rate), we will earn the corresponding performance-based fee for **all** the trading profits over the high watermark, **plus** the annual base management fee charged whether the performance traded account exceeded the high watermark or not.

³ The minimum account size of \$250,000 is negotiable on a client-to-client basis. However, regardless of the minimum account size, you must still meet either the \$1,000,000 or \$2,000,000 requirement for performance management (See “Regulatory Restrictions” below for more information.), understand the risks involved in an aggressive investment strategy, and be able to absorb the potential loss that can occur in this type of strategy.



Other considerations:

- ❖ The “**high watermark**” is the performance traded portfolio market value at the close of a calendar month, adjusted for deposits, withdrawals, our monthly management fee, and our performance fee earned from the prior month, if any.
- ❖ The “**hurdle rate**” is the minimum rate of return that must be achieved in order for us to collect a performance fee. If the market value of the performance traded portfolio at the close of a calendar month **exceeds the prior high watermark by 1.00%**, that market value becomes the new “high watermark”. **The high watermark resets January 1st of each calendar year.**
- ❖ The “**market value**” is the value of the performance traded portfolio account as shown on the account statement at the close of each month provided by the custodial firm.

Performance-Based Fee Billing

The performance-based fee is **billed to the account monthly in arrears**. The performance-based fee will **only** be assessed if the account value exceeds the previously established high watermark by the hurdle rate of 1.00%. At that point, the performance-based fee, calculated using the above fee structure, will be based on **all the trading profits over the high watermark**.

For example, if the high watermark was set at \$1,000,000 for your performance traded portfolio account, the portfolio value of your account, at some point during the calendar year, must exceed the hurdle rate of \$1,010,000 before we bill a performance fee. If we do not exceed this hurdle rate at any point again during a calendar year, **we will not bill a performance-based fee**. Remember, the hurdle rate resets January 1st of each calendar year.

As a basic example, if the hurdle rate is \$1,010,000 and your account value at the end of the calendar month increases above the hurdle rate to \$1,019,000, we would calculate our performance fee as follows: $\$1,019,000 - \$1,000,000 = \$19,000 \times 18\% = \$3,420$. The new high watermark would be \$1,019,000, and the hurdle rate would be \$1,029,190 ($\$1,019,000 + 1.00\%$).

Withdrawing Assets from Your Performance Trading Account

Should you withdraw assets from your performance trading portfolio account during the month effectively lowering your monthly account value to a level that could cause us to not earn a performance fee, we reserve the right to reduce the high watermark set on your account equal to the amount of your withdraw.

Termination of Performance Trading Services

A performance trading account can be terminated at any time at the end of a calendar month. Upon termination, if your performance trading account exceeds the monthly high watermark, we will bill your account our performance fee.

Regulatory Restrictions

To participate in the performance trading strategy, you must meet the minimum requirements of SEC Rule 205-3(d)(1), which are only available to you if:

- ❖ You fully understand the risks involved in performance-based fee management;



- ❖ You have at least \$1,000,000 under management with us or a net worth equal to or greater than \$2,000,000; or,
- ❖ You are a “qualified purchaser” under Section 2(a)(51)(A) of the Investment Company Act of 1940.

Performance-Based Account Disclaimer

Since our performance-based trading accounts are managed exactly as our standard asset-based management accounts, it is important to note that any performance based fee structure will at times result in a higher fee being charged than in a conventional flat fee arrangement.

TYPES OF CLIENTS

ITEM 7

The types of clients we offer advisory services to are described above under “Who We Are” in the Item 4, the “Advisory Business” section. Our minimum account size for portfolio management is disclosed above under “Investment Programs” in Item 5 above in the, “Fees & Compensation” section of this Brochure.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

ITEM 8

Our advisory services are designed to build long-term wealth while maintaining risk tolerance levels acceptable to you. We combine your investment objectives, time horizon, and risk tolerance to yield an effective investment allocation strategy and then match the strategy with our investment programs. All of our programs’ investments are made Exchange-Traded Funds (“ETFs”).

Methods of Analysis

In analyzing ETFs we will use a combination of analysis techniques to gathering information and to guide us in our management decisions.

Fundamental Analysis

Fundamental analysis considers: efficiency ratios, growth rates, enterprise value, economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios and tax benefits.

RISKS - Fundamental analysis places greater value on the long-term financial structure and health of a company, which may have little to no bearing on what is actually happening in the market place. Investing in companies with sound financial data/strength and a history of health returns can be a good long-term investment to hold in your portfolio; however, such fundamental data does not always correlate to the trading value of the stock on the exchanges. In the short-term, the stock can decrease in value as investors trade in other market sectors.

Quantitative Analysis

Quantitative analysis seeks to understand the behavior of a security using mathematical and statistical modeling to measure certain unique characteristics such as, for example,



revenues, earnings, margins, and market share. Mathematical and statistical modeling helps us to ascertain security price and risk to ultimately help identify profitable opportunities.

RISKS - The key benefit of quantitative analysis is its ability to reduce complex figures to a single piece of data that is easy to grasp, discuss, and support decision-making and investment recommendations. However, using quantitative analysis alone with no further evaluation is often too narrow and sometime misleading since focus is on financial data while neglecting other details such as management experience, employee attitudes, and brand recognition.

Technical Analysis

Technical analysis utilizes current and historical pricing information to help us identify trends in the broader domestic and foreign equity and fixed income markets, and in the underlying assets themselves. This may involve the use of various technical indicators, such as moving averages and trend-lines, among others.

RISKS - Technical analysis is charting the historical market data of a stock, taking into consideration current market conditions, to forecast the direction of a future stock price rather than using fundamental tools for evaluating a company's financial strength. Technical analysis focuses on the price movement of a security trading in the market place. This is an ideal tool for short-term investing to identify ideal market entry/exit points. However, no market indicator is absolutely reliable and your investment portfolio can underperform in the short-term should the market indicators be incorrect.

Cyclical Analysis

Market cycles provide historic tried and true timing mechanisms to indicate turning points in future market prices. By tracking historic data through charts and graphs we can improve entry and exit strategies.

RISKS - Cyclical data reveals regular intervals of repeated events that can be forecasted into the future to time the market on when to buy/sell a security. The risk with cyclical analysis is attempting to buy/sell a security based on a future price prediction and missing beneficial movements in price due to an error in timing. This causes harm to the value of the security being bought too high or sold too low.

Fundamental analysis provides us with a broad long-term view of a security that begins with determining a company's value and the strength of its financials while **quantitative analysis** assists us with portfolio optimization techniques. **Technical analysis** is short-term focusing on the statistics generated by market activity; and, **cyclical analysis** provides us with historical data on market trends to focus our technical analysis for ideal entry/exit points.

Investment Strategy

Our proprietary investment strategy is formula driven designed to calculate risk and probability with the overall objective being to preserve asset growth while, at the same time, participating with the potential appreciation of the market.

- ❖ **Dynamic Asset Allocation** - The core component of our investment strategy is our allocation model we have developed for investing in the Dow Jones Index, S&P 500 Index, Russell 2000 Index, the NASDAQ 100 Index, and various international Indexes.



From the model we have selected the top-performing fund families. The portfolio mix is made up of equity funds, inverse index funds and money market funds or cash equivalent funds⁴.

- ❖ **Proprietary Algorithms and Trading Methodology** - This part of the investment strategy incorporates the information obtained from the allocation models and the formulas developed through computer-aided analysis, and the back testing of trading methodologies in various market conditions, which are then applied to the direction of each investment chosen (trading long or short) in comparison to the overall direction of the market.
- ❖ **Momentum Indicators** - With momentum indicators in place, index and sector ETFs will be traded more heavily on breakouts. When measuring these sectors, this strategy is designed to allow for enhanced performance on major swing days, market crashes and upside movement while attempting to reduce or mitigate overall growth portfolio risk by limiting losses incurred.

There is always a time to buy and a time to sell even the most attractive security; we do not feel compelled to be fully invested in ETFs when an alternative investment (cash reserves) offers a more attractive opportunity. In fact, it is our belief that avoiding severe losses is more important in determining overall market performance over the course of an entire market cycle.

Managing Risk

The biggest risk to you is the risk that the value of your investment portfolio will decrease due to moves in the market. This risk is referred to as the market risk factor, which is made up of four primary risks:

- ❖ **Interest Rate Risk** - Interest rate risk affects the value of bonds more than stocks. Essentially, when the interest rate on a bond begins to rise, the value (bond price) begins to drop; and vice versa, when interest rates on a bond fall, the bond value rises.
- ❖ **Equity Risk** - Equity risk is the risk that the value of your stocks will depreciate due to stock market dynamics causing one to lose money.
- ❖ **Currency Risk** - Currency risk is the risk that arises from the change in price of one currency against that of another. Investment values in internationally securities can be affected by changes in exchange rates.
- ❖ **Commodity Risk** - Commodity risk refers to the uncertainties of future market values and the size of future income caused by the fluctuation in the prices of commodities (i.e., grains, metals, food, electricity, etc...).

The risk factors we have cited here are not intended to be an exhaustive list, but are the most common risks your portfolio will encounter. Other risks that we haven't defined could be political, over-concentration, and liquidity to name a few. However notwithstanding these risk factors, the most important thing for you to understand is that regardless of how we analyze securities or the investment strategy and methodology we use to guide us in the management of your investment portfolio, **investing in a security involves a risk of loss that you should be willing and prepared to bear; and furthermore, past market performance is no guarantee that you will see equal or better future returns on your investment.**

⁴ Although we have the tools to utilize a dynamic mix of investment vehicles, we may at times be 100% invested in one ETF. The funds can range from an ultra-conservative fund (Money Market or Cash equivalent) to a highly aggressive three times leveraged ETF.



DISCIPLINARY INFORMATION

ITEM 9

We have no legal or disciplinary events to report.

OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

ITEM 10

Financial Industry Affiliations

In addition to being the Vice President of Bighorn, Mr. M. Shawn Stuart also serves as President of Health Sciences Assurance Consulting, Inc. ("HSAC"), a licensed insurance agency with the State of Florida offering insurance and risk management services to individuals and businesses.

Mr. Stuart's duties with HSAC includes providing operational oversight and servicing the needs of his insurance clientele, which can vary up to 35% of his workweek depending on his responsibilities and administrative duties. This can **occasionally create a time management conflict that you should consider**. However, we do not feel Mr. Stuart's responsibilities to HSAC will distract from his duty to manage your investment portfolio.

Referral to, from, and between Bighorn and HSAC creates a **potential conflict of interest to our fiduciary duty to be impartial** with our advice and to keep your interests ahead of our own. As a control person, shareholder, and/or agent with each entity, Mr. Stuart is able to influence the direction of investment activities and purchase of insurance products - keeping all services in house.

Accepting Mr. Stuart's recommendation to use HSAC for your insurance needs can lead to increased personal revenues in the form of advisory/consulting fees, salary, income/dividend returns, bonuses, commissions, and incentive programs. Therefore, before accepting his recommendation to engage HSAC, **you may wish to consider other options to ensure that the services are comparable or equivalent to the service you might receive from another independent firm**.

Financial Industry Activities

Health Sciences Assurance Consulting, Inc. ("HSAC"), is a licensed insurance agency with the State of Florida. Mr. Stuart is currently the only supervised person of Bighorn licensed to sell insurance-related products and earn commissions from the sale of these products.

As an insurance agent, there are potential conflicts of interest when Mr. Stuart, as a licensed Investment Advisory Representative, suggests the need for you to purchase an insurance product in which he will earn a commission. This can create a situation of **divided loyalty and the objectivity of the advice we render could be subjective**. Therefore, to ensure you understand your options should Mr. Stuart approaches you on insurance products, we are providing you the following disclosures:

- ❖ You are under **no obligation to accept** Mr. Stuart's recommendation to purchase insurance related products. You are free to reject the recommendation; or, if you need the insurance, to choose the insurance agency, agent, and insurance company from whom to purchase the insurance. However, keep in mind that if you elect to purchase the insurance, **regardless of where, and from whom you purchase it, such person will be entitled to earn a commission**.



- ❖ Bighorn does not receive a share of any commissions earned by Mr. Stuart or receive any economic benefit from the independent insurance companies.

Notwithstanding such potential conflicts of interest, **we strive to serve your best interest and ensure such disclosure is being properly made to you** in compliance with the Investment Adviser Act of 1940, Rule 275.206.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, we have adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.
- ❖ Compliance with applicable rules and regulations.
- ❖ Reporting of any violation of the Code.
- ❖ Accountability.

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

Client Transactions

We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

Participation or Interest

It is against our policies for any owners, officers, directors and employees to invest with you or with a group of clients, or to advise you or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by our Chief Compliance Officer, and such investment is not in violation of any SEC and/or State rules and regulations.

Insider Trading Policy

We comply with the Insider Trading and Securities Fraud Enforcement Act of 1988. We do not share any non-public information with anyone who does not need to know and have established internal controls to guard your personal information.



Class Action Policy

The Company does not elect to participate in class action lawsuits on your behalf. Such decisions shall remain with you or with an entity you designate. Final determination of whether to participate, and the completion and tracking of any such related documentation, shall rest with you.

Personal Trading

Employees of ours are permitted to personally invest their own monies in securities, which may also be, from time to time, recommended to you. Some times, such investment purchases are independent of, and not connected in any way to, the investment decisions made on your behalf. However, there may be instances where investment purchases for you may also be made in an employee's account. In these situations, we have implemented the following guidelines in order to ensure our fiduciary integrity:

1. No employee acting as an Investment Advisor Representative, or who has discretion over your account, shall 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 employee of ours shall prefer his or her own interest to that of yours or any other advisory client.
2. We maintain a list of all securities holdings for all our access employees. Our Chief Compliance Officer reviews these holdings on a regular basis.
3. We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Bunched orders (See "Aggregating Trade Orders" below under Item 12, "**Brokerage Practices**") may include employee accounts. In such cases, priority and advantage will be given to satisfy your order first regardless of the situation.
5. Any individual not in observance of the above may be subject to termination.

Personal trading activities are monitored by Chief Compliance Officer to ensure that such activities do not impact upon your security or create conflicts of interest.

BROKERAGE PRACTICES

ITEM 12

Custodial Services

The Company maintains custodial arrangements with TD AMERITRADE, Inc. ("TDA"), a licensed broker-dealer (member FINRA/SIPC/NFA), through their division TD AMERITRADE Institutional for investment advisors. TDA offers us services, which include custody of securities, trade execution, clearance and settlement of transactions.

Our recommendation for you to custody your assets with TDA has no direct correlation to the services we receive from TDA and the investment advice we offer you, although **we do receive economic benefits for which we do not have to pay** through our relationship with TDA that are typically not available to TDA retail clients. These economic benefits include the following products and services provided without cost or at a discount:

- ❖ Receipt of duplicate client statements and confirmations;
- ❖ Research related products and tools and consulting services;
- ❖ Access to a dedicated trading desk;



- ❖ Access to batch trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts);
- ❖ The ability to have advisory fees deducted directly from accounts;
- ❖ Access to an electronic communications network for order entry and account information; and,
- ❖ Access to mutual funds and ETFs with no transaction fees and to certain institutional money managers.

We are not a subsidiary of, or an affiliated entity of, TDA. We have sole responsibility for investment advice rendered, and our advisory services are provided separately and independently from TDA.

Direction of Transactions and Commission Rates (Best Execution)

We have a fiduciary duty to put your interests before our own. The advisory support services we receive from TDA creates an economic benefit to us and a potential conflict of interest to you; in that, our recommendation to custody your account(s) with TDA may have been influenced by these arrangements/services. **This is not the case;** we have selected TDA as our custodian of choice based on:

1. Their competitive transaction charges, trading platform, and on-line services for account administration and operational support.
2. Their general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience in working with TDA staff.

Since we do not recommend, suggest, or make available a selection of custodians other than TDA, **best execution may not always be achieved.** Therefore, **you do not have to accept our recommendation to use TDA as your custodian.** However, if you elect to use another custodian, **we may not be able to provide you complete institutional services.**

Aggregating Trade Orders

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as “best execution”) for our clients. Therefore, we will not bunch (aggregate) orders for a block trade unless: (i) the bunching of orders is done for the purpose of achieving best execution; and, (ii) no client is systematically advantaged or disadvantaged by bunching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- ❖ **Security Trading Volume** - Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- ❖ **Number of Clients** - The fewer the number of client accounts involved in the bunched order may not yield better pricing or order execution; it may be more advantageous to perform an individual market order for each client. In addition preparing individual market orders, for the small number accounts involved, may be quicker to complete than preparing a bunch order.
- ❖ **Financial Instruments** - The type of security involved as well as the complexity of order can affect our ability to achieve best execution.

If you would like additional information on our trading allocation policies, a copy is available for review upon request.



REVIEW OF ACCOUNTS

ITEM 13

Our basic service is active portfolio management and each account is reviewed daily in the normal course of market observation by the supervised person over your account. All accounts are reviewed in the context of our investment strategy. No individual reallocations are made except in the case of your cash needs. Reallocation is based on the objectives of the investment strategy.

You will receive monthly statements from TD AMERITRADE, Inc. ("TDA") where your account(s) are custodied. Each statement will summarize the specific investments currently held, the value of your portfolio and account transactions.

CLIENT REFERRALS & OTHER COMPENSATION

ITEM 14

Referral Compensation

We do not receive any economic benefit from an independent party for managing any of our clients' accounts. However, we may directly compensate persons for client referrals, provided those persons are qualified and have entered a solicitation or sub-advisory agreement

Sub-Advisor Arrangements

If you were referred to us by another independently registered investment advisor ("sub-advisor") to manage your investment portfolio, the sub-advisor will perform any qualifying analysis and independent consultations with you prior to the referral. In addition, the sub-advisor agrees to: (i) use their best efforts to determine if your investment objectives have changed - this should be done quarterly, and (ii) be available during business hours for consultation with you or us regarding your financial condition and the continuing suitability of our investment management services.

You are welcome to consult with us at any time; however, the sub-advisor will perform all professional, administrative and clerical duties prior to opening your managed account. We will have little to no direct contact with you under this arrangement, relying instead on the pre-qualifications performed by the sub-advisor. In addition, the sub-advisors are not involved in the management of any of our portfolio management services. The sub-advisors' responsibilities lie in monitoring and advising you as to the performance of your managed account(s).

Just as with the solicitor, the sub-advisor is required to provide each prospective client with our Disclosure Brochure prior to, or at the time of, signing of our Investment Advisory Agreement and acknowledge receipt of such documents. You, if referred to us under this arrangement, may rescind your Investment Advisory Agreement **within five business days of its execution without incurring advisory fees**, custodial fees, or account closure costs. However, any investment activity and related market fluctuation in your account prior to receipt of the rescission notice will be at your sole risk.

If your account was opened with us by a sub-advisor, the management fees disclosed under "Investment Programs" in Item 5 and the performance fee disclosed under "Performance-Based Fee" will be split based on a Co-Advisory Agreement we have entered into with the sub-advisor. **You will not incur higher management fees as a result of this relationship -**



fees will be comparable with like managed portfolios independent of the sub-advisory relationship.

Solicitor Arrangements

Pursuant to Rule 206(4)-3 of the Investment Adviser Act of 1940, as amended, if you were referred to us by a solicitor, the solicitor will provide you complete information on our relationship - the relationship between the solicitor and us - and the compensation the solicitor will receive should you choose to open an account. This compensation will be paid solely from our fee and will not result in any additional charge to you.

The solicitor is required to provide each prospective client with our Disclosure Brochure prior to, or at the time of, signing of our Investment Advisory Agreement and acknowledge receipt of such documents. You, if referred to us under this arrangement, may rescind your Investment Advisory Agreement **within five business days of its execution without incurring advisory fees**, custodial fees, or account closure costs. However, any investment activity and related market fluctuation in your account prior to receipt of the rescission notice will be at your sole risk.

Under this arrangement, the solicitor is not licensed to give you any investment advice and therefore cannot advise you on the management of your account. A solicitor simply makes an introduction and is compensated only if you were to open a management account with us under these arrangements.

Other Compensation (Indirect Benefit)

The Company receives an indirect economic benefit from TD AMERITRADE, Inc. (See “Custodial Services” above under Item 12, “**Brokerage Practices**” for more detailed information on what these services and products could be.)

CUSTODY

ITEM 15

Management Fee Deduction

We do not take possession of or maintain custody of your funds or securities, but will simply monitor the holdings within your portfolio and trade your account based on your stated investment objectives and guidelines. Physical possession and custody of your funds and/or securities shall be maintained with TD AMERITRADE, Inc. (“TDA”) as indicated above in Item 12, “**Brokerage Practices.**”

We are however defined as having custody since you have authorized us to deduct our advisory fees directly from your account. Therefore, to comply with the United States Securities and Exchange Commission’s Custody Rule (1940 Act Rule 206(4)-2) requirements, and to protect you as well as to protect our advisory practice, we have implemented the following regulatory safeguards:

- ❖ Your funds and securities will be maintained with a qualified custodian (TDA) in a separate account in your name.
- ❖ Authorization to withdraw our management fees directly from your account will be approved by you prior to engaging in any portfolio management services.



TDA is required by law to send you, at least quarterly, brokerage statements summarizing the specific investments currently held in your account, the value of your portfolio, and account transactions. **You are encouraged to compare the financial data contained in our report and/or itemized fee notice with the financial information disclosed in your account statement from TDA to verify the accuracy and correctness of our reporting.**

INVESTMENT DISCRETION

ITEM 16

We have you complete our Investment Advisory Agreement which sets forth our discretionary trading authority to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval.

You may, at any time, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.).

VOTING CLIENT SECURITIES

ITEM 17

We do not vote client proxies. You understand and agree that you retain the right to vote all proxies, which are solicited for securities held in your managed accounts. Any proxy solicitations inadvertently received by us will be immediately forwarded to you for your evaluation and decision. However, if you have specific questions regarding an action being solicited by the proxy that you do not understand or you want clarification, you may contact us and we will explain the particulars. Keep in mind we will not advise you in a direction to vote, that ultimate decision will be left to you.

FINANCIAL INFORMATION

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take physical custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200. We are not aware of any current financial conditions that are likely to impair our ability to meet our contractual commitments to you.

END OF DISCLOSURE BROCHURE

