

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

**Item 1 – Cover Page**

**Miller Ockham Asset Management LLC**

Principal Office Location is at a Private Residence

Hollywood, FL 33019

1-954-374-3809

<http://www.millerockham.com>

Date of Disclosure Brochure: March 2018

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This disclosure brochure provides information about the qualifications and business practices of Miller Ockham Asset Management LLC (also referred to as we, us and Miller Ockham Asset Management throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Alan Jonathan Miller at 1 (954) 374-3809 or [millerockham@gmail.com](mailto:millerockham@gmail.com). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Miller Ockham Asset Management is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Miller Ockham Asset Management LLC or our firm's CRD number 282115.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## Item 2 – Material Changes

Since our last annual brochure filing, we have updated Item 14 to explain that we enter into paid referral arrangements with individuals and companies not affiliated with our firm.

- Miller Ockham Asset Management enters into agreements with solicitors (referring parties) to refer clients to us. The referral agreements between our firm and referring parties are designed to comply with SEC Rule 206(4)-3 governing solicitor arrangements. If a referred client enters into an investment advisory agreement with our firm and a cash referral is paid to the referring party or referring parties, such fee(s) will be paid as a fixed fee or a percentage of the client advisory fees generated. Written disclosure in the form of a Solicitor Disclosure Statement which outlines the relationship between our firm and the referring party including specifics of the referral fees paid to the referring party is provided to clients at the time of solicitation.

Every client referred by a referring party or parties must sign a copy of the Solicitor Disclosure Statement upon entering into our investment advisory or financial planning agreements. The referral fee(s) disclosed to the client maybe payable to the referring party or parties for the duration of Miller Ockham Asset Management's advisory relationship with the client, whether or not our investment or trading strategies, or the client's investment objectives, change over time, or for such shorter period as may be agreed with the referring party or parties and disclosed to the client. We will have no further referral fee obligation if a referring party's representations and warranties outlined in our referral agreement become inaccurate or untrue, or if our investment advisory agreement with the client is terminated for any reason. In those states that require solicitors to be licensed or filed as a registered investment advisor, we may require the solicitor to be licensed or filed under our firm's registration.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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#### **Item 4 – Advisory Business**

Miller Ockham Asset Management is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company (LLC) formed under the laws of the State of Florida.

- Alan Miller, CFA is the Chief Compliance Officer (CCO) and Managing Member of Miller Ockham Asset Management. He owns 100% of Miller Ockham Asset Management.
- Miller Ockham Asset Management has been registered as an investment adviser since February 2016.

#### **Description of Advisory Services**

The following are descriptions of the primary advisory services of Miller Ockham Asset Management. Please understand that a written agreement, which details the exact terms of the service, must be executed by you and Miller Ockham Asset Management before we can provide you the services described below.

We provide Asset Management Services, comprising two main categories:

- Day Trading Managed Account Services
- Classic Asset Management Services

Refer to Item 8 – “Methods of Analysis, Investment Strategies and Risk of Loss” for explanations of the investment strategies used through our Day Trading Managed Account Services and Classic Asset Management Services.

In both cases, we provide you with continuous and ongoing supervision and management of your specified accounts via our online platform. Our services are provided through an interactive website using computer applications to collect your information and provide investment advice.

To determine your financial situation and investment objectives, we will need to obtain certain information from you through our interactive website or otherwise in writing. You will be responsible for providing any changes to your financial situation or investment objectives by updating your responses on our interactive website or otherwise in writing.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held under your name by TradeStation Securities, Inc. (“Tradestation”) or Interactive Brokers LLC (“Interactive”), which serves as the broker/dealer and qualified custodian, under your name. Tradestation or Interactive, as the case may be, maintains physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

Miller Ockham Asset Management only provides Day Trading Managed Account services on a full discretion basis, because the time pressure inherent in a Day Trading environment makes it impractical to wait for client approval before implementing trading decisions.

Classic Asset Management Services are provided on a full discretion basis, unless otherwise stipulated in a written agreement with the client.

We will need to obtain certain information from you to determine your financial situation and investment objectives. Our services are targeted at financially sophisticated investors. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

In addition to the Asset Management Services described above, Miller Ockham Asset Management also provides Consulting Services, which may involve preparing a written plan or one or more consultative meetings covering specific or multiple topics. When providing consulting services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives.

Specific services include:

#### *Personal Financial Planning*

This involves the collection of data, identification of a client's goals and risk tolerance, analysis of financial problems and their potential solutions and the preparation of specific recommendations. A financial plan is designed to help with all aspects of a client's financial life. Financial plans prepared by our firm may include, but are not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

We provide full written financial plans and/or consultations, which typically address the following topics:

- Investment Planning
- Retirement Planning
- Insurance Planning
- Tax Planning
- Education Planning
- Portfolio Review
- Asset Allocation
- Real Estate Planning
- Other Topics as Agreed Upon with the Client

We can also provide modular written financial plans which only cover those specific areas of concern mutually agreed upon by you and us. A modular written financial plan is limited or segmented and does not involve the creation of a full written financial plan. You should be aware that there are important issues that may not be taken into consideration when your investment adviser representative develops his or her analysis and recommendations under a modular written financial plan.

#### *Asset Management Analytics*

This involves:

- Analysis of a client's existing asset management or investment arrangements
- Proposals to improve the existing asset management arrangements, e.g. increasing investment returns, reducing risk, improving diversification, or reducing costs.
- Provision of management information, such as investment performance attribution analysis, risk measurement and attribution, trading strategy analysis and measurement of key statistics.
- Backtesting and Optimization, which could include simulating the historical performance of a given trading strategy and identifying the optimal choice of parameters, based on the historical data.

#### *Business Strategy*

This involves analysis of the client's current investment-related or finance-related business and advice on possible interventions to gain market share, launch new products or services, increase revenue, improve margins, reduce costs or improve productivity. Please note that, unless otherwise specified in a written agreement, Consulting Services do not include the implementation of proposals made, which remains the responsibility of the client.

#### **Limits Advice to Certain Types of Investments**

Miller Ockham Asset Management provides investment advice on the following types of investments:

- Common Stocks listed on National Exchanges including Securities Traded Over-The-Counter, or listed internationally on exchanges outside the United States.

- Preferred Stocks (including those convertible or potentially convertible into Common Stocks) listed on National Exchanges including Securities Traded Over-The-Counter, or listed internationally on exchanges outside the United States.
- Real Estate Investment Trusts (REITs) listed on National Exchanges including Securities Traded Over-The-Counter or listed internationally on exchanges outside the United States.
- Call or Put Options listed on National Exchanges including Securities Traded Over-The-Counter or listed internationally on exchanges outside the United States.
- Debt Securities including Fixed Income Securities, Inflation-Protected Securities and other Debt Securities traded in the United States or in other countries and regions.
- Other Exchange-listed Securities such as Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs) listed on major U.S. Stock Exchanges including Securities Traded Over-The-Counter, or similar securities listed internationally on exchanges outside the United States.

#### **Day Trading Managed Account Services:**

We manage client accounts using only stocks and other exchange-traded securities. This can create diversification risks. You need to consider whether your entire investment portfolio, including assets outside of the account(s) managed by us, is properly diversified. Miller Ockham Asset Management does not consider or advise whether a client's entire investment portfolio is properly diversified. We employ an active, day trading strategy which could result in up to 400% of the net worth of the client's account being exposed to a particular security on any given day. We may increase cash holdings as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations.

#### **Classic Asset Management Services:**

You need to consider whether your entire investment portfolio, including assets outside of the account(s) managed by us, is properly diversified. Miller Ockham Asset Management does not consider or advise whether a client's entire investment portfolio is properly diversified. We may increase cash holdings as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

#### **Consulting Services:**

Any recommendations made as part of our Consulting Services are based on the information received from the client, the assumptions made, and the models used.

While models are helpful in illustrating choices and trade-offs, all models are simplifications of the real world, and may lead to recommendations which are not successful in practice. In addition, the assumptions made for modelling purposes may be incorrect or the information received from the client may be incomplete. We therefore cannot guarantee that our recommendations will prove beneficial to the client.

Unless otherwise stipulated in a written agreement with the Consulting Services client, we do not take responsibility for the implementation of our recommendations or the ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Tailor Advisory Services to Individual Needs of Clients**

We work with you using questionnaires and other data-gathering methods through our interactive website to determine your investment objectives and suitability information. We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Client Assets Managed by Miller Ockham Asset Management**

As of December 31<sup>st</sup>, 2017, Assets Under Management amounted to \$2,496,693. The entire amount is managed on a discretionary basis.

Note that any client assets, that are the subject of Consulting Services only, are not included in the value of "Client Assets Managed by Miller Ockham Asset Management" shown above.

## **Item 5 – Fees and Compensation**

Miller Ockham Asset Management believes that its advisory fees are reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our performance based fees and annual asset management fees may be higher than the fees charged by other investment advisers offering similar services/programs.

### **Day Trading Managed Account Services**

We charge performance based fees for our Day Trading Managed Account service. The performance based fee will be tied to the capital appreciation (i.e. capital gains) within your account as evaluated at the end of each calendar quarter. The Performance Based Fee is the only investment advisory fee charged by Miller Ockham Asset Management, for its Day Trading Managed Account service.

The Performance Fee Rate is determined as a proportion (typically 15% – 35%) of the gross time-weighted investment return achieved on your account, including the impact of leverage, gross of Performance Based Fees and tax, but after deducting brokerage and other transaction costs. The dollar amount of the Performance Fee is then determined as the product of the Performance Fee Rate and the average Net Worth of the account (including any cash balances) over the quarter, subject to a minimum Performance Fee of zero. The proportion is negotiable, depending on the size of the account and other factors.

In order for our firm to receive a performance based fee, we must achieve capital appreciation within the account and exceed the agreed upon "high water mark". This means that, once a given level of gross cumulative return has been achieved at the end of a reporting period, future performance fees may only be taken on incremental gross returns over-and-above that level. This ensures that performance fees are only charged once, on any given amount of investment performance.

The exact fee and fee arrangements may vary or be different than that described above based on the complexity of client's situation, number of accounts managed, total assets under management and other



factors specific to the client. The exact fee arrangements for each client will be specified in that client's advisory services agreement with Miller Ockham Asset Management.

The Day Trading Managed Account services continue in effect until terminated by either party (i.e., Miller Ockham Asset Management or you) by providing seven (7) calendar days written notice of termination to the other party. The value of client assets, up to and including the termination date, will be used to determine the final fee payment.

Fees charged for our Day Trading Managed Account services are negotiable based on the type of client, and the total amount of assets under management for the client.

You can choose how to pay your investment advisory fees. The investment advisory fees can be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account or you can pay our firm upon receipt of a billing notice sent directly to you.

If you choose to have the investment advisory fees deducted from your account, you must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to Miller Ockham Asset Management.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

If you choose to pay the fees after receiving a statement, fees are due upon your receipt of a billing notice sent directly to you. The billing notice will detail the formula used to calculate the fee, the assets under management and the time period covered. Fees for the services of our firm will be due immediately after your receipt of the billing notice.

Brokerage expenses and/or transaction ticket fees charged by the broker/dealer are billed directly to your account by the broker/dealer. Miller Ockham Asset Management does not receive any portion of such expenses or fees from you or the broker/dealer. In addition, you may incur certain charges imposed by third parties other than Miller Ockham Asset Management in connection with investments made through your account including, but not limited to IRA and qualified retirement plan fees, account and administrative charges imposed by the broker/dealer.

Clients may also incur certain charges imposed by custodians, brokers, and other third parties, including but not limited to custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, SEC fees, wire transfer and electronic fund fees, other fees and taxes on brokerage accounts and securities transactions, and internal management fees on Exchange Traded Funds, Exchange Traded Notes and Real Estate Investment Trusts. All such charges, fees and commissions are exclusive of and in addition to our investment advisory fee and we will not receive any portion of these charges, fees and commissions.

## **Classic Asset Management Services**

We normally charge an Asset Management Fee based on a percentage of Assets Under Management. The Asset Management Fee rate is typically 2% (two percent) per annum, but is negotiable based on the frequency of client contact required, the complexity of the mandate, the size of the account, and various other factors.

The Asset Management Fee is charged monthly in arrears, by dividing the annual Asset Management Fee rate by 12, and multiplying this quotient by the market value of assets in the account (including any cash balances), at month-end.

Clients meeting the SEC's definition of "qualified clients" may choose to be charged a Performance Based Fee in addition to, or instead of, the Asset Management Fee.

In the event of a Performance Based Fee being charged in addition to the Asset Management Fee, the Asset Management Fee rate would typically be reduced to less than 2% (two percent) of Assets Under Management.

Investment Advisory Fees for Classic Asset Management Services therefore consist of the Asset Management Fee, or the Performance Based Fee, or both. The Client Agreement will specify the type(s) of fees payable and the method of calculating fees.

In the event of Performance Based Fees being applicable, the Performance Fee Rate is determined as a proportion (typically 15% – 35%) of the gross investment return achieved on your account, including the impact of leverage, gross of fees and tax, but after deducting brokerage and other transaction costs. The dollar amount of the Performance Fee is then determined as the product of the Performance Fee Rate and the average Net Worth of the account over the quarter, subject to a minimum Performance Fee of zero. The proportion is negotiable, depending on the size of the account and other factors.

In order for our firm to receive a performance based fee, we must achieve capital appreciation within the account and exceed the agreed upon "high water mark". This means that, once a given level of gross cumulative return has been achieved at the end of a reporting period, future performance fees may only be taken on incremental gross returns over-and-above that level. This ensures that performance fees are only charged once, on any given amount of investment performance.

The exact fee and fee arrangements may vary or be different than that described above based on the complexity of client's situation, number of accounts managed, total assets under management and other factors specific to the client. The exact fee arrangements for each client will be specified in that client's advisory services agreement with Miller Ockham Asset Management.

The Classic Asset Management services continue in effect until terminated by either party (i.e., Miller Ockham Asset Management or you) by providing 30 (thirty) calendar days written notice of termination to the other party. The amount of client assets on the termination date will be used to determine the final fee payment, and the final Asset Management Fee will be pro-rated by multiplying by the ratio of the number of calendar days in the month up to and including the termination date, to the total number of calendar days in that month.

You can choose how to pay your investment advisory fees. The investment advisory fees can be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account or you can pay our firm upon receipt of a billing notice sent directly to you.

If you choose to have the investment advisory fees deducted from your account, you must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to Miller Ockham Asset Management.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

If you choose to pay the fees after receiving a statement, fees are due upon your receipt of a billing notice sent directly to you. The billing notice will detail the formula used to calculate the fee, the assets under management and the time period covered. Fees for the services of our firm will be due immediately after your receipt of the billing notice.

Brokerage expenses and/or transaction ticket fees charged by the broker/dealer are billed directly to your account by the broker/dealer. Miller Ockham Asset Management does not receive any portion of such expenses or fees from you or the broker/dealer. In addition, you may incur certain charges imposed by third parties other than Miller Ockham Asset Management in connection with investments made through your account including, but not limited to IRA and qualified retirement plan fees, account and administrative charges imposed by the broker/dealer.

Clients may also incur certain charges imposed by custodians, brokers, and other third parties, including but not limited to custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, SEC fees, wire transfer and electronic fund fees, other fees and taxes on brokerage accounts and securities transactions, and internal management fees on Exchange Traded Funds, Exchange Traded Notes and Real Estate Investment Trusts. All such charges, fees and commissions are exclusive of and in addition to our investment advisory fee and we will not receive any portion of these charges, fees and commissions.

### **Consulting Services**

Consulting Services Fees may be charged on the following bases:

- A fixed hourly rate of \$450 per hour; or
- A fee based on a fixed percentage (e.g. 0.25%) of the Assets Under Review; or
- A fee based on a fixed percentage (e.g. 25%) of the cost savings over a given period of time; or
- A combination of the bases listed above, as agreed with the client.

Fees are negotiable and must be specified in a written agreement with the client. The total financial planning fee is contingent upon the complexity and scope of the situation or project requested. Fees can be negotiated depending on the client relationship and opportunity for additional business.

We will send Clients an invoice for Consulting Services Fees. All invoices must be paid in full within 30 (thirty) calendar days.

Before commencing services, Miller Ockham Asset Management provides an estimate of the approximate time needed to complete the requested planning services. If services are billed on an hourly basis and Miller Ockham Asset Management anticipates exceeding the estimated amount of hours required, Miller Ockham Asset Management will contact you to receive authorization to provide additional services.

Services terminate upon completion of the project or upon either party providing the other party with written notice of termination.

You will be responsible for immediate payment of any services performed by Miller Ockham Asset Management prior to the receipt by Miller Ockham Asset Management of your notice to terminate. You will pay Miller Ockham Asset Management for any hourly fees incurred at the rates described above.

You should notify Miller Ockham Asset Management within ten (10) days of receipt of an invoice if you have questions about or dispute any billing entry.

All fees paid to Miller Ockham Asset Management for financial planning and consulting services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser (including our firm) to implement such recommendations.

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

As described above in *Item 5 – Fees and Compensation*, Miller Ockham Asset Management may, depending on the terms of the Client Agreement, charge its qualified clients a performance fee, which is based upon a share of capital gains or capital appreciation of the assets of such client. Miller Ockham Asset Management also provides services and is compensated in a way in which it accepts asset-based fees. That is, fees based on a fixed percentage of the total market value of assets owned by the client, which is managed by Miller Ockham Asset Management.

There are conflicts of interest Miller Ockham Asset Management faces by managing these accounts at the same time. For example, the nature of a performance fee poses an opportunity for Miller Ockham Asset Management to earn more compensation than under a stand-alone asset-based fee. Thus Miller Ockham Asset Management may favor performance fee accounts over those accounts where Miller Ockham Asset Management receives only an asset-based fee. One way Miller Ockham Asset Management may favor performance fee accounts is that Miller Ockham Asset Management may devote more time and attention to performance fee accounts than to accounts under an asset-based arrangement.

There are other conflicts associated with performance fees that are not as common under an asset-based fee arrangement. The nature of performance fees can encourage unnecessary speculation with client assets in order to earn or increase the amount of the fee. The result of riskier investments can have a positive effect in that higher returns could potentially be achieved when compared to an asset-based fee account. On the other hand, riskier investments historically have a higher chance of losing value. Also, since in a performance fee arrangement an adviser is compensated based on capital gains or capital appreciation, these arrangements could give an investment adviser an incentive to time transactions in a client's account on the basis of fee considerations rather than on what is in the best interest of the client. One way Miller Ockham Asset Management tries to mitigate this potential conflict is by managing the owner of our firm's account, and/or any accounts of the owner's family members, in essentially the same way as client accounts are managed.

Performance fees can potentially cause an investment adviser to engage in transactions or strategies which will increase the amount of the performance fees, but which may not increase the overall performance of the client's account. For example, an account may lose value during a year and no performance fee will be earned. In the following year, the investment adviser may receive a performance fee for simply recouping losses from the previous year. Miller Ockham Asset Management avoids

potential conflict of interest by using the high-water mark fee calculation method described in Item 5. A performance fee may also encourage Miller Ockham Asset Management to make riskier and more speculative investments. Miller Ockham Asset Management does not represent that the amount of the performance fees or the manner of calculating the performance fees is consistent with other performance related fees charged by other investment advisers under the same or similar circumstances. The performance fees charged by Miller Ockham Asset Management may be higher than the performance fees charged by other investment advisers for the same or similar services.

Miller Ockham Asset Management has established policies and procedures to address the various conflicts of interest associated with charging a performance fee:

- As mentioned above, performance-fee arrangements pose an incentive to devote more time and attention to performance fee accounts than to accounts under an asset-based arrangement. However, the actual time spent by the firm managing accounts is not based on the amount of fee or type of fee charged to accounts. Instead, the amount of time spent on an investment mandate is determined by the frequency of trading. Accounts managed using a day-trading strategy will receive more attention than an account with a longer-term strategy. More time is spent on the day-trading strategy, irrespective of the fee arrangements, because such strategies incur more trades and activity compared to long-term strategies.
- Only clients who are able to assume additional risk are solicited to engage in a performance fee arrangement. Miller Ockham Asset Management provides such clients full disclosure of the additional risks associated with a performance fee arrangement.
- Client accounts eligible to be charged a performance based fee must reach a pre-determined and agreed upon high-water mark before the performance based fee is charged.
- Miller Ockham Asset Management has implemented internal compliance policies and procedures designed to comply with applicable state and federal securities law. Procedures are available to clients upon request.

Performance based fee arrangements of Miller Ockham Asset Management will comply with Section 205(e) of the Investment Advisers Act of 1940. According to Section 205(e) (see Rule 205-3 thereunder), only clients meeting the SEC's definition of "qualified clients" may be charged Performance Based Fees. A natural person or company must meet the following conditions to be considered a qualified client:

- Have at least \$1,000,000 under management with Miller Ockham Asset Management at the time the client enters into an agreement with Miller Ockham Asset Management; **or**
- Provide documentation to Miller Ockham Asset Management so that Miller Ockham Asset Management will reasonably believe the client has either a net worth of \$2,100,000 or is a qualified purchaser under Section 2(a)(51)(A) of the Investment Company Act.

## **Item 7 – Types of Clients**

### **Day Trading Managed Account Services**

Day Trading Managed Account services are available only to clients meeting the definition of "qualified" person or entity and who is financially sophisticated. We require that any prospective client must be financially sophisticated enough to understand the concepts of day-trading, leverage and short-selling. No legal entity type (of the potential client) is excluded. However, we do not provide tax advice, and you must understand and be comfortable with the tax implications of short-term day-trading strategies as applied by our firm. Clients need to understand that the value of trades is typically very high, in relation to the Net Worth of their account.

### **Classic Asset Management Services**

Classic Asset Management Services are available to all potential clients, although financially sophisticated clients are preferred. No legal entity type (of the potential client) is excluded. However, we do not provide tax advice, and you must understand and be comfortable with the tax implications, in your tax jurisdiction, of the asset management strategies as applied by our firm.

### **Consulting Services**

Consulting Services are available to all potential clients, although financially sophisticated clients are preferred. No legal entity type (of the potential client) is excluded.

In addition to working with natural-person clients, we also provide services to private funds and other institutional clients.

You are required to execute a written agreement with Miller Ockham Asset Management specifying the particular advisory services in order to establish a client arrangement with Miller Ockham Asset Management.

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

### **Methods of Analysis**

#### **Day Trading Managed Account Services**

We utilize Technical analysis to formulate investment advice. Technical Analysis is based on market data with respect to prices, volumes and open interest. This data and information is obtained from the Bloomberg Professional system, and /or the broker/dealer. The data is then processed using quantitative and statistical techniques. Proprietary mechanical trading rules are used to generate orders.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices, volume, open interest, investment returns and volatility of investment returns. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity, or mechanical trading rules based on statistical inferences from historical data.

Technical analysis relies on interpretation of a given security's price, trading volume and open interest data. A decision might be made based on a historical move in a certain direction that was accompanied

by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative.

### **Classic Asset Management Services**

The following methods of analysis are used:

- Technical Analysis
- Fundamental Analysis
- Economic Analysis
- Industry Analysis
- Asset Allocation
- Quantitative Analysis

Technical Analysis is based on market data with respect to prices, volumes and open interest. This data and information is obtained from the Bloomberg Professional system, and /or the broker/dealer. The data is then processed using quantitative and statistical techniques. Proprietary mechanical trading rules are used to generate orders.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices, volume, open interest, investment returns and volatility of investment returns. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity, or mechanical trading rules based on statistical inferences from historical data.

Technical analysis relies on interpretation of a given security's price, trading volume and open interest data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative.

Fundamental Analysis attempts to estimate the "intrinsic value" of a security with reference to the earnings, cash flows and underlying assets of the business. This relies on the analysis of historical financial accounting information. Often, the intrinsic value of a corporation is estimated as the present value of future earnings or cash flows. In other cases, it is estimated by determining the Net Asset Value of the business, i.e. value of all assets, minus the value of all debt and liabilities.

Securities are valued, based on the fundamental valuation of the business, as well as the conditions applicable to the security itself. For example, common stockholders of a corporation are normally only entitled to receive income distributions once all obligations to holders of debt securities and preferred stock, have been met.

**Economic Analysis** involves a “top-down” assessment of general economic conditions, such as productivity growth, inflation, employment and capacity utilization, investment spending, interest rates, monetary policy, external trade and government spending. This assessment has implications for different industries, e.g. consumer-related stocks might be expected to out-perform under conditions of lower interest rates. Economic analysis can also be used to rank the relative attractiveness of different asset classes under various scenarios, e.g. if the economy is expected to be very weak, that would probably imply a reduction in the general level of interest rates and higher prospective returns from fixed income securities, while common stocks would probably be expected to perform poorly in that scenario.

**Industry Analysis** requires a detailed analysis of the future prospects of a particular industry, based on anticipated trends in demand or other factors. For example, an increase in investment spending by large corporations or governments would probably benefit suppliers of capital goods and computer equipment. Industry analysis can also be based on a “bottom up” analysis of the performance of individual companies within the industry, which are then combined to generate a good perspective on the industry as a whole.

**Asset Allocation** refers to the split of the client’s portfolio between various asset classes, taking account of the relative attractiveness of each asset class, and the relationship between the various asset classes. This split will be determined by the estimated prospective returns and volatilities of the various asset classes, as well as the estimated correlations of the different asset classes with each other. The lower these correlations, the greater are the benefits of diversification, i.e. a greater reduction in portfolio risk is achievable.

**Quantitative Analysis** is the application of mathematical statistics and utility theory to security selection and to the portfolio construction process. It includes “screening” a universe of securities based on a number of predetermined criteria, to find attractive investment opportunities. It also includes portfolio optimization, which attempts to calculate the best relative weighting of securities in the portfolio, for a given set of objectives and risk tolerance.

### **Investment Strategies**

#### **Day Trading Managed Account Services**

We employ an active, day trading investment strategy, based on Technical Analysis, using both long and short positions in:

- Stocks, Exchange-Traded Funds (ETFs), and Exchange Traded Notes (ETNs) listed on the major U.S. stock exchanges

Any long position (i.e. involving a positive economic exposure to the underlying security) will be bought and then sold at some point later in the same trading day. Any short position (i.e. involving a negative economic exposure to the underlying security) will be sold short and then bought back to cover the short position at some point later in the same trading day. This means that the account will be fully invested in cash overnight and therefore have no economic exposure to overnight market movements.

In line with FINRA rules for equity Day-Trading, the maximum leverage in the account (measured by the ratio of the absolute value of positions, to the net worth of the account) may not exceed four (4) times. Stated differently, Day-Trading Rules require 25% margin requirement on any purchases or short sales, hence lead to 4:1 leverage. Note also that, in terms of FINRA day trading rules, the firm would be considered to be a “pattern day trader”. (The FINRA rule says that any properly qualified margin account



that places four or more day trades within five business days is deemed to be a pattern day trading account).

Borrowing money to trade in stocks is always a risky business. Day trading strategies demand using the leverage of borrowed money to make profits. This is why many day traders lose all their money and may end up in debt as well. Day traders should understand how margin works, how much time they'll have to meet a margin call, and the potential for getting in over their heads.

Because we utilize just one primary investment strategy in our Day Trading Managed Account service, your accounts under our management should not constitute all of your assets, and when managing your Account, we do not consider whether your entire investment portfolio, including assets outside of the Account, is properly diversified. Conventional investment wisdom is to have one's net worth invested in a balanced manner over a variety of investment vehicles to minimize risk. Miller Ockham Asset Management's investment strategy of 'exchange-traded investments-only' and using just one investment strategy in its Day Trading Managed Account service, is higher risk and more speculative than a more diversified strategy including real estate, bonds, commodities, and other non-equity investments, and therefore we recommend that you limit investing in the Account only to the extent that you can weather a substantial loss.

### **Classic Asset Management Services**

Miller Ockham Asset Management offers a number of different Investment Strategies, depending on the needs and wishes of the client. These Investment Strategies all have the following characteristics:

- They may use any or all of the "Methods of Analysis" outlined in item 8 above, in respect of "Classic Asset Management Services".
- They attempt to reduce risk through diversification, i.e. by dividing the portfolio amongst multiple securities, to avoid placing all "eggs in one basket".

The Investment Strategies include, but are not limited to, the following:

1. A Sector Rotation Strategy, which involves holding a basket of stocks, or Exchange Traded Funds (ETFs) or Exchange Traded Notes (ETN's) which is then rebalanced on a quarterly basis, by purchasing the securities with the best historical performance in the preceding quarter.
2. Investing in a portfolio of "Deep Value" common stocks (e.g. stocks trading at a deep discount to their Net Asset Value, or stocks with a very low P/E ratio), with the expectation that the discount should narrow over the long term.
3. Investing in a portfolio of Real Estate Investment Trusts (REITs), with the aim of maximizing the income yield on the portfolio, subject to an acceptable level of risk.
4. Investing in a portfolio of Preferred Stocks, with the aim of maximizing the income yield on the portfolio, subject to an acceptable level of risk.
5. Investing in a portfolio of Common Stocks with high dividend yields, with the aim of maximizing the income yield on the portfolio, subject to an acceptable level of risk.
6. A balanced portfolio consisting of a mixture of common stocks, preferred stocks, Real Estate Investment Trusts and bonds / notes.
7. A portfolio managed using quantitative or statistical tools, which chooses stocks, ETF's and ETN's based on a quantitative or mechanical ranking strategy.
8. A portfolio managed using technical analysis of stock price charts and technical analysis indicators.

9. A portfolio consisting of common stocks of corporations with high growth in earnings per share and/or high returns on equity.
10. A “long-short” investment strategy, buying a portfolio of stocks and/or ETFs and/or ETNs (i.e. “the long portfolio”), and selling short a portfolio of stocks and/or ETFs and/or ETNs (i.e. “the short portfolio”), with the aim being that the long portfolio should generate higher returns than the short portfolio.
11. A portfolio made up of a combination of some or all of the above strategies.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that the future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment strategies, as described below:

- **Systemic Risk** – A decline in the stock market as a whole, could cause the value of an individual company’s common or preferred stock, or the value of an ETF or ETN, to go down, resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Equity Risk** – Common stocks and ETFs and ETNs are susceptible to general stock market movements, fluctuations in their market sector, and to volatile increases and decreases in value as market confidence in the stock itself, and/or perceptions of its issuer changes. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt securities of the issuer. However, preferred stocks and debt obligations and ETFs and ETNs are also exposed to these risks.
- **Company Risk**. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company’s employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Options Risk**. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **Management Risk** – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If

our investment strategies do not produce the expected returns, the value of your investment will decrease.

- **Electronic Communications Risk:** Miller Ockham Asset Management uses electronic communications to receive market data and research, and to send order information to our broker/dealers. In addition, our broker/dealers use electronic communications to route orders and send and receive order information to and from Stock Exchanges and Electronic Communication Networks. In the event that electronic communications are disrupted, client orders might not be filled timeously or at all, or might be filled at a less favorable price than would otherwise have been the case, which could result in losses to our clients.
- **Short Covering Risk:** Some of our Classic Asset Management services include the short selling of securities. This means selling a security that the client does not own, in the hope that it can later be bought back ("covered") at a lower price. However, if the price rises instead of falling, the security will be repurchased at a higher price than the price at which it was sold, resulting in a loss. Because security prices can rise rapidly, and theoretically without limit, large losses can be incurred from covering of short positions.

**The following additional risks are applicable to clients utilizing our Day Trading Managed Account Services:**

- **Margin Risk** - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and Miller Ockham Asset Management and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.
- The account custodian or clearing firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.

- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
  - In the event of the insolvency of the account custodian, clearing firm, broker/dealer, or any bank with whom the abovementioned parties place client funds, you could lose some or all of the funds you deposit in your margin account.
  - The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and they are not required to provide you advance written notice.
  - You are not entitled to an extension of time on a margin call.
- **Leverage Risk:** We rapidly buy and sell stocks throughout the day, in the hope that the price will continue climbing or falling in value for the brief period of time (which could range from a few seconds to several hours) that we are exposed to the stock, allowing us to lock in quick profits. As disclosed above, we trade using borrowed money, hoping to increase profits through leverage, but running the risk of increased losses too. Day traders typically suffer severe financial losses in their first months of trading, and many never graduate to profit-making status. Given these outcomes, it's clear that you should only invest money with us that you can afford to lose. You should **never** use money you will need for daily living expenses, retirement, take out a second mortgage, or use your student loan money for day trading.
  - **Price Reversal Risk:** Day traders do not "invest". Day traders sit in front of computer screens and look for a stock that is either moving up or down in value. We want to ride the momentum of the stock and get out before it changes course. We do not know for certain how the stock will move, we are hoping that it will move in one direction, either up or down in value. True day traders do not hold any stocks overnight because of the extreme risk that prices will change radically from one day to the next, which when combined with leverage, can lead to large losses.
  - **Short Covering Risk:** Our Day Trading strategy includes the short selling of securities. This means selling a security that the client does not own, in the hope that it can be bought back ("covered") at a lower price later in the trading day. However, if the price rises instead of falling, the security will be repurchased at a higher price than the price at which it was sold, resulting in a loss. Because security prices can rise rapidly, and theoretically without limit, large losses can be incurred from covering of short positions.
  - **Stop-Loss Risk:** Miller Ockham Asset Management uses stop-losses in an attempt to manage the risk on client accounts. A stop-loss order is an instruction to the broker/dealer to close a position in the event of an adverse price move causing losses to exceed a predetermined level. However, the stop-loss order could fail for multiple reasons, including but not limited to a failure in electronic communications, a shortage of market liquidity, or trading limits imposed by an Exchange. In that event, the loss on the position could be much worse than expected.

### **Consulting Services:**

Any and all of the methods of analysis described above may be used for the purpose of Consulting Services.

Any recommendations made as part of our Consulting Services are based on the information received from the client, the assumptions made, and the models used.

While models are helpful in illustrating choices and trade-offs, all models are simplifications of the real world, and may lead to recommendations which are not successful in practice. In addition, the assumptions made for modelling purposes may be incorrect or the information received from the client may be incomplete. We therefore cannot guarantee that our recommendations will prove beneficial to the client.

Unless otherwise stipulated in a written agreement with the Consulting Services client, we do not take responsibility for the implementation of our recommendations.

### **Item 9 – Disciplinary Information**

*Item 9* is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

### **Item 10 – Other Financial Industry Activities and Affiliations**

Miller Ockham Asset Management is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment adviser (RIA) and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure.

Alan Miller and his wife Lauren together own 50% of Cumulare Asset Management LLC, another registered investment advisor (CRD# 288846). Alan Miller is a principal executive officer of Cumulare Asset Management LLC. A financial incentive is created should he recommend these other services to Miller Ockham Asset Management's clients. It is important to note that these services may cause a conflict of interest, because Cumulare Asset Management LLC's advisory fees are separate from the fees outlined in Item 5 above. However, Mr. Miller attempts to mitigate any conflicts of interest to the best of his ability by placing the client's interest ahead of his own, through his fiduciary duty and by informing clients that they are never obligated to use other recommended advisory services through him.

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

### **Code of Ethics Summary**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Miller Ockham Asset Management has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as supervised persons. Miller Ockham Asset Management requires its supervised persons to consistently act in your best interest in all advisory activities. Miller Ockham Asset Management imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Miller Ockham Asset Management. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Some of the investment strategies used by Miller Ockham Asset Management, also are or may be used by Alan Miller for his own personal account, or the accounts of his spouse or other family members. Therefore, we will buy and sell investments for our personal accounts that are also held by our clients. However, neither the firm, Alan Miller nor any other employee may directly or indirectly engage in any activity which jeopardizes our ability to render unbiased investment advice. To avoid conflicts of interest, we have adopted certain policies and procedures, including, restrictions on the firm and any of our employees from having any material financial interest in any client transaction beyond the provision of investment management services; restrictions on the firm and our employees from having priority over, or trading ahead of, client accounts in the purchase or sale of securities; and restrictions on the firm and our employees trading on material non-public information.

## **Item 12 – Brokerage Practices**

If you choose to hire our firm for Asset Management Services, you will need to establish an account with TradeStation Securities, Inc. (“TradeStation”) and/or Interactive Brokers LLC (“Interactive”), whom we have selected as the broker/dealer(s) and custodian(s). TradeStation and Miller Ockham Asset Management are not related companies. Interactive and Miller Ockham Asset Management are not related companies. We have selected TradeStation and / or Interactive because we believe that their platforms are the most efficient for implementing our investment management and trading services. Please note that TradeStation and / or Interactive may be more expensive than other available platforms and we do not represent or guarantee that our recommended platforms are the least expensive in the industry.

Miller Ockham Asset Management will periodically review alternative brokers and custodians in the marketplace for comparison to TradeStation and Interactive, evaluating criteria such as overall expertise, cost competitiveness, and financial condition. Miller Ockham Asset Management also receives benefits

from TradeStation / Interactive that may not be received if the firm did not use the services of TradeStation / Interactive. These benefits include, but not necessarily be limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; charting, technical analysis, market data, market news and company news services; receipt of compliance publications; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors. No single criteria will validate nor invalidate a custodian or service provided used, but rather, all criteria taken together will be used in evaluating the currently utilized custodian. We do not receive referrals from TradeStation, Interactive or any other broker/dealer.

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, Miller Ockham Asset Management may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers may cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, Miller Ockham Asset Management has decided to require our Asset Management Services clients to use broker/dealers and other qualified custodians determined by Miller Ockham Asset Management.

This requirement does not apply to clients who use our Consulting Services only.

### **Handling Trade Errors**

Miller Ockham Asset Management has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of Miller Ockham Asset Management to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by Miller Ockham Asset Management if the error is caused by Miller Ockham Asset Management. If the error is caused by the broker-dealer, the broker-dealer is responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. Miller Ockham Asset Management may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons). Miller Ockham Asset Management will never benefit or profit from trade errors.

### **Block Trading Policy**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Miller Ockham Asset Management believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more

equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Miller Ockham Asset Management uses a pro rata allocation method for transaction allocation, which means an allocation of the trade at issue among applicable advisory clients in amounts that are proportional to the participating advisory clients' intended investable assets. Miller Ockham Asset Management will calculate the pro rata share of each transaction included in a block order and assign the appropriate number of shares of each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Miller Ockham Asset Management or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

#### **Day Trading Managed Account Services**

Accounts are reviewed on a daily basis by the firm's Chief Executive Officer and Chief Compliance Officer, Alan Miller. The principal daily check is to ensure that the end-of-day value of the account is consistent with the beginning-of-day value of the account, plus realized gains, minus realized losses and minus transaction costs. This check is quite straightforward to perform, because in terms of the trading rules as described above, all positions must be closed by the end of each day, i.e. no account must carry any overnight exposure to market risk.

#### **Classic Asset Management Services**

Accounts are reviewed on a monthly basis by the firm's Chief Executive Officer and Chief Compliance Officer, Alan Miller. The historical investment performance and volatility of the account is compared to an appropriate benchmark, if applicable. The weightings of individual securities and market sectors are reviewed, and if deemed necessary, exposures are cut back with the aim of reducing stock-specific, industry or market risk. If considered necessary, existing securities are sold and new securities are purchased, to take account of price movements or opportunities, which may change in the light of market conditions.

### **Statements and Reports**

For our Asset Management Services, you are provided with regular account statements electronically from the qualified custodian via their website. Additionally, Miller Ockham Asset Management may provide performance reports to you quarterly and monthly upon request.

Subject to information security requirements and compliance rules, the firm will also provide position reports on a quarterly or on-demand basis. Clients are urged to compare position reports provided by our firm against the account statements received from TradeStation or Interactive.



Clients of our Consulting Services will receive reports on a basis and frequency agreed with the individual client.

#### **Item 14 – Client Referrals and Other Compensation**

Miller Ockham Asset Management enters into agreements with solicitors (referring parties) to refer clients to us. The referral agreements between our firm and referring parties are designed to comply with SEC Rule 206(4)-3 governing solicitor arrangements. If a referred client enters into an investment advisory agreement with our firm and a cash referral is paid to the referring party or referring parties, such fee(s) will be paid as a fixed fee or a percentage of the client advisory fees generated. Written disclosure in the form of a Solicitor Disclosure Statement which outlines the relationship between our firm and the referring party including specifics of the referral fees paid to the referring party is provided to clients at the time of solicitation.

Every client referred by a referring party or referring parties must sign a copy of the Solicitor Disclosure Statement upon entering into our investment advisory or financial planning agreements. The referral fee(s) disclosed to the client may be payable to the referring party for the duration of Miller Ockham Asset Management's advisory relationship with the client, whether or not our investment or trading strategies, or the client's investment objectives, change over time, or for such shorter period as may be agreed with the referring party or parties and disclosed to the client. We will have no further referral fee obligation if a referring party's representations and warranties outlined in our referral agreement become inaccurate or untrue, or if our investment advisory agreement with the client is terminated for any reason. In those states that require solicitors to be licensed or filed as a registered investment advisor, we may require the solicitor to be licensed or filed under our firm's registration.

The only compensation received by Miller Ockham Asset Management from advisory services is the Performance Based Fees, Asset Management Fees and/or Consulting Services Fees, as described in *Item 5* of this Disclosure Brochure.

#### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Miller Ockham Asset Management is deemed to have custody of client funds and securities whenever Miller Ockham Asset Management is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Miller Ockham Asset Management will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

We have established procedures to ensure all client funds and securities are held at a qualified custodian (i.e. TradeStation or Interactive) in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are provided electronically from the qualified custodian to each client, or the client's independent representative, at least quarterly via their website. Clients should carefully review those statements and are urged to compare the statements against

reports received from Miller Ockham Asset Management. When clients have questions about their account statements, they should contact Miller Ockham Asset Management or the qualified custodian preparing the statement.

### **Item 16 – Investment Discretion**

When providing Asset Management Services, Miller Ockham Asset Management maintains trading authorization over your Account and provides management services strictly on a **discretionary** basis. Discretionary trading authority must be granted, in writing, by each client in our agreement for services. Discretionary trading authority provides us the authority to determine the securities for your portfolio without obtaining your consent for each transaction.

If you decide to grant trading authorization on a non-discretionary basis, which is strongly discouraged, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject my investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if you are not able to be reached or are slow to respond to my request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

### **Item 17 – Voting Client Securities**

Miller Ockham Asset Management does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, in the event that you wish to vote proxies, it is your own responsibility to vote all proxies for securities held in Account. You may request proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies.

### **Item 18 – Financial Information**

This *Item 18* is not applicable to this brochure. Miller Ockham Asset Management does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Miller Ockham Asset Management has not been the subject of a bankruptcy petition at any time.

## Customer Privacy Policy Notice

In November of 1999, Congress enacted the Gramm-Leach-Bliley Act (GLBA). The GLBA requires certain financial institutions, such as investment advisor firms, to protect the privacy of customer information. In situations where a financial institution does disclose customer information to nonaffiliated third parties, other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure. Miller Ockham Asset Management does not share or disclose customer information to nonaffiliated third parties except as permitted or required by law.

Miller Ockham Asset Management is committed to safeguarding the confidential information of its clients. We hold all personal information provided by clients in the strictest confidence and it is the objective of our firm to protect the privacy of all clients. Except as permitted or required by law, we do not share confidential information about clients with nonaffiliated parties. In the event that there were to be a change in this policy, we will provide clients with written notice and clients will be provided an opportunity to direct our firm as to whether such disclosure is permissible.

To conduct regular business, Miller Ockham Asset Management may collect personal information from sources such as:

- Information reported by the client on applications or other forms the client provides to our firm
- Information about the client's transactions implemented by others
- Information developed as part of our investment advisory services

To administer, manage, service, and provide related services for client accounts, it is necessary for Miller Ockham Asset Management to provide access to customer information within the firm and to nonaffiliated companies with whom we have entered into agreements with. To provide the utmost service, our firm may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on the firm's behalf.

- Information our firm receives from the client on applications (name, social security number, address, assets, etc.)
- Information about the client's transactions with others (account information, payment history, parties to transactions, etc.)
- Information concerning investment advisory account transactions
- Information about a client's financial products and services with our firm

Since Miller Ockham Asset Management shares nonpublic information solely to service client accounts, our firm does not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. However, we may also provide customer information outside of the firm as required by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas. In the event that our firm has a change to its customer privacy policy that would allow it to disclose non-public information not covered under applicable law, we will allow our clients the opportunity to opt out of such disclosure.

